CITY OF TORRANCE, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

DEPARTMENT OF FINANCE · FISCAL YEAR ENDED JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025

Prepared by
Department of Finance

Ian Dailey
Finance Director

CITY OF TORRANCE, CALIFORNIA

CITY OF TORRANCE, CALIFORNIA

Annual Comprehensive Financial Report

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INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF TORRANCE

December 30, 2025

Honorable Mayor and City Council
and Citizens of the City of Torrance

In accordance with Article 11 of the City Charter, the Finance Department hereby submits the Annual Comprehensive Financial Report for the City of Torrance for the fiscal year ended June 30, 2025.

The report has been prepared by the Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in pronouncements of the Governmental Accounting Standards Board (GASB). GASB has primary responsibility for determining current accounting and financial reporting standards for activities and transactions of state and local government entities.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City. The City believes the data is accurately presented in all material respects. The financial data is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

REPORTING ENTITY

The Financial Reporting Entity (the government) includes all the funds and capital assets of the primary government (i.e. the City of Torrance, as legally defined) as well as its financial reporting component units. Financial reporting component units such as the Torrance Public Property Financing and the Torrance Joint Powers Financing Authority are legally separate entities for which the City of Torrance is financially accountable.

THE CITY

The City of Torrance is Los Angeles County's eighth largest city, by population, was founded in 1912, incorporated in 1921, and became a charter city in 1947. The City has a population of 143,261 within a boundary of approximately 21 square miles. The

City borders the beautiful Pacific Ocean and is an integral part of the larger regional area known as the South Bay. The City of Torrance provides a wide range of services. These services include police and fire protection; sanitation, sewer and water services; a library system; a cultural arts center and gallery; recreational services; a municipal airport and transit bus services; the construction and maintenance of streets and infrastructure; planning and zoning; and general administrative and support services.

ECONOMIC DEVELOPMENT HIGHLIGHTS

The City continues its efforts to support local economic development through the City Manager's Office of Economic Development targeted at attracting new businesses and as well as retaining those currently thriving in the City. In the area of tourism, the number of visitors to Torrance hotels has remained steady with occupancy higher than neighboring cities. Finally, several developments are underway throughout the City including the following:

- **Gable House Redevelopment Project (22501 Hawthorne Boulevard):** 218 mixed-income apartments with 12,000 sq. ft. of commercial space; construction underway.
- **Del Amo Circle Apartments (21507 Hawthorne Boulevard):** 200-unit, five-story complex with rooftop amenities; construction underway.
- **Lennar Homes (21515 Madrona Avenue):** 274-unit townhome community; construction underway.
- **Rose Equities (2325 Crenshaw Boulevard):** 272-unit apartment complex with subterranean parking; project entitled.
- **City Ventures (1407-1455 Crenshaw Boulevard):** 35-unit townhome development; in plan check phase.
- **Prologis (Northeast corner of Prairie/Madrona Avenue and Del Amo Boulevard):** 403,000 sq. ft. industrial warehouse with office space; in entitlement phase.
- **The Brookhollow Group (KP Torrance Commerce Center, LLC):** 132,425 sq. ft. industrial/cold storage facility; in plan check process.

This highlights just a few of the major developments underway as the City continues to prioritize numerous efforts to ensure ongoing growth in the City's revenue base.

FINANCIAL FORECAST AND FUTURE OUTLOOK

The financial forecast and future outlook are discussed in greater detail in the Management Discussion and Analysis section of the City's Annual Comprehensive Financial Report.

The City's financial status continues to remain strong with the City's unrestricted fund balance for the General Fund ending the fiscal year at $104.8 million, or 36.3% of annual expenditures. Staff continue to monitor the fiscal health of the City through multi-year projections. In these projections, CalPERS unfunded accrued liability payments are anticipated to increase over the next decade. To mitigate the impacts of these rising costs, the City has established its CalPERS Section 115 Trust (CEPPT),

which ended the fiscal year at $40.9 million and is part of the General Fund's restricted fund balance. The City is currently budgeted to make its first drawdown from the CEPPT fund in fiscal year 2025-26 to smooth out these rising pension costs. Despite this planned use of fund balance, the City continues to project structural balance over the long-term in its 10-year financial model.

The City has made progress with the City's Self-Insurance fund. Over the last five years, the City has been able to improve its funded status from 18.6% (FY20-21) to 34.6% (FY24-25). The enterprise funds continue to function well overall. Water rates were recently reevaluated, and rate increases were approved in November 2024. The Sewer/Wastewater rate increases and Sanitation/Refuse Collection rate increases were approved in December 2022 and June 2023, respectively.

INTERNAL CONTROLS

The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that the above-referenced objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be realized; and (2) the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROLS

The City employs a two-year operating budget and a five-year capital budget process. In year one of the biennial operating budget cycle, the City Council adopts authorized appropriations for the first year of the two-year budget and approves "planned" appropriations for the second fiscal year. In year two of the operating budget cycle, the City Council considers revisions and formally adopts authorized appropriations for the second fiscal year. Although the budget cycle covers a two-year period, the City Charter requires City Council to approve the annual appropriations. The City's Five-Year Capital Budget is updated each year, with amendments and appropriations done annually, similar to the operating budget based on the financial viability to fund new infrastructure projects.

The City's annual appropriated budget is established and controlled at the fund and individual organization level (department). The budget is monitored at a more detailed level (program) that closely tracks cost. City Manager and Department Directors are held accountable for meeting the objectives within each of their programs, and for monitoring the use of budget allocations to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council.

The City also maintains an encumbrance accounting system as another technique in accomplishing budgetary control. All operating appropriations lapse at year-end to the

extent they have not been expended or encumbered. Capital project appropriations lapse when individual projects are closed.

INDEPENDENT AUDIT

The City Charter requires an annual audit of the records and accounts of the City by an independent Certified Public Accountant. This requirement has been complied with the auditor's report which has been included in this report.

AWARDS

The staff of the City of Torrance Finance Department has continued its efforts to improve the method of providing financial information to the elected and appointed officials of the City and to the citizens of Torrance.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City for the fiscal year 2025-26 Adopted Operating Budget and Capital Improvement Plan for the fourth consecutive year. Included with this designation was a special recognition for Special Long Range Financial Plans. The award is valid for one year only. In order to be awarded a Distinguished Budget Presentation Award an entity must meet the highest principles of governmental budgeting. The City had to satisfy nationally recognized guidelines for effective budget presentation. The guidelines assess how well a budget serves as a policy document, financial plan, operations guide and a communications device.

Additionally, the California Society of Municipal Finance Officers (CSMFO) awarded Operating Budget Excellence Award to the City for its annual budget document for the fiscal year 2024-25 for the second consecutive year. This award recognizes public sector agencies with well-presented budget documents, best practices, processes, and procedures and is valid for a one-year period. The City submitted an application for award consideration for the fiscal year 2025-26 Adopted Operating Budget, and we believe the budget document continues to meet the requirements.

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Torrance for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The City has received this award annually since 1987. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

OTHER

The City recommends that the Management Discussion and Analysis section be read in conjunction with the other sections of the ACFR to obtain an understanding of the City's financial condition as of June 30, 2025. This section also provides an overview of the City's financial activities during the fiscal year.

Respectfully submitted,

Ian Dailey
Finance Director

CITY OF TORRANCE
DIRECTORY OF CITY OFFICIALS

June 30, 2025

CITY COUNCIL

George K. Chen, Mayor

Dr. Jeremy Gerson	**Bridgett Lewis**
Jon Kaji	**Aurelio Mattucci**
Sharon Kalani	**Asam Sheikh**

CITY CLERK

Rebecca Poirier

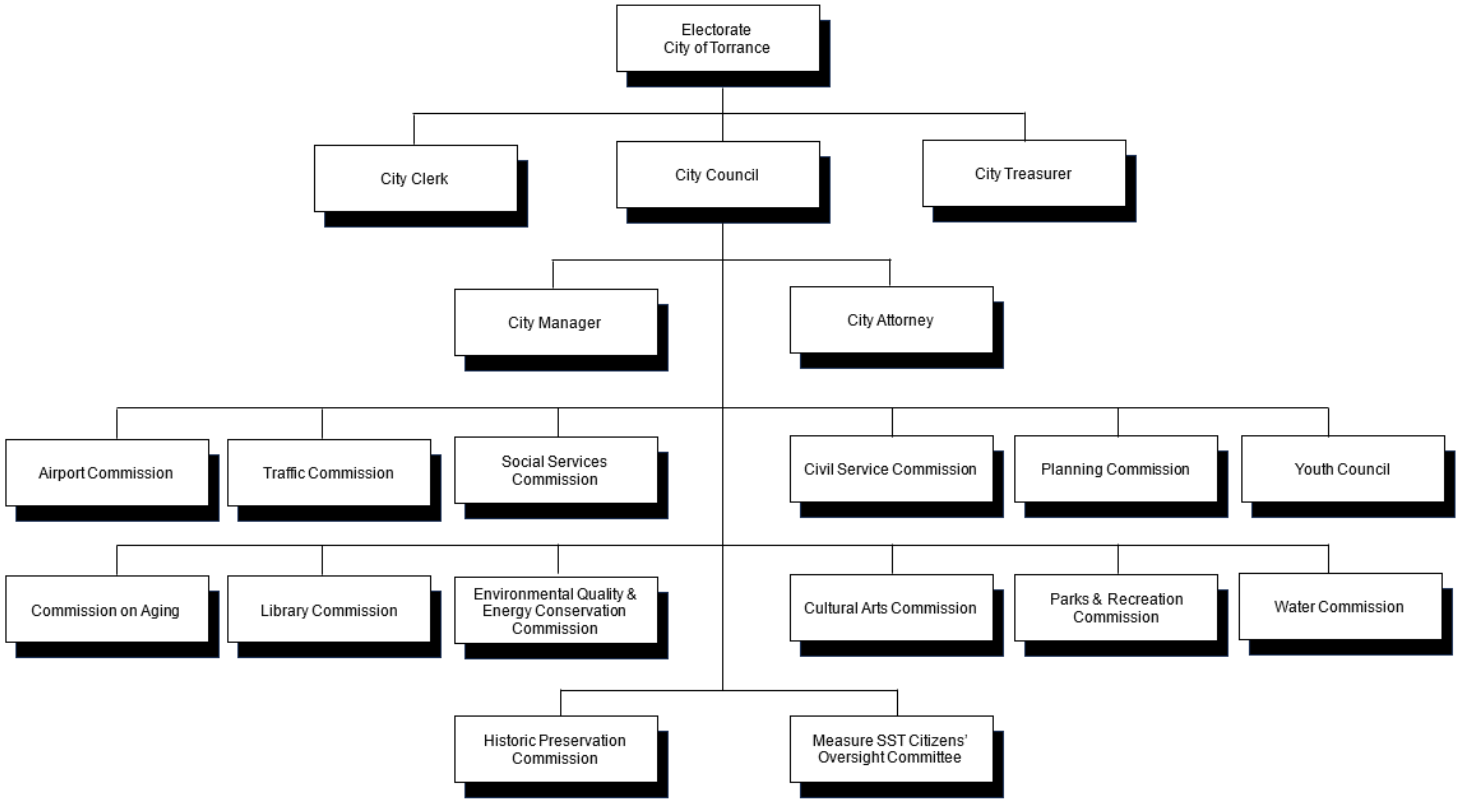
CITY TREASURER

Tim Goodrich

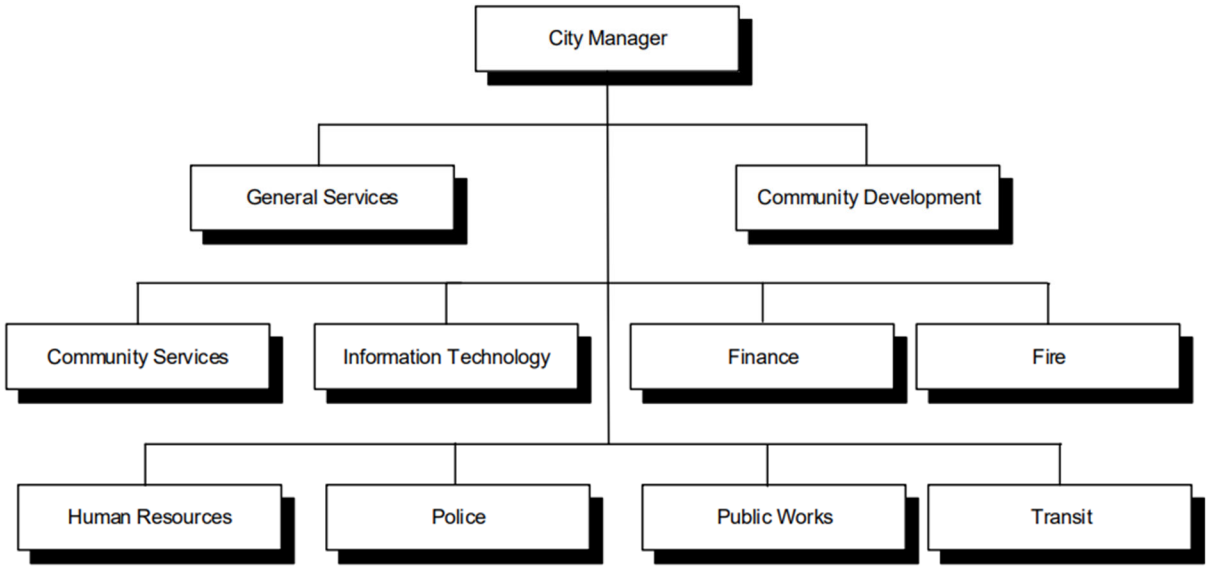
ADMINISTRATION

Aram Chaparyan, City Manager
Danny Santana, Assistant City Manager
Ian Dailey, Finance Director
Patrick Q. Sullivan, City Attorney
Michelle Remirez, Community Development Director
John La Rock, Community Services Director
David Dumais, Fire Chief
Shant Megerdichian, General Services Director
Hedieh Khajavi, Human Resources Director
Andrei Yermakov, Information Technology Director
Jeremiah Hart, Police Chief
Craig Bilezerian, Public Works Director
Kim Turner, Transit Director

ELECTED AND APPOINTED OFFICIALS



CITY DEPARTMENTS



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Torrance
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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+ COMPANY LLP

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\ SACRAMENTO
\ FRESNO
\ PHOENIX
\ LAS VEGAS
\ MANILA, PH

Independent Auditor's Report

The Honorable Mayor and the Members of the City Council
City of Torrance, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Torrance, California as of June 30, 2025, the respective changes in financial position, the budgetary comparison for the General Fund, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Implementation of a New Accounting Standard
As discussed in Notes 1 and 19, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 27, and the required supplementary information on pages 103 through 144 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary comparison 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 GAAS. In our opinion, the supplementary information is 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 a report dated December 30, 2025 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Glendale, California
December 30, 2025

MANAGEMENT DISCUSSION & ANALYSIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

As management of the City of Torrance, California (City), we provide readers of the Annual Comprehensive Financial Report (ACFR) this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025 (Fiscal Year 2024-25). It is recommended this information be read in conjunction with the City's transmittal letter in the preceding section and the accompanied financial statements, which immediately follows this section, in order to obtain a thorough understanding of the City's financial condition on June 30, 2025.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $362.3 million, as of June 30, 2025. Of this amount, $513.4 million represents net investment in capital assets, $155.4 million represents net position restricted for specific purposes, and ($306.5) million represents unrestricted deficit in net position. ($423.9) million represents unrestricted deficit in net position for governmental activities and $117.4 million represents unrestricted net position for business-type activities.
- The City's total net position at fiscal year-end increased $43.3 million, to $362.3 million, which is primarily driven by the accumulation of current assets which increased by $77.0 million to $698.8 million as of June 30, 2025. This increase is net of adjustment of the beginning net position balance resulting from GASB 101 implementation which amounted to $7 million.
- The City's net capital assets (Table 4) increased by $33.0 million or 5.9% to $597.0 million as of June 30, 2025, as the City continues to invest and complete capital projects. This also includes the intangible assets, net of accumulated amortization per implementation of GASB 96 for Subscription-Based Information Technology Arrangements (SBITA).
- The City's outstanding debt (Table 5) decreased by $11.3 million to $379.0 million as of June 30, 2025. Within the City's governmental activities, outstanding debt decreased by $10.7 million due to payments made on the 2020 and 2021 Lease Revenue Bonds and 2016 Refunding Certificates. Within the City's business-type activities, long-term debt decreased by $0.6 million due to continued payments made on the installment loan agreement to drill and construct a new water well, for the North Torrance Well Field Project.
- The City's total pension liability decreased $18.6 million from $250.5 million in fiscal year 2023-24 to a $231.9 million total pension liability in fiscal year 2024-25.
- The City's other postemployment benefits (OPEB) liability increased from $61.7 million in fiscal year 2023-24 to $63.9 million in fiscal year 2024-25, an increase of $2.2 million or 3.6%.
- At the end of the fiscal year, the City's governmental funds reported total year ending fund balances of $253.6 million, compared to $212.0 million at the end of the prior fiscal year, which is an increase of $41.6 million.

- The General Fund reported an ending fund balance of $150.8 million as of June 30, 2025, compared to $120.1 million as of June 30, 2024, which represents an increase of $30.7 million. Excess revenues over expenditures (before transfers and SBITA) were $7.0 million in 2024-25, which represents a decrease from $33.6 million in 2023-24. More detailed analysis is included in the Financial Analysis section below.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements found in three main sections: government-wide financial statements, fund financial statements, and notes to the basic financial statements.

In Fiscal Year 2024-25, the City has implemented GASB 101 related to Compensated Absences which resulted in restatement of beginning net position in both the governmental activities and the business-type activities. The City also implemented GASB 102, this standard did not have an impact on the City's financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide information about the financial activities of the City as a whole and present a longer view of the City's finances, similar to private-sector businesses. These reports separate functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities include all of the City's basic services, such as general government, public safety (police and fire), public works, community development, and culture and recreation. Property taxes, sales taxes, utility users' taxes, and occupancy taxes finance most of these activities. Business-type activities include functions such as the City's airport, transit, water, sanitation, and sewer funds.

The *Statement of Net Position* provides information using the accrual basis of accounting on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources reported as *net position.* Over time, changes to a City's net position may serve as one indicator of whether the financial position of the City is improving or deteriorating. Additional factors such as changes in the City's revenue receipt pattern need to be considered in assessing the overall health of the City.

The *Statement of Activities* provides information showing how the City's net position changed during the fiscal year. The changes in net position are reported when revenues are earned and expenses are incurred, regardless of the timing of related cash flows.

Fund financial statements. The City establishes funds as a grouping of related accounts to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

requirements. Additionally, some funds are required to be established by State law and by bond covenants. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances on these spendable resources at fiscal year-end. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. This information is helpful in assessing the City's near-term financing requirements. Fund financials also report the City's operations in greater detail compared to the government-wide statements by providing information about the City's most significant funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information presented in the governmental funds with the governmental activities. This provides readers with a sense of the long-term impacts from the City's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances are both accompanied by a reconciliation to the government-wide financial statements to facilitate comparison between governmental funds and governmental activities.

The City maintains 35 individual governmental funds for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, which is the only major fund this fiscal year. Data for the remaining 34 non-major governmental funds are combined into a single, consolidated presentation. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary information section of this report (special revenue, capital projects and debt service).

Proprietary Funds. Proprietary funds are used to account for the same functions reported in the government-wide financial statements, with a greater level of detail including cash flows. The City maintains two types of proprietary funds: enterprise funds and internal services funds. Enterprise funds are used to report the same activity as business-type activities in the government-wide financial statements. Internal service funds are an accounting device for funds that provide supplies and services to other programs and activities within the City as well as a way to account for inter-fund charges for City departments. The City uses internal service funds to account for its fleet services, risk management, and postemployment benefits operations. The proprietary fund financial statements provide information for the Transit System, Water, Sewer, and Municipal Airport funds, which are considered major funds of the City.

Fiduciary Funds. Fiduciary funds consist of private-purpose trust funds and custodial funds. The City is the trustee, or fiduciary, for its employees' pension plans. It is also

responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statement of Net Position – Fiduciary Funds. 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 for their intended purposes.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes should be read in conjunction with the financial statements to have a greater understanding of the status of the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position can be a useful indicator, over time, of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $362.3 million at the close of this fiscal year.

As shown on the next page, the City's net position is broken down to three main categories: net investment in capital assets, restricted, and unrestricted. Currently, the majority of the City's net position, $513.4 million, is associated with net investment in capital assets. The City uses these capital assets to provide services to citizens, therefore, these assets are not available for future spending. An additional portion of the City's net position, $155.4 million, represents resources that have restrictions on how they may be used. The remaining balance of the City's unrestricted net position, ($306.5) million, represents the City's unrestricted net position. Due to the implementation of GASB 68 and GASB 75, which updated the way the City reported pensions and other postemployment benefits, this has made this value negative. The City continues to implement its financial plan, paying its CalPERS pension unfunded accrued liability (UAL) each year, to ensure that the City's total pension liability is reduced over time. Additionally, in October 2020, the City issued $349.5 million in Lease Revenue Bonds that were utilized to pay down a large portion of the City's UAL effectively refinancing this obligation at a reduced interest rate. It is anticipated this will save the City approximately $172.2 million over the duration of the bonds, which are fully paid down by Fiscal Year 2044.

The City's net position for fiscal year 2024-25 compared to 2023-24 is shown in Table 1:

Table 1
Statement of Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$355.8	$310.0	$343.0	$311.8	$698.8	$621.8
Capital assets	419.9	392.8	177.1	171.2	597.0	564.0
Total assets	**775.7**	**702.8**	**520.1**	**483.0**	**1,295.8**	**1,185.8**
Deferred outflows of resources	**94.7**	**144.2**	**7.7**	**12.9**	**102.4**	**157.1**
Long-term debt	730.0	746.6	41.4	30.7	771.4	777.3
Current and other liabilities	80.6	60.6	23.9	23.4	104.5	84.0
Total liabilities	**810.6**	**807.2**	**65.3**	**54.1**	**875.9**	**861.3**
Deferred inflows of resources	**6.7**	**7.9**	**153.3**	**154.7**	**160.0**	**162.6**
Net investment in capital assets	353.1	330.7	160.3	167.1	513.4	497.8
Restricted	123.9	105.0	31.5	32.3	155.4	137.3
Unrestricted	(423.9)	(403.8)	117.4	87.7	(306.5)	(316.1)
Net Position	**$53.1**	**$31.9**	**$309.2**	**$287.1**	**$362.3**	**$319.0**

Total assets increased $110.0 million or 9.3% from the prior fiscal year. Governmental activities increased by $72.9 million and business-type activities increased by $37.1 million. The increase in governmental activity assets is primarily driven by increases in pooled cash and investments and cash with fiscal agents. The increase in business-type activity assets is primarily driven by increases in pooled cash and investments and accounts receivable (specifically accounts receivable related to the pending receipt of a substantial legal settlement).

Total deferred outflows of resources decreased by $54.7 million from the prior fiscal year. Governmental activities decreased $49.5 million and business-type activities decreased $5.2 million. Per GASB 68, deferred outflows of resources represent a consumption of net assets that applies to future reporting periods. The decrease in the deferred outflows of resources was primarily due to decreased in differences in projected and actual earnings for pension plans.

Total liabilities increased $14.6 million or 1.7% from the prior fiscal year. Governmental activities increased by $3.4 million and business-type activities increased by $11.2 million. The increase in governmental activities is primarily driven by increases in accrued settlement liabilities in the Self Insurance fund offset by decreases in total pension liability. The increase in business-type activities is primarily driven by the issuance of new debt in the Water Enterprise Fund to fund the construction of new ground water wells and a new transmission main.

Overall, as a result of the above changes, the City's total net position increased by a total of $43.3 million. Net position of the City's governmental activities amounted to $53.1 million. $353.1 million is net governmental investment in capital assets such as land, buildings, machinery, infrastructure, equipment and other capital improvements, net of related debt; $123.9 million is restricted for streets and highways, capital projects, community development, public safety, pension and debt service; and ($423.9) million is unrestricted. The net position of the City's governmental activities increased by $21.2 million (FY2024-25 is $53.1 million compared to FY2023-24 of $31.9 million) prior to restatement. Net position of the City's business-type activities amounted to $309.2 million. $160.3 million is net investment in capital assets, $31.5 million is restricted for the Transit System Fund, and $117.4 million is unrestricted. The net position of the City's business-type activities increased by $22.1 million (FY2024-25 is $309.2 million compared to FY2023-24 of $287.1 million) prior to restatement. This is discussed in more detail in the following section, Changes in Net Position.

Changes in net position

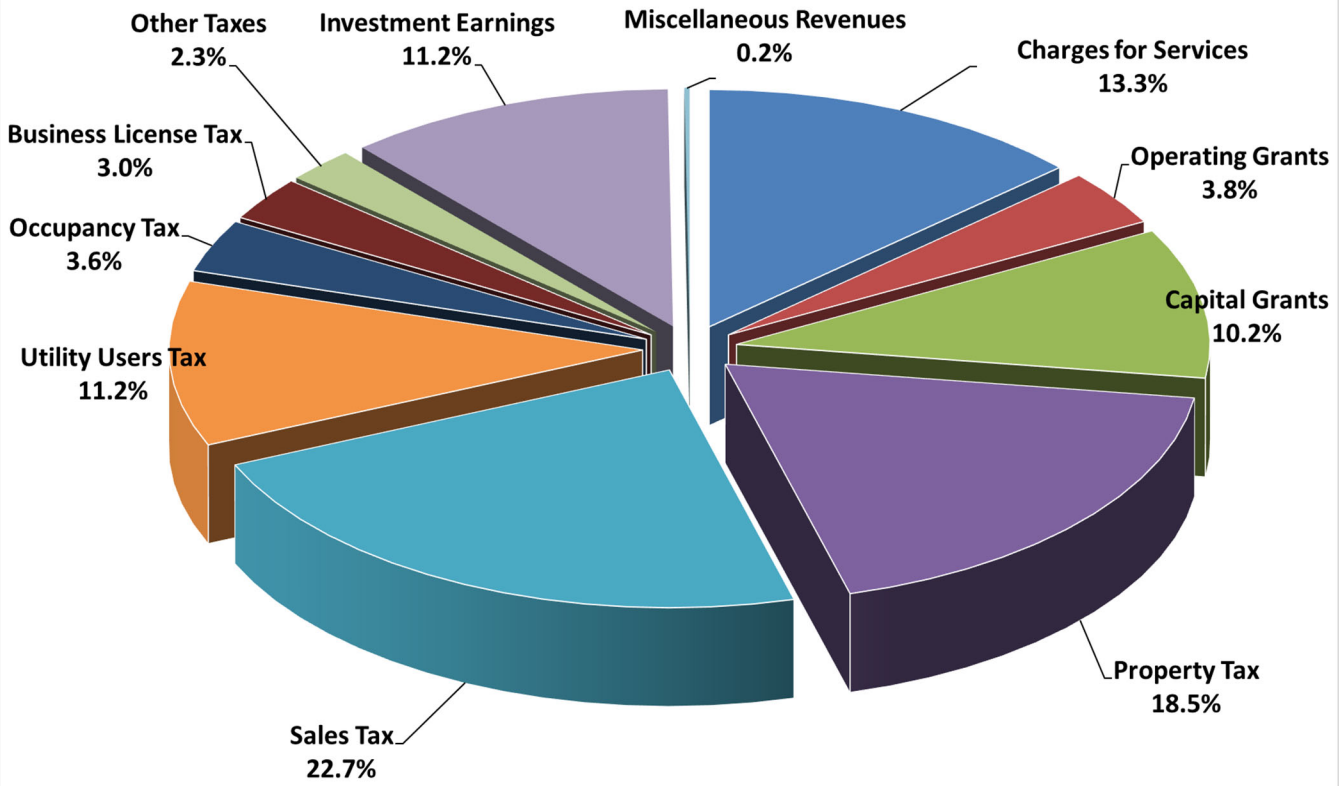
The City's total revenues are $529.4 million and total costs of all programs and services are $479.1 million which resulted in a change in net position of $50.3 million during the year (See Table 2). The City restated the beginning net position due to the implementation of GASB 101, Compensated Absences.

Table 2
Summary of Changes in Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues						
Program revenues:						
Charges for services*	$48.4	$33.8	$122.4	$96.2	$170.8	$130.0
Operating grants/contributions	13.8	13.6	30.8	26.0	44.6	39.6
Capital grants/contributions	37.2	30.9	0.6	0.1	37.8	31.0
General revenues:						
Property taxes	67.4	64.2	-	-	67.4	64.2
Sales taxes	82.7	85.5	-	-	82.7	85.5
Utility users tax	40.9	40.7	-	-	40.9	40.7
Occupancy tax	13.0	12.6	-	-	13.0	12.6
Business license tax	10.9	10.5	-	-	10.9	10.5
Other taxes*	8.3	19.1	-	-	8.3	19.1
Investment earnings	40.9	35.4	11.1	9.7	52.0	45.1
Motor vehicle tax (unrestricted)	0.2	0.2	-	-	0.2	0.2
Miscellaneous	0.7	0.8	0.1	0.6	0.8	1.4
Total revenues	**364.4**	**347.3**	**165.0**	**132.6**	**529.4**	**479.9**
Expenses						
General government	50.6	44.8	-	-	50.6	44.8
Public safety	200.1	184.0	-	-	200.1	184.0
Public works	47.0	31.2	-	-	47.0	31.2
Culture and recreation	27.7	26.1	-	-	27.7	26.1
Community development	20.8	18.8	-	-	20.8	18.8
Interest on long-term debt	13.0	13.0	-	-	13.0	13.0
Airport	-	-	8.7	7.1	8.7	7.1
Transit	-	-	39.7	34.3	39.7	34.3
Water	-	-	52.1	48.5	52.1	48.5
Sewer	-	-	4.8	4.6	4.8	4.6
Sanitation	-	-	14.6	15.7	14.6	15.7
Total expenses	**359.2**	**317.9**	**119.9**	**110.2**	**479.1**	**428.1**
Excess of revenues over expenses before transfers	5.2	29.4	45.1	22.4	50.3	51.8
Transfers	22.4	8.4	(22.4)	(8.4)	0.0	0.0
Increase (decrease) in net	**$27.6**	**$37.8**	**$22.7**	**$14.0**	**$50.3**	**$51.8**
Net Position - beginning (as previously reported)	31.9	(5.8)	287.1	273.1	319.0	267.3
Restatement for change in accounting principle (note 19)	(6.4)	-	(0.6)		(7.0)	-
Net Position - beginning (as restated)	**25.5**	**(5.8)**	**286.5**	**273.1**	**312.0**	**267.3**
Net Position-ending	**$53.1**	**$31.9**	**$309.2**	**$287.1**	**$362.3**	**$319.0**

Governmental Activities: Revenues. The City's governmental activities total revenues of $364.4 million, by category, are shown below in Figure A-1.

Figure A-1
Sources of Revenue Governmental Activities



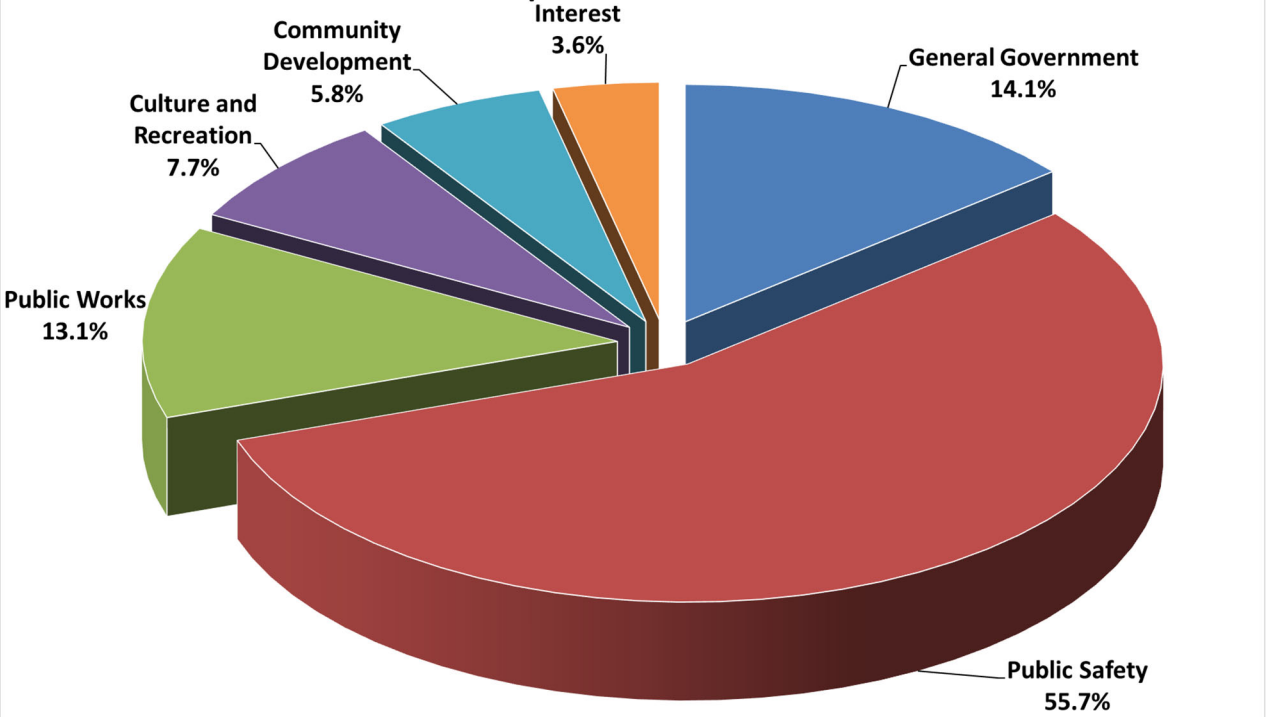
Overall, revenues for the City's governmental activities increased by $17.1 million, or 4.9%. The largest category of revenue for governmental activities is sales tax, which represents 22.7% of total governmental activities revenues. This category totaled $82.7 million in fiscal year 2024-25, compared to $85.5 million in fiscal year 2023-24, which is a decrease of $2.8 million or 3.3%. This is primarily due to lower sales tax receipts than prior year, specifically in the category of Business and Industry. The second largest category is property tax (including all rolls and vehicle license fee swap), which represents 18.5% of total governmental activities revenues. This category totaled $67.4 million in fiscal year 2024-25, compared to $64.2 million in fiscal year 2023-24, which is an increase of $3.2 million or 5.0%. This is primarily due to growth in the City's net taxable assessed property values. The third largest category, the Charges for Services classification, represents 13.3% of total governmental activities revenues. This category totaled $48.4 million in fiscal year 2024-25, compared to $33.8 million in fiscal year 2023-24, which is a $14.6 million or 43.2% increase. $11.8 million of this is strictly due to change in financial reporting presentation noted in MD&A Note 1 (see page 20). After adjusting for this presentation

change, this increase is primarily due to increased revenues related to building permits and parking citations. The fourth largest category of revenues for governmental activities, investment earnings, increased by $5.5 million to $40.9 million in fiscal year 2024-25, up from $35.4 million in 2023-24. The fifth largest category is utility user's tax, which represents 11.2% of total governmental activities revenue. This category totaled $40.9 million in fiscal year 2024-25, compared to $40.7 million in fiscal year 2023-24, which is an increase of $0.2 million or 0.5%.

The category of Other Taxes decreased by $10.8 million to $8.3 million in fiscal year 2024-2025, down from $19.1 million in fiscal year 2023-24. $12.6 million of this decrease is strictly due to change in financial reporting presentation noted in MD&A Note 1 (see page 20). After adjusting for this presentation change, this revenue classification increased largely due to increased receipts for Construction Tax compared to the prior fiscal year.

Governmental Activities: Functional Expenses. The City's governmental activities total expenditures of $359.2 million as shown below in Figure A-2.

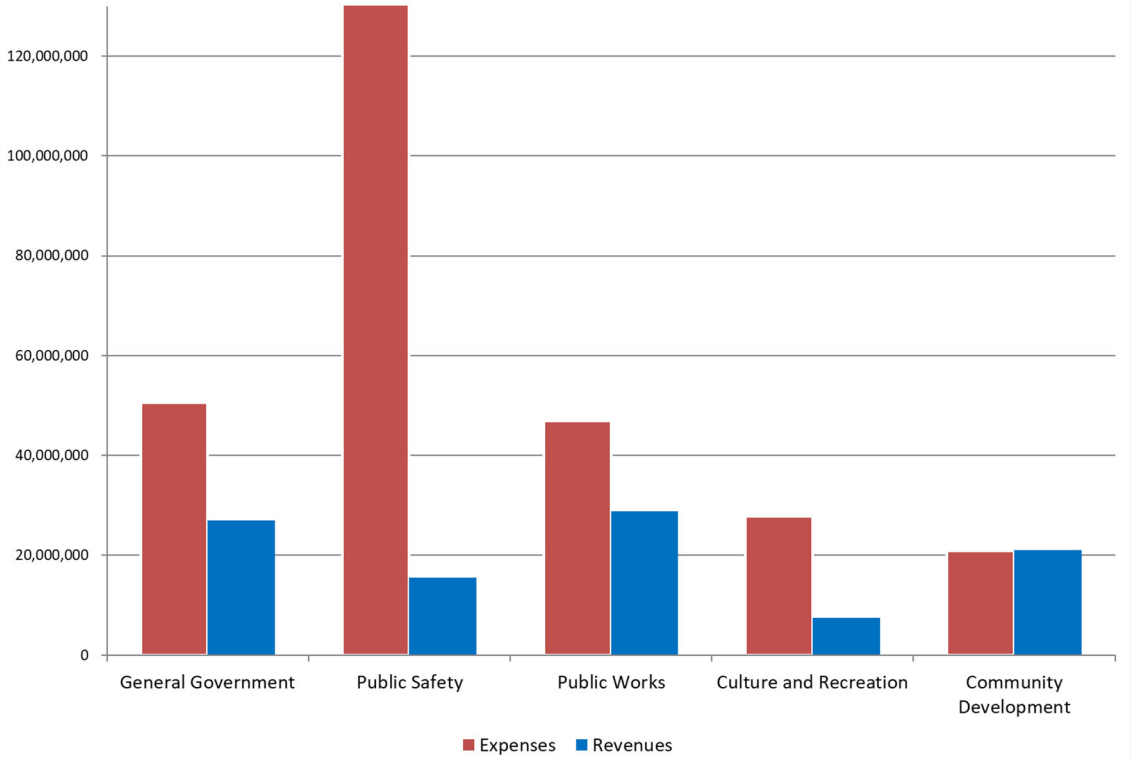
Figure A-2
Functional Expenses Governmental Activities



The City's governmental activities expenditures increased by $41.3 million or by 13.0%, when comparing fiscal year 2024-25 with fiscal year 2023-24. The largest category of expense for governmental activities is public safety, which represents 55.7% of total governmental activities expenses. This category totaled $200.1 million in fiscal year 2024-25, compared to $184.0 million in fiscal year 2023-24, which is an increase of $16.1 million or 8.7%. The second largest category is general government, which represents 14.1% of total governmental activities expenses. This category totaled $50.6 million in fiscal year 2024-25, compared to $44.8 million in fiscal year 2023-24, which is an increase of $5.8 million or 12.9%. The third largest category is public works, which represents 13.1% of total governmental activities expenses. This category totaled $47.0 million in fiscal year 2024-25, compared to $31.2 million in fiscal year 2023-24, which is an increase of $15.8 million or 50.6%.

Governmental Activities: Expenses and Program Revenues. The following chart, Figure A-3, compares program revenues and expenses for governmental activities (excluding interest on long-term debt).

Figure A-3
Expenses and Program Revenues Governmental Activities



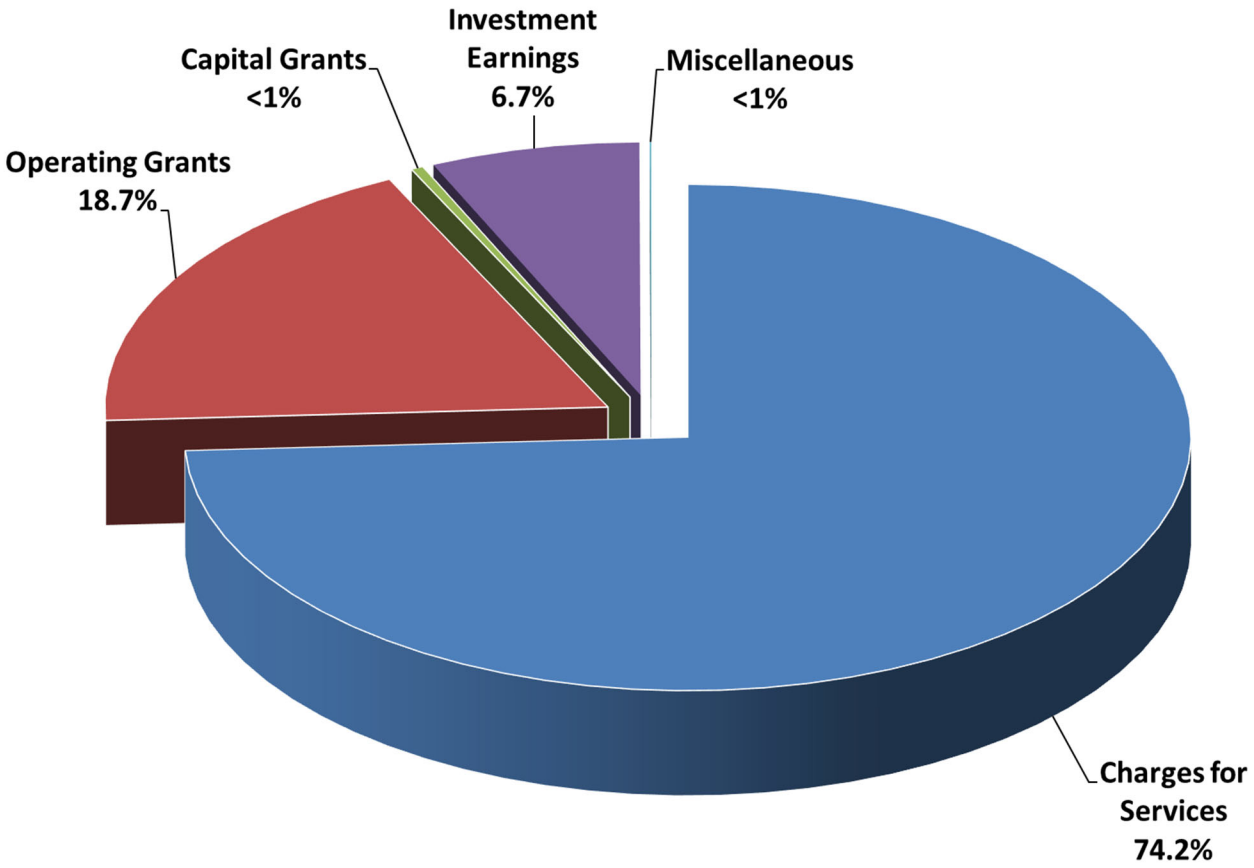
The comparison of direct expenses and program revenues demonstrates the extent to which each functional area is self-financing or draws from the general revenues of the City. A higher percentage of program revenues to direct expenses indicates a particular function is more self-sustaining through program revenues generated by activities of that function. In contrast, a lower percentage of program revenues to direct expenses indicates a function is primarily financed through general revenues.

The function with the highest percentage of program revenues to direct expenses in fiscal year 2024-25 is Community Development. Community Development had expenses of $20.8 million and program revenues of $21.0 million, which is a ratio of 101.0%. The second highest is Public Works. Public Works had expenses of $47.0 million and program revenues of $28.6 million, which is a ratio of 60.9%. The third highest is General Government. General Government had expenses of $50.6 million and program revenues of $26.9 million, which is a ratio of 53.2%.

The function with the lowest percentage of program revenues to direct expenses in fiscal year 2024-25 is Public Safety. Public Safety had expenses of $200.1 million and program revenues of $15.5 million, which is a ratio of 7.7%. The second lowest is Culture and Recreation. Culture and Recreation had expenses of $27.7 million and program revenues of $7.4 million, which is a ratio of 26.7%.

Business-type Activities: Revenues. The City's business-type activities total revenues of $165.0 million, by category, are shown below in Figure A-4.

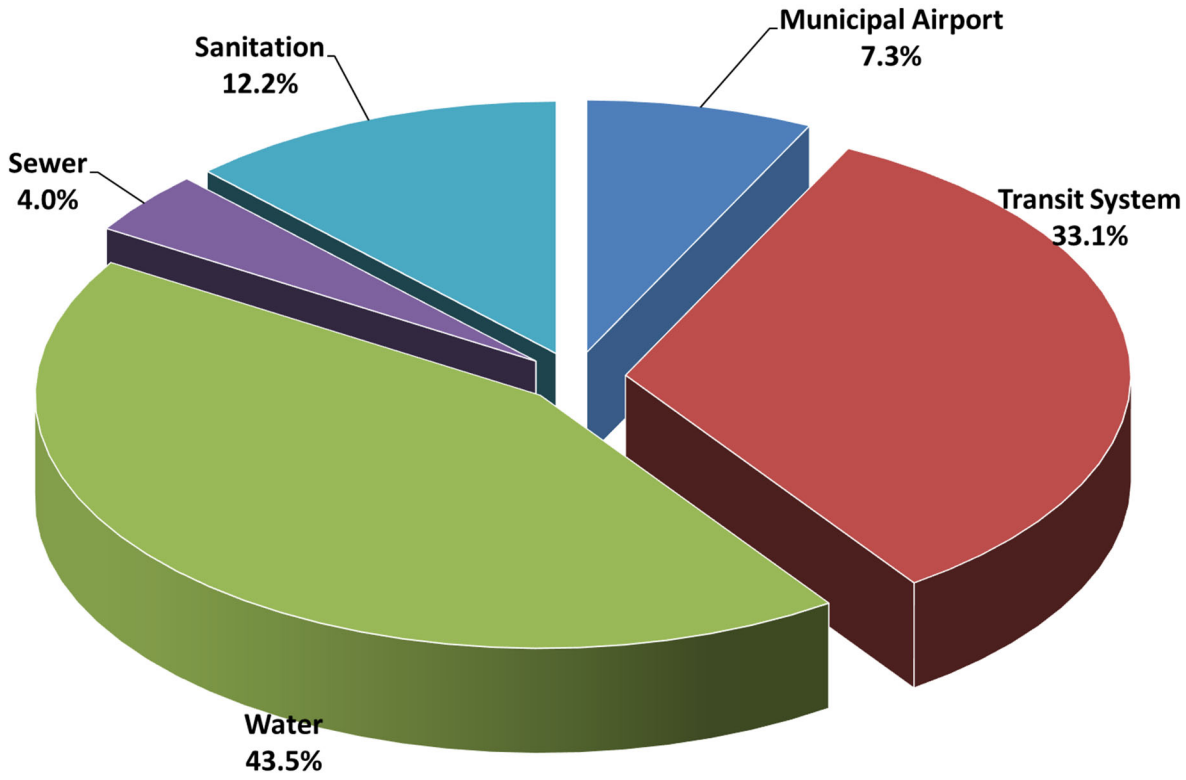
Figure A-4
Sources of Revenue Business-type Activities



Overall, revenues for the City's business-type activities increased by $32.4 million, or 24.5%. The largest category of revenue for business-type activities is charges for services, which represents 74.2% of total business-type activities revenues. This category totaled $122.4 million in fiscal year 2024-25, compared to $96.2 million in fiscal year 2023-24, which is an increase of $26.2 million or 27.1%, primarily due to the accrual of settlements related to ongoing remediation efforts. The second largest category is operating grants, which represent 18.7% of total business-type activities revenues. This category totaled $30.8 million in fiscal year 2024-25, compared to $26.0 million in fiscal year 2023-24, which is an increase of $4.8 million or 18.5%, primarily due to receipt of additional grant funding for the Transit Fund. The third largest category for business-type activities revenue is Investment Earnings, which showed increase of $1.4 million to $11.1 million in fiscal year 2024-25, compared to $9.7 million in fiscal year 2023-24.

Business-type Activities: Expenses. The City's business-type activities total expenses of $119.8 million, by category, are shown below in Figure A-5.

Figure A-5
Business-type Activities Expenses

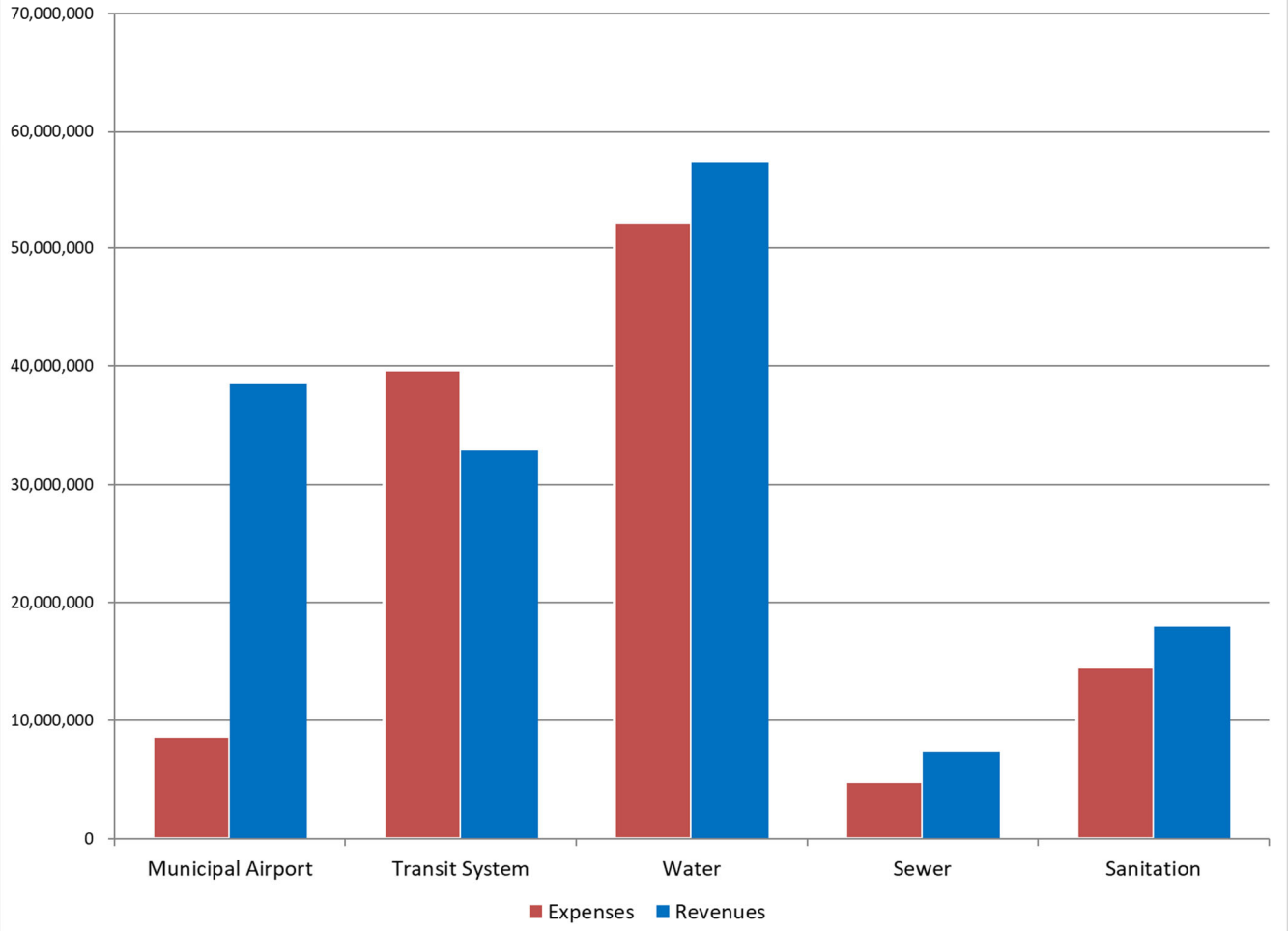


The City's business-type activities expenditures increased by $9.7 million, or 8.7%, when comparing fiscal year 2024-25 with fiscal year 2023-24. The largest category of expense for business-type activities is the City's Water Fund, which represents 43.5% of total business-type activities expenses. This category totaled $52.1 million in fiscal year 2024-25, compared to $48.5 million in fiscal year 2023-24, which is an increase of $3.6 million or 7.4%. This increase is mainly due to increased water costs and pumping assessment expenses. The second largest category is the City's Transit System Fund, which represents 33.1% of total business-type activities expenses. This category totaled $39.7 million in fiscal year 2024-25, compared to $34.3 million in fiscal year 2023-24, which is an increase of $5.4 million or 15.5%. This increase is mainly due to increased expenses for salary and benefits as Transit continues to expand its operating capacity. The third largest category is the City's Sanitation fund, which represents 12.2% of total business-type activities expenses. This category totaled $14.6 million in fiscal year 2024-25, compared to $15.7 million in fiscal year 2023-24,

a decrease of $1.1 million or 7.0%. This decrease is mainly due to reductions in assessed contributions to the Self Insurance Fund for liability claims.

Business-type Activities: Expenses and Program Revenues. The following chart, Figure A-6, compares program revenues and expenses for the city's business-type activities.

Figure A-6
Expenses and Program Revenues Business-type Activities



The comparison of direct expenses and program revenues demonstrates the extent to which each business-type activity area is self-financing, draws from its fund balance, or is supplemented with transfers. Since the chart above is a comparison of direct expenses and program revenues, it also does not include any transfers into/out of other funds. Overall, the City's business-type activities fund their own operations.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental funds

The focus of the City's major governmental funds is to provide information on near-term inflows, outflows, and balances on spendable resources. As the City completed the year, its governmental funds reported a combined fund balance of $253.6 million (See Table 3). The General Fund is the main operating fund of the City and is the only major fund this year.

Table 3
Statement of Revenues, Expenditures and Changes in Fund Balance
(In Millions)

	General Fund		Other Governmental Funds		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues						
Revenues:						
Taxes*	$222.0	$231.3	$1.3	$1.3	$223.3	$232.6
Licenses, fees and permits*	18.5	5.2	2.3	2.1	20.8	7.3
Fines, forfeitures and penalties	1.7	0.7	0.8	0.2	2.5	0.9
Use of money and property	14.6	10.8	26.3	25.3	41.0	36.1
Intergovernmental	0.4	0.4	50.8	44.2	51.2	44.6
Charges for current services	25.1	25.5	-	-	25.1	25.5
Other Revenues	0.2	0.7	0.4	0.3	0.6	1.0
Total revenues	**282.5**	**274.6**	**81.9**	**73.4**	**364.5**	**348.0**
Expenditures						
Current Expenditures						
General government	36.9	31.9	6.5	5.1	43.4	37.0
Nondepartmental	13.6	10.3	-	-	13.6	10.3
Public Safety	169.2	148.3	4.7	3.5	173.9	151.8
Public works	20.2	18.5	32.3	11.4	52.5	29.9
Culture and recreation	25.3	23.1	1.2	0.6	26.5	23.7
Community development	10.1	8.6	9.9	8.7	20.0	17.3
Debt Service						
Principal Retirement	-	-	10.6	10.0	10.6	10.0
Interest and fiscal charges	-	-	12.5	12.6	12.5	12.6
Capital lease	0.2	0.2	-	-	0.2	0.2
Total expenses	**275.5**	**241.0**	**77.7**	**51.9**	**353.3**	**292.8**
Excess of revenues over expenses before transfers	7.0	33.6	4.2	21.5	11.2	55.2
Transfers	15.8	3.0	6.6	1.2	22.4	4.2
SBITA	7.9	5.0	0.1	0.1	8.0	5.1
Increase (decrease) in fund balances	**30.7**	**41.7**	**10.9**	**22.8**	**41.6**	**64.5**
Fund balance- beginning	120.1	78.4	91.8	69.0	212.0	147.4
Fund balance- ending	**$150.8**	**$120.1**	**$102.7**	**$91.8**	**$253.6**	**$212.0**

General Fund

As shown in Table 3, General Fund revenues increased $7.9 million or 2.9% from the prior fiscal year. Within the General Fund revenues, there are seven main categories, of which the City experienced increases in four categories in fiscal year 2024-25. The largest revenue source in the General Fund is taxes, which decreased $9.3 million or 4.0%. $12.6 million of this decrease is strictly due to change in financial reporting presentation noted in MD&A Note 1. After controlling for this presentation change, this

classification effectively increased by $3.3 million primarily driven by the increase in Property Tax and Construction Tax receipts, partially offset by decreases in Sales Tax receipts. The second largest revenue source in the General Fund is charges for current services, which decreased $0.4 million or 1.6%. The third largest revenue source in the General Fund is licenses, fees and permits, which increased $13.3 million to $18.5 million in fiscal year 2024-25, compared to $5.2 million in fiscal year 2023-24. $11.8 million of this increase is strictly due to change in financial reporting presentation noted in MD&A Note 1 (see below). After adjusting for this presentation change this classification effectively increased by $1.5 million primarily due to an increase in building permit revenues. The fourth largest revenue source in the General fund is use of money and property, which increased $3.8 million to $14.6 million in fiscal year 2024-25, compared to $10.8 million in fiscal year 2023-24. This increase is primarily due to increased investment earnings and increases in market value of securities.

General Fund expenditures increased $34.5 million from $241.0 million in fiscal year 2023-24 to $275.5 million in fiscal year 2024-25. This increase was mainly driven by an increase in Public Safety of $20.9 million or 14.1% and increases in other functions of $13.7 million. Public Safety expenditures increased mainly due to increases in salaries and compensation of approximately $14.9 million (including $3.4 million related to incentives for employee recruitment and retention). Other significant areas of General Fund expenditure increases include: $6.3 million related to increased salaries and compensation for Non-Public Safety functions, and $4.3 million related to increased contributions to the self-insurance fund.

The fund balance increased $30.7 million in General Fund in fiscal year 2024-25, down from $41.7 million in fiscal year 2023-24.

MD&A Note 1: Changes to or within the financial reporting entity:

Revenues related to franchise fees, Public Education Government fees, and alarm permit fees were previously reported as follows:

- On Table 2, these revenues were previously presented under the classification of *Other Taxes* and are now presented under the classification of *Charges for Services.*
- On Table 3, these revenues were previously presented under the classification of *Taxes* and are now presented under the classification of *Licenses, Fees, and Permits.*

These revenues totaled $11.8 million in fiscal year 2024-25 and $12.6 million in fiscal year 2023-24

As prescribed by GASB100.36-37, prior period presentation has not been restated to address this change within the financial reporting entity.

Proprietary funds

The Enterprise Funds provide the same basic type of information found in the government-wide financial statements but in more detail. The major funds reported are the Transit System Fund, Water Fund, Sewer Fund, and Municipal Airport Fund.

The Transit Fund has a decrease in fund net position of $1.8 million compared to the decrease of $1.9 million in fiscal year 2023-24. The slight improvement in change of net position is mainly driven by increases in Passenger Fares and Transit Access Pass Revenues.

The Water Fund had an increase in fund net position of $8.3 million compared to the increase of $7.3 million in fiscal year 2023-24. The increase in change of net position is significantly due to increased Charges for Services revenues resulting from annual water rate increases that went into effect on January 1, 2025. Subsequent increases are scheduled to be implemented annually through 2029.

The Sewer Fund had an increase in fund net position of $3.4 million compared to the increase of $2.9 million in fiscal year 2023-24, primarily driven by increased Charges for Services revenues resulting from annual sewer rate increases that went into effect on January 1, 2025. Subsequent increases are scheduled to be implemented annually through 2027.

The Municipal Airport Fund had an increase in fund net position of $9.9 million, compared to the increase of $5.8 million in fiscal year 2023-24. The increased change in net position is primarily related to the accrual of significant settlements associated with ongoing remediation efforts.

General Fund Budgetary Highlights

Over the course of the year, the City has made revisions to its budget upon City Council's approval. The budget amendments fall into the following categories:

- Program modifications presented to the Finance and Governmental Operations Committee during its first quarter and mid-year budget review presentations. Upon approval of the Finance and Governmental Operations Committee, these program modifications were taken to City Council for final approval.
- Budget appropriations and modifications presented directly to the City Council for approval.
- Budget transfers within the respective General Fund departments are also subject to approval by the department head and City Manager's Office.

During the First Quarter Budget Presentation, the following modifications were approved:

- Increase Mayor and City Council Compensation (General Fund)
- Delete 2.0 FTE Program Coordinator and Add 2.0 FTE Recreation Supervisor in the Community Services Department (General Fund)
- Delete 1.0 FTE Senior Program Specialist and Add 1.0 FTE Instructor II in the Community Services Department (General Fund)
- Delete 1.0 FTE Assistant City Librarian and Add 1.0 FTE Senior Librarian in the Community Services Department (General Fund)
- Delete 3.27 FTE Program Leader, Add 2.77 FTE Program Specialist, and Add 0.96 FTE Senior Program Specialist in the Community Services Department (General Fund)
- Delete 1.0 FTE Senior Business Manager and Add 0.5 FTE Deputy Finance Director in the Finance Department (General Fund)
- Delete 1.35 FTE Box Office Attendant, Delete 1.2 FTE Senior Box Office Attendant, Delete 1.0 FTE Stage Manager, Delete 1.0 FTE Facility Operations Attendant, Senior in the General Services Department (General Fund)
- Delete 1.2 FTE Theatre Tech Coordinator and Add 1.7 FTE Theater Technician in the General Services Department (General Fund)
- Delete 1.0 FTE Intern and Add 1.0 FTE Staff Assistant in the General Services Department (General Fund)
- Add 1.0 FTE Capital Projects Construction Superintendent in the General Services Department (General Fund)
- Add 1.0 FTE Maintenance Worker in the Public Works Department (General Fund)
- Add 1.0 FTE Lead Maintenance Worker in the Public Works Department (General Fund)

During the Mid-Year Budget presentation, the following modification was approved:

- Delete 1.0 FTE Planning Associate and Add 1.0 FTE Senior Planner in the Community Development Department (General Fund)
- Increase Budget for Expedited Plan Review Services in the Community Development Department (General Fund)

Although the City amended its General Fund expenditure budget, actual charges to appropriations exceeded the final adopted budget amounts by $3.3 million. The budgetary fund balance for July 1, 2025 exceeded the final budgeted values primarily due to revenues that outperformed the budget, specifically transfers in from the Airport fund related to significant settlements associated with ongoing remediation efforts. The total expenditure generated a negative budgetary variance only due to the recording of non-cash adjustments related to Subscription-Based Information Technology Arrangements (SBITAs).

The City's General Fund fund balance of $150.8 million differs from the General Fund's budgetary fund balance of $147.5 million because $3.3 million of encumbrances are included for budgetary purposes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2025 amounts to $597.0 million (net of accumulated depreciation). The net investment in capital assets includes land, right of way, buildings and improvements, equipment, construction in progress, easement, infrastructure and intangible assets.

Table 4
Capital Assets
(net of depreciation, in millions)

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Land	$83.2	$83.2	$8.8	$8.8	$92.0	$92.0
Right of Way	20.0	20.0	-	-	20.0	20.0
Construction in progress	19.3	16.4	9.8	5.0	29.1	21.4
Infrastructure	171.1	164.6	128.3	130.1	299.4	294.7
Buildings and improvements	74.3	74.9	8.6	8.8	82.9	83.7
Equipment	37.1	24.7	20.0	16.8	57.1	41.5
Easement	-	-	1.0	1.1	1.0	1.1
Intangible	14.9	9.0	0.6	0.6	15.5	9.6
Total	**$419.9**	**$392.8**	**$177.1**	**$171.2**	**$597.0**	**$564.0**

The total capital assets in the governmental activities increased by $27.1 million ($419.9 million in fiscal year 2024-25, compared to $392.8 million in 2023-24) and the business-type activities increased by $5.9 million ($177.1 million in fiscal year 2024-25, compared to $171.2 million in 2023-24). More detailed information about the City's capital assets and its activities during the year is shown in Note 3 of the Notes to Basic Financial Statements.

Long-Term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of $379.0 million as shown in Table 5:

Table 5
Outstanding Debt
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds and notes (backed by specific tax and fee revenues)	$ 377.3	$ 388.0	$ 1.7	$ 2.3	$ 379.0	$ 390.3

For governmental activities, the City currently has $377.3 million of outstanding bonded debt. During fiscal year 2024-25 the total debt of the City decreased by $10.7 million due to the annual payments on the City's current outstanding certificates of participation and 2020 and 2021 Lease Revenue Bonds.

The City's General Fund secured a "AA-stable" updated rating from S&P Global Ratings (Standard & Poor's) for its Lease Revenue Bonds that were issued during fiscal year 2020-21.

For business-type activities, the City's Water Fund has outstanding bonded debt of $1.7 million due to the installment sale agreement to fund the North Torrance Well Field Project.

More detailed information about the City's long-term liabilities is presented in Notes 7 and 8 of the Notes to Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Key Highlights of the 2025-26 Budget (Reference the 2025-26 Adopted Budget and Capital Improvement Plan along with the Fiscal Year 2025-26 First Quarter Budget Review Report)

The City Council adopted in June 2025, the first year (fiscal year 2025-26) of the Two-Year Operating budget. Entering the May budget public hearings, staff projected a structurally balanced General Fund Operating Fund budget. Additionally, there was a budgeted decrease to the General Fund's overall fund balance of $11 million as a result of planned use of the City's pension prefunding trust to smooth the rising costs of the City's CalPERS pension costs and additional one-time contributions to the City's Capital Improvement Funds.

The fiscal year 2024-25 Budget was awarded the Government Finance Officers Association's Distinguished Budget Presentation Award Program. Additionally, the fiscal year 2024-25 budget was awarded the California Society of Municipal Finance Office's Operating Budget Excellence Award. The Fiscal Year 2025-26 Budget will also be submitted for consideration, it is anticipated that City will be notified in January if they have received this award.

Staff provided a First Quarter Budget Review Report in December 2025 for fiscal year 2025-26, which indicated that the General Fund Operating Fund revenues were projected to realize a deficit of $3.9 million largely due to one-time litigation expense in the Airport Fund temporarily lowering Operating Transfers In by $4.7 million. Additionally, it is projected that the General Fund Operating Fund's expenditure budget will operate at a surplus of $4.7 million. This is largely driven by vacancies savings. As a result, the General Fund Operating Fund is projected to net a deficit of $8.2 in fiscal year 2025-26.

This Budget Review Report highlighted other Areas of Focus that will be monitored for years to come. This includes:

- **Self-Insurance Fund**: The City's Self Insurance Fund covers expenditures associated with non-litigated claims, liability claims and settlements, workers' compensation cases, and unemployment insurance payments. This fund generates its revenues by allocating costs to the General Fund, Enterprise Funds, and Internal Service Funds. As of June 30, 2025, this fund was underfunded by approximately $52.2 million. This is driven by existing outstanding liabilities in workers' compensation totaling $49.5 million and liability claims of $18.4 million. As of June 30, 2025, the fund's assets stand at $27.5 million. As a result, the Self-Insurance Fund is approximately 35% funded, which continues to place it in the High-Risk Category of the City's Key Performance Indicator tracking. This will be a continued Area of Focus in future quarterly budget updates and budget cycles to ensure the City is adequately prepared for funding its exposure.
- **Labor Trends**: Beginning in fiscal year 2021-22, the City sustained a significant spike in retirements and voluntary resignations. The most cited reasons for these departures were better salaries, benefits, flexibility and

advancement opportunity. Staff highlighted positive trends in fiscal year 2025-26 vacancies and voluntary resignations which have now declined since their peak in fiscal year 2021-22. Staff continue closely monitoring these metrics to ensure the City remains attractive and competitive and retains a talented workforce.

- **Aging Infrastructure and City Facilities/Parks:** The City owns and operates $1 billion worth of buildings, public facilities, and infrastructure (book value). With each passing year, these buildings age and deteriorate, many of which are still in their original condition. Currently, the City's capital assets have passed their half-life mark, requiring heavy maintenance, upgrades, and repairs. During FY23-24, the City completed a Building Index Study and assessed the current state of the City's building and park assets. The Building Index Study, which did not include park playgrounds, playing courts, or utility infrastructure at parks, identified $205 million as the minimum investment required over the next 10 years to maintain the current state of the City's buildings. This translates to approximately $20.5 million per year, exceeding the City's fiscal capacity of approximately $8 million on a recurring basis. This will be of continued focus in coming budget cycles to ensure the City's assets are properly maintained.
- **Pension/OPEB Liability Management:** The City continues to focus on this topic due to the significant impact it can have on the City's financials from year to year. In FY24-25, the California Public Employees' Retirement System (CalPERS) reported investment gains of 12.1%, surpassing its discount rate of 6.8%. This will translate to a decrease in unfunded accrued liability (UAL) payments over the amortized period of 20 years, beginning in FY27-28. To help mitigate the impacts of fluctuations in CalPERS investment performance, the City established a Section 115 Trust with CalPERS (CEPPT). This restricted fund serves as a supplemental reserve to the City's Economic Anomaly Reserve, specifically dedicated to pension costs. The City is projected to make its first drawdown of $7.3 million from the CEPPT Fund in FY25-26 to smooth the rising pension costs previously mentioned.

  Additionally, as part of negotiations with the Torrance Professional and Supervisory Association (TPSA) and Engineers and Fiscal Employees Association (TFEA) in 2024, the PARS supplemental pension was frozen capping the accrued liability of this plan. The City will continue to make its actuarially determined contribution each fiscal year addressing the funded status of this plan over coming budget cycles.

Employee Pensions and Related Debt:

- The City is primarily a service organization with 73.3% of the General Fund budget in labor.
- CalPERS pension and related debt costs (2020 Lease Revenue Bond) as percentage of the general fund budget is 17.5% (CalPERS cost is 11.6% and LRB cost 5.9%).
    - Based on CalPERS 12.1% estimated investment return in fiscal year 2024-25.

- The City has implemented "tiered" pension benefits that transfers more of the pension costs to new employees while reducing some pension benefits. The California Public Employees' Pension Reform Act was implemented at the state level and implemented by the City with new members sharing in 50% of normal costs.
- During fiscal year 2020-21 the City issued Lease Revenue Bonds totaling $349.5 million to pay down its UAL with CalPERS. The City projects this will save approximately $172.2 million over the duration of the bonds without extending the amortization period.
- Beginning in fiscal year 2021-22, the City began making contributions to a Section 115 pension prefunding trust as an additional tool to address fluctuations in pension payments. As of June 30, 2025 the balance stands at $40.9 million. In fiscal year 2025-26 an additional contribution of $2.3 million was made.

Other Postemployment Benefits (OPEB):

- The City continues to fund its actuarially determined contributions for Other Postemployment Benefits.
- OPEB mainly covers health benefits for retirees of roughly $158 a month for Miscellaneous employees and up to an additional $146.50 to $332.62 a month for Fire and Police retirees.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions, about this report or need additional financial information, contact the City of Torrance, Finance Department, 3031 Torrance Blvd., Torrance, California 90503.

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BASIC FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

GOVERNMENT - WIDE FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF TORRANCE, CALIFORNIA
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and investments (note 2)	$ 260,566,993	$ 124,819,934	$ 385,386,927
Cash and cash equivalents with fiscal agents (note 2)	45,287,970	-	45,287,970
Accounts receivable	16,646,472	30,448,131	47,094,603
Accrued interest receivable	1,273,485	1,744,179	3,017,664
Due from other governments (note 16)	22,527,767	8,516,982	31,044,749
Lease receivable - current (note 5)	473,796	5,109,172	5,582,968
Notes receivable (note 4)	32,900	-	32,900
Advance to custodial fund	79,157	-	79,157
Inventories, at cost	1,462,223	6,009,303	7,471,526
Prepaids and other assets	1,149,275	375,573	1,524,848
Long term assets:			
Advance to successor agency (note 22)	4,062,770	1,234,538	5,297,308
Lease receivable - long term (note 5)	2,311,231	164,727,684	167,038,915
Capital assets (note 3):			
Land	83,188,658	8,833,133	92,021,791
Right-of-way	19,950,273	-	19,950,273
Construction in progress	19,323,750	9,778,299	29,102,049
Infrastructure, net of accumulated depreciation	171,072,065	128,263,074	299,335,139
Building and improvements net of accumulated depreciation	74,353,129	8,600,984	82,954,113
Machinery, equipment, furniture and fixtures, net of accumulated depreciation	37,106,660	20,035,925	57,142,585
Easement, net of accumulated depreciation	-	997,658	997,658
SBITA assets, net of accumulated amortization	14,871,368	665,056	15,536,424
Total Assets	775,739,942	520,159,625	1,295,899,567
Deferred Outflows of Resources			
Deferred refunding charge	5,171,937	-	5,171,937
Deferred pension amounts (notes 9 and 10)	71,141,233	5,571,056	76,712,289
Deferred OPEB amounts (note 11)	18,443,774	2,094,952	20,538,726
Total Deferred Outflows of Resources	94,756,944	7,666,008	102,422,952
Liabilities			
Accounts payable	11,735,875	7,633,990	19,369,865
Accounts payable - contract retention	1,358,103	28,611	1,386,714
Accrued liabilities	21,041,453	6,187,519	27,228,972
Due to other governments (note 16)	1,077	-	1,077
Notes payable (note 8)	227,561	-	227,561
Unearned revenue (note 17)	1,122,624	7,250,431	8,373,055
Deposits and guarantees	7,021,989	356,358	7,378,347
Interest payable	3,130,054	46,939	3,176,993
SBITA liability - portion due or payable within one year (note 6)	1,728,198	228,293	1,956,491
Long-term liabilities - portion due or payable within one year (notes 7, 8 and 15)	33,272,453	2,128,296	35,400,749
Long-term liabilities:			
Long-term liabilities - portion due or payable after one year (notes 7, 8 and 15)	444,391,365	17,301,161	461,692,526
Notes payable - due in more than one year (note 8)	470,048	-	470,048
SBITA liability - due in more than one year (note 6)	12,993,456	428,588	13,422,044
Total pension liability - due in more than one year (notes 9 and 10)	214,720,555	17,133,297	231,853,852
Total OPEB liability - due in more than one year (note 11)	57,405,117	6,520,403	63,925,520
Total Liabilities	810,619,928	65,243,886	875,863,814
Deferred Inflows of Resources			
Deferred leases (note 5)	2,526,385	152,934,798	155,461,183
Deferred pension amounts (notes 9 and 10)	1,905,339	131,363	2,036,702
Deferred OPEB amounts (note 11)	2,317,616	263,247	2,580,863
Total Deferred Inflows of Resources	6,749,340	153,329,408	160,078,748
Net Position (Deficit)			
Net investment in capital assets	353,068,646	160,264,532	513,333,178
Restricted			
Streets & highways	56,094,592	-	56,094,592
Capital projects	4,593,996	-	4,593,996
Community development	19,156,673	-	19,156,673
Public safety	3,222,580	-	3,222,580
Transportation program	-	31,542,148	31,542,148
Pension	40,852,636	-	40,852,636
Debt service	1,145	-	1,145
Unrestricted	(423,862,650)	117,445,659	(306,416,991)
Total Net Position (Deficit)	$ 53,127,618	$ 309,252,339	$ 362,379,957

See accompanying notes to the basic financial statements.

CITY OF TORRANCE, CALIFORNIA
Statement of Activities and Changes in Net Position
Year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government:							
Governmental Activities:							
General government	$ 50,593,268	$ 14,997,749	$ 3,920,710	$ 7,941,811	$ (23,732,998)	$ -	$ (23,732,998)
Public safety	200,141,292	13,329,872	792,381	1,370,837	(184,648,202)	-	(184,648,202)
Public works	46,988,118	1,144,356	-	27,501,373	(18,342,389)	-	(18,342,389)
Culture and recreation	27,688,060	7,320,938	94,209	-	(20,272,913)	-	(20,272,913)
Community development	20,848,427	11,574,876	9,019,056	371,506	117,011	-	117,011
Interest on long-term debt	12,946,750	-	-	-	(12,946,750)	-	(12,946,750)
Total Governmental Activities	359,205,915	48,367,791	13,826,356	37,185,527	(259,826,241)	-	(259,826,241)
Business-Type Activities:							
Municipal airport	8,718,110	38,444,025	-	-	-	29,725,915	29,725,915
Transit system	39,665,214	1,561,160	30,650,375	651,449	-	(6,802,230)	(6,802,230)
Water	52,141,659	57,180,861	-	-	-	5,039,202	5,039,202
Sewer	4,836,785	7,370,769	-	-	-	2,533,984	2,533,984
Sanitation	14,576,901	17,827,822	188,508	-	-	3,439,429	3,439,429
Total Business-Type Activities	119,938,669	122,384,637	30,838,883	651,449	-	33,936,300	33,936,300
Total Primary Government	$ 479,144,584	$ 170,752,428	$ 44,665,239	$ 37,836,976	(259,826,241)	33,936,300	(225,889,941)
	General Revenues:						
	Taxes:						
	Property taxes				67,398,500	-	67,398,500
	Sales taxes				82,693,078	-	82,693,078
	Utility users taxes				40,883,599	-	40,883,599
	Occupancy taxes				13,030,832	-	13,030,832
	Business license taxes				10,903,663	-	10,903,663
	Construction, real property, cogeneration and misc. taxes				8,328,784	-	8,328,784
	Investment earnings				40,919,350	11,090,153	52,009,503
	Motor vehicle tax (unrestricted)				231,493	-	231,493
	Miscellaneous				649,828	67,000	716,828
	Transfers				22,368,082	(22,368,082)	-
	Total General Revenues and Transfers				287,407,209	(11,210,929)	276,196,280
	Change in Net Position				27,580,968	22,725,371	50,306,339
	Net Position - beginning (as previously reported)				31,916,896	287,131,043	319,047,939
	Restatement for change in accounting principle (note 19)				(6,333,590)	(604,075)	(6,937,665)
	Error correction (note 19)				(36,656)	-	(36,656)
	Net Position - beginning (as restated)				25,546,650	286,526,968	312,073,618
	Net Position (Deficit) - ending				$ 53,127,618	$ 309,252,339	$ 362,379,957

See accompanying notes to the basic financial statements.

GOVERNMENT FUND FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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CITY OF TORRANCE, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Pooled cash and investments (note 2)	$ 86,871,816	$ 114,670,906	$ 201,542,722
Cash and cash equivalents with fiscal agents (note 2)	40,852,636	3,757,915	44,610,551
Accounts receivable	10,054,909	615,306	10,670,215
Accrued interest receivable	911,635	317,665	1,229,300
Due from other funds (note 13)	8,585,471	-	8,585,471
Due from other governments (note 16)	17,091,354	5,436,414	22,527,768
Advance to successor agency (note 13)	3,003,308	1,059,462	4,062,770
Advance to custodial fund	79,157	-	79,157
Interfund advances receivable (note 13)	-	600,000	600,000
Notes receivable (note 4)	-	32,900	32,900
Lease receivable (note 5)	2,042,479	742,548	2,785,027
Prepaids	918,608	17,998	936,606
Total Assets	$ 170,411,373	$ 127,251,114	$ 297,662,487
Liabilities			
Accounts payable	$ 5,280,205	$ 4,848,510	$ 10,128,715
Accounts payable - contract retention	1,860	1,356,243	1,358,103
Accrued liabilities	8,079,972	1,870,179	9,950,151
Due to other funds (note 13)	-	8,585,471	8,585,471
Interfund advances payable (note 13)	600,000	-	600,000
Unearned revenue (note 17)	940,587	182,037	1,122,624
Deposits and guarantees	731,501	6,290,688	7,022,189
Total Liabilities	15,634,125	23,134,205	38,768,330
Deferred Inflows of Resources:			
Unavailable revenue	2,098,984	693,381	2,792,365
Deferred leases (note 5)	1,878,618	647,767	2,526,385
Total Deferred Inflows of Resources	3,977,602	1,341,148	5,318,750
Fund Balances			
Nonspendable			
Advances, net	904,324	-	904,324
Prepaids	918,608	17,998	936,606
Restricted for:			
Public safety	-	4,833,127	4,833,127
Public works	-	57,190,036	57,190,036
Culture and recreation -			
Cable TV education	3,372,213	-	3,372,213
Parks and recreation	-	5,770,047	5,770,047
Community development	-	11,997,197	11,997,197
Pension	40,852,636	-	40,852,636
Debt service	-	1,145	1,145
Assigned to:			
Economic anomaly reserve	68,906,208	-	68,906,208
Capital projects	-	22,966,211	22,966,211
Technology replacement	12,193,794	-	12,193,794
Unassigned	23,651,863	-	23,651,863
Total Fund Balances	150,799,646	102,775,761	253,575,407
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 170,411,373	$ 127,251,114	$ 297,662,487

See accompanying notes to the basic financial statements.

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

Total fund balances of governmental funds		$ 253,575,407
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Land	$ 83,188,658	
Right-of-way	19,950,273	
Construction in progress	14,060,968	
Infrastructure, net of $225,988,741 accumulated depreciation	171,072,066	
Buildings and improvements, net of $77,166,011 accumulated depreciation	74,353,129	
Machinery and equipment, net of $47,313,909 accumulated depreciation	17,969,590	
SBITA asset, net of $3,202,491 accumulated amortization	14,492,746	
		395,087,430
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		
Compensated absences	(22,305,607)	
Notes payable	(697,609)	
SBITA liability	(14,364,409)	
Joint Powers Financing Authority lease revenue bonds	(358,785,000)	
Public Property Financing Corporation refunding certificates of participation	(18,560,000)	
Certificates of participation premium	(1,237,755)	
Deferred refunding charge	5,171,937	
Total pension liability	(211,901,483)	
Total OPEB liability	(56,510,159)	
		(679,190,085)
Accrued interest payable on long-term debt does not require current financial resources and therefore interest payable is not reported as a liability in the Governmental Funds Balance Sheet.		
Accrued interest payable on bonded debt	(2,863,881)	
Accrued interest payable on SBITA liability	(266,173)	
		(3,130,054)
Accrued interest receivable on advance to Successor Agency is considered unavailable revenue and is reported as a deferred inflow in the Governmental Funds Balance Sheet. The interest receivable is included in the governmental activities in the Statement of Net Position as additional advance to Successor Agency.		
Deferred inflows of resources - unavailable revenue	2,792,365	
		2,792,365
Deferred outflows are not current assets or financial resources, and the deferred inflows are not due and payable in the current period, and therefore are not reported in the Governmental Funds Balance Sheet.		
Deferred outflows of resources - pension	70,178,626	
Deferred outflows of resources - OPEB	18,156,231	
Deferred inflows of resources - pension	(1,886,475)	
Deferred inflows of resources - OPEB	(2,281,484)	
		84,166,898
Internal service funds are used by management to charge the cost of fleet management and self-insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		(174,343)
Net Position of Governmental Activities		$ 53,127,618

See accompanying notes to the basic financial statements.

CITY OF TORRANCE, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year ended June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 221,947,580	$ 1,290,875	$ 223,238,455
Licenses, fees and permits	18,461,818	2,276,644	20,738,462
Fines, forfeitures and penalties	1,702,725	801,917	2,504,642
Use of money and property	14,610,811	26,374,659	40,985,470
Intergovernmental	435,406	50,807,570	51,242,976
Charges for current services	25,124,687	-	25,124,687
Other revenues	206,449	435,573	642,022
Total revenues	282,489,476	81,987,238	364,476,714
Expenditures:			
Current expenditures:			
General government	36,896,742	6,470,874	43,367,616
Nondepartmental	13,564,693	-	13,564,693
Public safety	169,253,612	4,695,764	173,949,376
Public works	20,213,612	32,316,255	52,529,867
Culture and recreation	25,257,310	1,198,434	26,455,744
Community development	10,074,622	9,888,686	19,963,308
Debt service:			
Principal retirement (note 8)	-	10,625,000	10,625,000
Interest and fiscal charges	-	12,482,338	12,482,338
Capital lease	222,727	-	222,727
Total expenditures	275,483,318	77,677,351	353,160,669
Excess of revenues over (under) expenditures	7,006,158	4,309,887	11,316,045
Other financing sources (uses):			
Transfers in (note 14)	29,169,493	13,777,931	42,947,424
Transfers out (note 14)	(13,375,660)	(7,185,224)	(20,560,884)
SBITA	7,864,699	80,716	7,945,415
Total other financing sources (uses)	23,658,532	6,673,423	30,331,955
Net change in fund balances	30,664,690	10,983,310	41,648,000
Fund balances, July 1, 2024 (as previously reported)	120,134,956	91,829,107	211,964,063
Error correction (note 19)	-	(36,656)	(36,656)
Fund balance, July 1, 2024 (as restated)	120,134,956	91,792,451	211,927,407
Fund balances, June 30, 2025	$ 150,799,646	$ 102,775,761	$ 253,575,407

See accompanying notes to the basic financial statements.

CITY OF TORRANCE, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds		$ 41,648,000
The change in net position reported for governmental activities in the Statement of Activities and Changes in Net Position is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense (excluding internal service funds)	(14,714,937)	
Asset additions funded by Governmental Funds	20,264,699	
		5,549,762
The issuance of long-term debt (e.g. bonds), provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Notes payable	222,727	
Bond principal payment	10,625,000	
Subscription payment	1,779,991	
Amortization of bond premium	57,570	
Amortization of deferred refunding charge	(293,980)	
		12,391,308
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable, available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis until due, rather than as it accrues. This adjustment combines the net changes of accrued interest and advances.		
Accrued interest payable on bonded debt	39,528	
		39,528
The amounts below reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds (net change).		
Compensated absences (excluding internal service funds)	(363,674)	
Interest receivable on advance to Successor Agency	(65,887)	
SBITA	(1,756,403)	
		(2,185,964)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in total pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.		(28,863,987)
Governmental funds report OPEB benefits paid to retirees as expenditures. However, in the statement of activities, OPEB expense is measured as the change in total OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represents the net change in OPEB related amounts.		(5,078,730)
Internal service funds are used by management to charge the cost of fleet management and self-insurance to individual funds. The net revenue of certain activities are reported with the governmental activities.		4,081,051
Change in net position of governmental activities		$ 27,580,968

See accompanying notes to the basic financial statements

CITY OF TORRANCE, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis (see Note A)	Variance with Final Budget positive (negative)
	Original	Final		
Budgetary fund balance, July 1, 2024	$ 120,134,956	$ 120,134,956	$ 120,134,956	$ -
Resources (inflows):				
Taxes:				
Property Taxes:				
Current secured taxes	44,490,637	44,490,637	45,078,136	587,499
Current unsecured taxes	1,319,518	1,319,518	1,500,346	180,828
Prior years secured taxes	-	-	-	-
Prior years unsecured taxes	83,634	83,634	78,943	(4,691)
VLF swap and repayment taxes	18,545,720	18,545,720	18,847,542	301,822
Penalties and interest	210,801	210,801	183,038	(27,763)
Supplemental current secured	1,318,662	1,318,662	819,766	(498,896)
Redemption	688,145	688,145	712,575	24,430
Aircraft assessment tax	177,312	177,312	178,154	842
	66,834,429	66,834,429	67,398,500	564,071
Taxes other than property:				
Sales and use tax	85,733,277	85,733,277	82,693,078	(3,040,199)
Prop 172 sales tax	2,137,796	2,137,796	2,077,008	(60,788)
Business license tax	11,095,855	11,095,855	10,903,663	(192,192)
Business permit tax	218,439	218,439	231,785	13,346
Utility users tax	45,109,265	45,109,265	40,883,599	(4,225,666)
Construction tax	1,572,665	1,572,665	3,277,189	1,704,524
Real property transfer tax	1,016,060	1,016,060	972,267	(43,793)
Occupancy tax	13,815,048	13,815,048	13,030,832	(784,216)
Oil severance tax	7,000	7,000	6,257	(743)
Cogeneration tax	893,601	893,601	473,402	(420,199)
	161,599,006	161,599,006	154,549,080	(7,049,926)
Total taxes	228,433,435	228,433,435	221,947,580	(6,485,855)
Licenses, fees and permits:				
Franchise fee-all other	11,507,535	11,507,535	11,329,068	(178,467)
Public education government fees	350,000	350,000	243,257	(106,743)
Alarm permit fees	190,000	190,000	260,704	70,704
Fire permits	210,000	210,000	239,687	29,687
Animal permits	215,000	215,000	269,683	54,683
Construction/excavation permits	286,875	286,875	193,176	(93,699)
Grading permits	97,000	97,000	108,661	11,661
Building permits	2,340,000	2,340,000	3,446,614	1,106,614
Plumbing permits	60,000	60,000	-	(60,000)
Electrical permits	411,220	411,220	606,507	195,287
Mechanical permits	191,997	191,997	220,811	28,814
Special energy inspection fees	1,000,000	1,000,000	847,065	(152,935)
Sign permits and filing fees	22,872	22,872	37,771	14,899
Other licenses and permits	2,526	2,526	18,526	16,000
NPDES building permit fees	380,000	380,000	608,550	228,550
Building TEQECC filing fees	16,643	16,643	28,988	12,345
Oversized vehicle permit fees	5,000	5,000	2,750	(2,250)
Total licenses, fees, and permits	17,286,668	17,286,668	18,461,818	1,175,150

See accompanying notes to the basic financial statements

(continued)

CITY OF TORRANCE, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis (see Note A)	Variance with Final Budget positive (negative)
	Original	Final		
Fines, forfeitures and penalties:				
Parking citations	$ 538,882	$ 538,882	$ 1,692,100	$ 1,153,218
Administrative citations	25,000	25,000	10,625	(14,375)
Traffic fines	66,454	66,454	-	(66,454)
General fines	12,438	12,438	-	(12,438)
Total fines, forfeitures and penalties	642,774	642,774	1,702,725	1,059,951
Use of money and property:				
Investment earnings	3,953,260	3,953,260	11,507,116	7,553,856
Rents and concessions	3,266,615	3,266,615	3,092,116	(174,499)
Royalties	4,721	4,721	11,579	6,858
Total use of money and property	7,224,596	7,224,596	14,610,811	7,386,215
Intergovernmental:				
State motor vehicle licenses	140,461	140,461	231,492	91,031
State homeowners property tax relief	162,201	162,201	166,497	4,296
Other state grants	187,465	187,465	37,417	(150,048)
Total Intergovernmental	490,127	490,127	435,406	(54,721)
Charges for current services:				
TUSD collection fees	13,978	13,978	94,185	80,207
Planning and zoning fees	716,000	716,000	1,041,418	325,418
Traffic signal maintenance	267,151	267,151	453,995	186,844
Vacation processing fees	4,605	4,605	-	(4,605)
State encroachment collection fees	13,451	13,451	10,448	(3,003)
Grading	109,844	109,844	100,078	(9,766)
Plan check fees-building	2,466,100	2,466,100	2,333,371	(132,729)
Plan check fees-engineering	423,589	423,589	28,471	(395,118)
Green building code fees	1,000,000	1,000,000	860,368	(139,632)
Appeal fees	13,860	13,860	5,250	(8,610)
Other inspection fees	640,686	640,686	408,499	(232,187)
Engineering mapping fees	47,561	47,561	33,098	(14,463)
Engineering inspection fees	616,541	616,541	579,452	(37,089)
General government service charges	607,302	607,302	689,111	81,809
Advertising on shelters	159,384	159,384	30,466	(128,918)
Microfilming fees	370,644	370,644	429,106	58,462
Police charges-copies and photos	55,741	55,741	47,972	(7,769)
Police charges-fingerprinting and other	395,189	430,189	341,373	(88,816)
Fire department fees	9,739,300	9,778,300	9,955,567	177,267
Fire department fees-hazardous materials fees	999,100	999,100	1,000,619	1,519
Cultural arts center fees	1,118,039	1,118,039	958,221	(159,818)
Parks and recreational fees	5,184,421	5,184,421	5,668,191	483,770
Miscellaneous	33,999	33,999	47,220	13,221
Library revenues	7,550	7,550	8,208	658
Total charges for current services	25,004,035	25,078,035	25,124,687	46,652

See accompanying notes to the basic financial statements

(continued)

CITY OF TORRANCE, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis (see Note A)	Variance with Final Budget positive (negative)
	Original	Final		
Other revenues:				
Donations-private sources	$ 797	$ 20,797	$ 55,301	$ 34,504
Miscellaneous	298,807	298,807	151,148	(147,659)
Total other revenues	299,604	319,604	206,449	(113,155)
SBITA	-	-	7,864,699	7,864,699
Transfers in	14,178,277	15,524,105	29,169,493	13,645,388
Amounts available for appropriation	413,694,472	415,134,300	439,658,624	24,524,324
Charges to appropriation (outflows)				
General government:				
City Council	525,470	619,894	542,207	77,687
Commissions and committees:				
Parks and recreation	3,470	1,157	510	647
Planning	21,962	10,171	1,559	8,612
Environmental quality	1,379	329	304	25
Cultural arts	2,246	1,111	402	709
Traffic	2,132	767	310	457
Youth council	11,935	11,935	9,201	2,734
Historic preservation	1,728	678	380	298
Commission on aging	2,974	900	609	291
Library	3,536	1,940	1,348	592
Social services	27,676	28,852	20,141	8,711
City manager	8,258,281	8,813,217	7,965,642	847,575
City attorney	3,347,091	3,379,522	3,293,292	86,230
City clerk	1,598,328	1,643,855	1,524,714	119,141
City treasurer	483,686	483,686	411,164	72,522
Finance	6,336,896	6,589,658	6,579,884	9,774
Human resources	2,994,183	3,396,942	3,396,052	890
Civil service	1,147,201	1,110,213	1,089,956	20,257
Communications & Info Tech	11,189,472	11,813,320	10,367,838	1,445,482
General services	11,926,519	12,343,441	12,300,448	42,993
Less indirect cost allocation, other funds	(9,147,553)	(9,147,553)	(9,031,620)	(115,933)
Total general government	38,738,612	41,104,035	38,474,341	2,629,694
Nondepartmental				
Community promotion	604,890	842,247	712,040	130,207
Other	2,542,659	1,307,804	9,117,518	(7,809,714)
Leaseback payments	3,785,532	3,785,532	3,758,392	27,140
Total nondepartmental	6,933,081	5,935,583	13,587,950	(7,652,367)

See accompanying notes to the basic financial statements

(continued)

CITY OF TORRANCE, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis (see Note A)	Variance with Final Budget positive (negative)
	Original	Final		
Community Development	$ 10,600,313	$ 10,591,929	$ 10,192,238	$ 399,691
Public safety:				
Police	101,885,966	101,422,658	101,315,491	107,167
Fire	69,052,342	69,163,138	68,926,637	236,501
Total public safety	170,938,308	170,585,796	170,242,128	343,668
Public works	21,122,469	21,148,602	20,613,821	534,781
Culture and recreation	26,598,270	25,864,530	25,446,244	418,286
Capital lease	242,703	242,703	222,727	19,976
Transfers out	6,677,379	13,375,660	13,375,660	-
Total Charges to appropriations	281,851,135	288,848,838	292,155,109	(3,306,271)
Budgetary Fund Balance, July 1, 2025	$ 131,843,337	$ 126,285,462	$ 147,503,515	$ 21,218,053

See accompanying notes to the basic financial statements

CITY OF TORRANCE, CALIFORNIA

Budgetary Comparison Statement

Budget-to-GAAP Reconciliation

General Fund

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement	$	439,658,624
Differences - budget to GAAP:		
The fund balance at the beginning of the year (as restated) is not a current year revenue for financial reporting purposes		(120,134,956)
SBITA are inflows of budgetary resources, but are not revenues for financial reporting purposes		(7,864,699)
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes		(29,169,493)
Total Revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$	282,489,476
Uses/outflows of resources		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement	$	292,155,109
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		(3,296,131)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(13,375,660)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$	275,483,318

PROPRIETARY FUND FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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CITY OF TORRANCE, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities						Governmental Activity
	Enterprise Funds						
	Transit System Fund	Water Fund	Sewer Fund	Municipal Airport Fund	Nonmajor Enterprise Fund	Total	Internal Service Funds
Assets and Deferred Outflows of Resources							
Current assets:							
Pooled cash and investments (note 2)	$ 38,780,668	$ 50,955,074	$ 16,816,381	$ 6,673,277	$ 11,594,534	$ 124,819,934	$ 59,024,271
Cash and cash equivalents with fiscal agents (note 2)	-	-	-	-	-	-	677,419
Accounts receivable	416,787	6,804,548	1,777,714	16,892,269	4,556,813	30,448,131	5,976,256
Accrued interest receivable	196,328	259,119	85,535	1,113,209	89,988	1,744,179	44,185
Lease receivable - current (note 5)	-	-	-	5,109,172	-	5,109,172	-
Inventory	1,572,922	4,436,381	-	-	-	6,009,303	1,462,223
Due from other governments (note 16)	8,417,185	-	392	-	99,405	8,516,982	-
Prepaids	23,205	205,290	109,456	-	37,622	375,573	212,668
Total current assets	49,407,095	62,660,412	18,789,478	29,787,927	16,378,362	177,023,274	67,397,022
Noncurrent assets:							
Advance to successor agency (note 13)	-	1,234,538	-	-	-	1,234,538	-
Lease receivable - long term (note 5)	-	-	-	164,727,684	-	164,727,684	-
Capital assets, net (note 3)	13,943,894	112,757,307	37,152,879	8,935,627	4,384,422	177,174,129	24,778,471
Total noncurrent assets	13,943,894	113,991,845	37,152,879	173,663,311	4,384,422	343,136,351	24,778,471
Deferred outflows of resources:							
Deferred pension amounts	2,224,291	1,415,572	568,253	301,147	1,061,793	5,571,056	962,607
Deferred OPEB amounts	1,129,630	410,776	164,310	82,155	308,081	2,094,952	287,543
Total deferred outflows of resources	3,353,921	1,826,348	732,563	383,302	1,369,874	7,666,008	1,250,150
Total Assets and Deferred Outflows of Resources	66,704,910	178,478,605	56,674,920	203,834,540	22,132,658	527,825,633	93,425,643
Liabilities and Deferred Inflows of Resources							
Current liabilities:							
Accounts payable	687,702	6,193,608	22,352	174,564	555,764	7,633,990	1,607,157
Contract retainage payable	-	3,340	-	25,271	-	28,611	-
Deposits payable	-	44,570	-	311,788	-	356,358	-
Accrued interest payable	9,755	6,574	-	-	30,610	46,939	4,738
Accrued liabilities	1,203,896	1,616,447	46,032	2,162,430	1,158,714	6,187,519	11,086,364
Compensated absences payable-current	481,418	146,812	53,315	78,491	73,354	833,390	8,841,173
Current installment sale loan payable - principal (notes 7 and 8)	-	1,236,790	-	-	-	1,236,790	-
Easement payable - current	-	58,116	-	-	-	58,116	-
SBITA liability - current (note 6)	228,293	-	-	-	-	228,293	83,355
Accrued liabilities for self-insurance claims - current (note 15)	-	-	-	-	-	-	13,839,290
Unearned revenues (note 17)	7,018,707	-	-	231,724	-	7,250,431	-
Total current liabilities	9,629,771	9,306,257	121,699	2,984,268	1,818,442	23,860,437	35,462,077
Noncurrent liabilities:							
Compensated absences payable - long term	1,370,191	417,851	151,744	223,398	208,778	2,371,962	-
Long-term obligations (notes 7 and 8)	-	14,929,199	-	-	-	14,929,199	-
SBITA liability - long term (note 6)	428,588	-	-	-	-	428,588	273,890
Accrued liability for self-insurance claims long-term (note 15)	-	-	-	-	-	-	54,094,993
Total pension liability	6,739,639	4,671,945	1,785,154	850,650	3,085,909	17,133,297	2,819,072
Total OPEB liability	3,515,904	1,278,510	511,404	255,702	958,883	6,520,403	894,958
Total noncurrent liabilities	12,054,322	21,297,505	2,448,302	1,329,750	4,253,570	41,383,449	58,082,913
Deferred inflows of resources:							
Deferred leases (note 5)	-	-	-	152,934,798	-	152,934,798	-
Deferred pension amounts	49,709	42,018	14,417	5,052	20,167	131,363	18,864
Deferred OPEB amounts	141,947	51,617	20,647	10,323	38,713	263,247	36,132
Total deferred inflows of resources	191,656	93,635	35,064	152,950,173	58,880	153,329,408	54,996
Total Liabilities and Deferred Inflows of Resources	21,875,749	30,697,397	2,605,065	157,264,191	6,130,892	218,573,294	93,599,986
Net Position							
Net investment in capital assets	13,287,013	96,529,862	37,152,879	8,910,356	4,384,422	160,264,532	24,778,471
Restricted							
Transportation program	31,542,148	-	-	-	-	31,542,148	-
Unrestricted	-	51,251,346	16,916,976	37,659,993	11,617,344	117,445,659	(24,952,814)
Total Net Position	$ 44,829,161	$ 147,781,208	$ 54,069,855	$ 46,570,349	$ 16,001,766	$ 309,252,339	$ (174,343)

See accompanying notes to the basic financial statements.

CITY OF TORRANCE, CALIFORNIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2025

	Business-type Activities Enterprise Funds						Governmental Activity
	Transit System Fund	Water Fund	Sewer Fund	Municipal Airport Fund	Nonmajor Enterprise Fund	Total	Internal Service Funds
Operating revenues:							
Charges for services	$ 1,559,985	$ 54,718,788	$ 7,359,954	$ 17,386,570	$ 17,113,176	$ 98,138,473	$ 35,995,866
Other	1,175	2,462,073	10,815	21,057,455	714,646	24,246,164	586,791
Total operating revenues	1,561,160	57,180,861	7,370,769	38,444,025	17,827,822	122,384,637	36,582,657
Operating expenses:							
Salaries and employee benefits	22,495,848	6,532,976	2,069,743	1,557,561	4,604,385	37,260,513	5,146,479
Services and supplies	3,129,668	1,277,198	298,003	86,491	3,228,409	8,019,769	662,571
Other professional services	3,844,960	1,186,861	323,386	5,922,799	3,899,264	15,177,270	610,302
Depreciation and amortization	2,535,847	2,773,504	1,327,109	269,103	792,152	7,697,715	2,502,058
Insurance and claims	38,662	-	-	-	3,640	42,302	22,596,159
City charges	7,219,556	3,664,057	733,385	610,104	1,970,147	14,197,249	2,425,972
Cost of water	-	36,462,990	-	-	-	36,462,990	-
Other	400,673	244,073	85,159	272,052	78,904	1,080,861	26,403
Total operating expenses	39,665,214	52,141,659	4,836,785	8,718,110	14,576,901	119,938,669	33,969,944
Operating income (loss)	(38,104,054)	5,039,202	2,533,984	29,725,915	3,250,921	2,445,968	2,612,713
Nonoperating revenues (expenses)							
Investment earnings	1,978,489	2,565,755	787,993	5,454,071	405,642	11,191,950	1,254,193
Gain on sale of capital assets	-	11,250	50,500	-	5,250	67,000	232,604
Assistance from other governments	30,650,375	-	-	-	-	30,650,375	-
Interest expense	(10,097)	(91,700)	-	-	-	(101,797)	-
Grants	-	-	-	-	188,508	188,508	-
Total nonoperating revenues (expenses) net	32,618,767	2,485,305	838,493	5,454,071	599,400	41,996,036	1,486,797
Income (loss) before contributions and transfers	(5,485,287)	7,524,507	3,372,477	35,179,986	3,850,321	44,442,004	4,099,510
Capital grants	651,449	-	-	-	-	651,449	-
Transfers in (note 13)	3,000,000	758,284	34,347	-	382,321	4,174,952	-
Transfers out (note 13)	(15,430)	(2,686)	-	(25,243,319)	(1,281,599)	(26,543,034)	(18,459)
Change in net position	(1,849,268)	8,280,105	3,406,824	9,936,667	2,951,043	22,725,371	4,081,051
Total net position - July 1, 2024 (as previously reported)	46,988,158	139,639,169	50,693,941	36,693,676	13,116,099	287,131,043	(5,608,130)
Restatement for change in accounting principle (note 19)	(309,729)	(138,066)	(30,910)	(59,994)	(65,376)	(604,075)	1,352,736
Total net position - July 1, 2024 (as restated)	46,678,429	139,501,103	50,663,031	36,633,682	13,050,723	286,526,968	(4,255,394)
Total net position - June 30, 2025	$ 44,829,161	$ 147,781,208	$ 54,069,855	$ 46,570,349	$ 16,001,766	$ 309,252,339	$ (174,343)

See accompanying notes to the basic financial statements.

CITY OF TORRANCE, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities Enterprise Funds						Governmental Activity
	Transit System Fund	Water Fund	Sewer Fund	Municipal Airport Fund	Nonmajor Enterprise Fund	Total	Internal Service Funds
Cash flows from operating activities							
Receipts from customers	$ 1,559,985	$ 55,603,240	$ 7,223,744	$ (1,485,814)	$ 16,716,411	$ 79,617,566	$ 34,395,539
Cash payments to suppliers for goods and services	(13,594,485)	(42,236,894)	(1,545,093)	(5,312,467)	(7,998,195)	(70,687,134)	(19,627,693)
Cash payments to employees for service	(20,932,360)	(5,894,844)	(1,768,675)	(1,398,888)	(4,182,833)	(34,177,600)	(4,290,054)
Other receipts	1,175	2,462,073	10,815	21,057,455	714,646	24,246,164	586,791
Net cash provided by (used in) operating activities	(32,965,685)	9,933,575	3,920,791	12,860,286	5,250,029	(1,001,004)	11,064,583
Cash flows from noncapital financing activities							
Cash received from noncapital grants and subsidies	21,328,019	-	-	-	188,508	21,516,527	-
Cash received from other funds	3,000,000	758,284	34,347	-	382,321	4,174,952	-
Cash transfers paid to other funds	(15,430)	(2,686)	-	(25,243,319)	(1,281,599)	(26,543,034)	(18,459)
Net cash provided by (used in) noncapital financing activities	24,312,589	755,598	34,347	(25,243,319)	(710,770)	(851,555)	(18,459)
Cash flows from capital financing activities							
Cash received from capital grants and subsidies	651,449	-	-	-	-	651,449	-
Cash payments for capital additions	(1,155,345)	(8,451,603)	(1,830,210)	(804,999)	(1,524,685)	(13,766,842)	(18,224,606)
Proceeds from sale of capital assets	-	11,250	50,500	-	5,250	67,000	232,604
Proceeds from debt issuance, net	-	13,564,833	-	-	-	13,564,833	-
Payments for long-term obligations - principal & interest	-	(652,645)	-	-	-	(652,645)	-
Net cash provided by (used in) capital financing activities	(503,896)	4,471,835	(1,779,710)	(804,999)	(1,519,435)	(136,205)	(17,992,002)
Cash flows from investing activities							
Cash received from interest on investment	2,103,977	2,522,679	799,334	5,393,223	402,806	11,222,019	1,508,513
Cash paid for interest on investments	(12,282)	(94,038)	-	-	-	(106,320)	-
Cash provided by (used in) investing activities	2,091,695	2,428,641	799,334	5,393,223	402,806	11,115,699	1,508,513
Net increase (decrease) in cash, restricted cash and cash equivalents	(7,065,297)	17,589,649	2,974,762	(7,794,809)	3,422,630	9,126,935	(5,437,365)
Cash and cash equivalents, July 1, 2024	45,845,965	33,365,425	13,841,619	14,468,086	8,171,904	115,692,999	65,139,055
Cash and cash equivalents, June 30, 2025	$ 38,780,668	$ 50,955,074	$ 16,816,381	$ 6,673,277	$ 11,594,534	$ 124,819,934	$ 59,701,690
Reconciliation of cash and cash equivalents							
Pooled cash and investments	38,780,668	50,955,074	16,816,381	6,673,277	11,594,534	124,819,934	59,024,271
Cash and cash equivalents with fiscal agents	-	-	-	-	-	-	677,419
Total cash and cash equivalents	$ 38,780,668	$ 50,955,074	$ 16,816,381	$ 6,673,277	$ 11,594,534	$ 124,819,934	$ 59,701,690
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	$ (38,104,054)	$ 5,039,202	$ 2,533,984	$ 29,725,915	$ 3,250,921	$ 2,445,968	$ 2,612,713
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	2,535,847	2,773,504	1,327,109	269,103	792,152	7,697,715	2,502,058
Bad debt expense	-	12,857	11,054	17,460	32,283	73,654	-
Changes in assets and liabilities							
Accounts receivable	285,301	871,595	(147,183)	(16,061,320)	(331,500)	(15,383,107)	(1,600,327)
Due from other governmen	-	-	(81)	-	(97,547)	(97,628)	-
Prepaids and other assets	124,045	(205,290)	(109,456)	-	3,944	(186,757)	132,294
Inventory	52,562	(80,315)	-	-	-	(27,753)	(3,434)
Accounts payable	(103,918)	2,204,946	3,963	(550,731)	122,780	1,677,040	1,058,830
Accrued salaries and benefits	435,056	18,417	50,266	24,818	(53,444)	475,113	424,020
Other accrued liabilities	661,110	(1,321,056)	333	2,129,710	1,055,443	2,525,540	5,506,023
Lease receivable	-	-	-	(1,940,626)	-	(1,940,626)	-
SBITA liability	24,554	-	-	-		24,554	-
Deferred outflows related to pensions	1,918,870	1,222,427	490,428	259,598	915,574	4,806,897	830,114
Deferred outflows related to OPEB	205,778	74,828	29,931	14,966	56,121	381,624	52,379
Total pension liability	(956,503)	(632,858)	(248,355)	(125,603)	(448,320)	(2,411,639)	(407,792)
Total OPEB liability	123,466	44,896	17,959	8,979	33,673	228,973	31,428
Deferred inflows related to pension	(154,539)	(84,756)	(37,232)	(23,260)	(78,435)	(378,222)	(70,348)
Deferred inflows related to OPEB	(13,260)	(4,822)	(1,929)	(825)	(3,616)	(24,452)	(3,375)
Deferred inflows related to leases	-	-	-	(945,357)	-	(945,357)	-
Deposits and guarantees	-	-	-	111,134	-	111,134	-
Unearned revenues	-	-	-	(53,675)	-	(53,675)	-
Net cash provided by (used in) operating activities	$ (32,965,685)	$ 9,933,575	$ 3,920,791	$ 12,860,286	$ 5,250,029	$ (1,001,004)	$ 11,064,583

Noncash, investing, capital and financing activities:
During fiscal year 2024-25, there were no significant noncash investing, capital, or financing activities.

See accompanying notes to the basic financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF TORRANCE, CALIFORNIA

Statement of Net Position - Fiduciary Funds

June 30, 2025

Assets	Private-Purpose Trust Fund	Total Custodial Funds
Pooled cash and investments (note 2)	$ 2,437,508	$ 3,073,417
Cash and cash equivalents with fiscal agents (note 2)	381	-
Accounts receivable	-	602,158
Accrued interest receivable	-	8,345
Prepaids	-	101,826
Capital assets, net	-	199,727
Total assets	2,437,889	3,985,473
Liabilities		
Accounts payable	-	17,478
Interest payable	114,000	-
Advances from City (notes 13 and 22)	5,297,308	79,157
Long-term debt:		
Due within one year (note 22)	2,614,275	-
Due in more than one year (note 22)	32,713,717	-
Total Liabilities	40,739,300	96,635
Fiduciary Net Position (Deficit)		
Restricted for individuals and organizations	(38,301,411)	3,888,838
Total Net Position (Deficit)	$ (38,301,411)	$ 3,888,838

See accompanying notes to basic financial statements.

CITY OF TORRANCE, CALIFORNIA

Statement of Changes in Net Position - Fiduciary Funds

Year Ended June 30, 2025

Additions	Private-Purpose Trust Fund	Total Custodial Funds
Property taxes	$ 3,980,835	$ -
Contributions	-	1,905,082
Fees	-	61,736
Use of money and property	4,839	60,675
Other	-	14,165
Total additions	3,985,674	2,041,658
Deductions		
Residual commitments of former redevelopment agency	25,000	-
Salaries and employee benefits	-	221,762
Services and supplies	-	5,726
Other professional services	4,007	762,304
Insurance and claims	-	44,064
Depreciation and amortization	-	100,118
Membership fees	-	79,010
Debt service		
Interest and fiscal charges of former redevelopment agency	1,116,995	-
Other	4,000	-
Total deductions	1,150,002	1,212,984
Change in fiduciary net position	2,835,672	828,674
Fiduciary net position (deficit) - beginning	(41,137,083)	3,060,164
Fiduciary net position (deficit) - ending	$ (38,301,411)	$ 3,888,838

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

(1) Description of Funds and Summary of Significant Accounting Policies

Reporting Entity

The City of Torrance (the City) was incorporated in 1921 and became a charter city in 1947. The City is governed by an elected mayor and a six-member council and provides a wide range of services including police and fire protection, sanitation and water services, airport and bus transit services, the construction and maintenance of streets and infrastructure, and recreational activities. The accompanying annual comprehensive financial report includes the financial activities of the City, the primary government, and its component units, entities for which the government is considered to be financially accountable. A description of the component units and the method of incorporating their financial information into the financial statements are summarized as follows:

The Torrance Joint Powers Financing Authority (the Authority) was created in 2020 by the City and the Industrial Development Authority of the City to assist the City with its financing programs. The City is obligated to make certain payments to California Public Employees' Retirement System (CalPERS) in respect of current and retired public safety employees and miscellaneous employees under the pension programs of CalPERS. The Authority issued revenue bonds for the purpose of refunding all or a portion of the City's obligations under the CalPERS contract. In addition, the Authority issued revenue bonds to refund all or a portion of the City's obligations with respect to its Certificates of Participation, Series 2014, and to finance the North Torrance Well Field Project. The financial activity of the Authority has been blended into the City's financial statements within the Governmental Activities in the financial statements.

Separate financial statements for the Torrance Joint Powers Financing Authority can be obtained from the City's Finance Director.

Government-Wide and Fund Financial Statements

The Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. When such balances exist, they are presented as internal balances and eliminated in the total primary government column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities and Changes in Net Position demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual City-wide cost allocation plan. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

services, or privileges provided by a given function or segment and 2) grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenues. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between the governmental and business type activities have not been eliminated.

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, deferred outflows of resources, liabilities, deferred inflows of resources, net position, 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.

Separate financial statements are provided for governmental funds, enterprise funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and private-purpose trust funds financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City’s fiduciary fund financial statements report custodial funds and private-purpose trust funds. Custodial funds are used to account for situations where the government’s role is purely custodial. Private-purpose trust funds and custodial funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in these funds when susceptible to accrual (i.e. when they are both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for franchise taxes and grant revenues (for which the availability period is 180 days). Property taxes, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), licenses, permits, charges for services, interest, and other miscellaneous revenues associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures in the governmental funds are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long term debt, which is recognized when due.

The City reports the following major Governmental Fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major Enterprise Funds:

The *Transit System Fund* is used to account for the operation of the City's transit system.

The *Water Fund* is used to account for the provision of water services to the residences and businesses of the City.

The *Sewer Fund* is used to account for the revenues and expenses associated with the operation and improvement of the City's sewer system.

The *Municipal Airport Fund* is used to account for the airfield operations of the City and leasing of commercial property outside of the airfield.

Additionally, the City reports the following fund types:

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

The *Capital Project Funds* are used to account for the acquisition, construction and improvement of capital facilities financed by transfers from the General Fund or debt financing.

The *Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs other than those being financed by proprietary funds.

The *Internal Service Funds* consist of the Fleet Services Fund which is used to account for costs relating to the City's vehicular equipment; the Self-Insurance Fund that is used to account for risk management activities and the Postemployment/Compensated Absences Fund that is used to account for inter-fund charges for postemployment and compensated absences benefits. These funds are financed by charges to other departments or agencies of the City on a cost reimbursement basis.

The *Trust and Custodial Funds* are used to account for the resources held by the City in a fiduciary capacity. The City's fiduciary funds include custodial funds, which are custodial in nature (assets equal liabilities) and a private-purpose trust fund which does include measurement of results of operations. The custodial funds are included in the Statement of Net Position and in the Statement of Changes in Net Position – Fiduciary Funds and are accounted for on an accrual basis of accounting. The City uses a custodial (fiduciary) funds to account for safekeeping and disbursement of the private property collected and held in the custody of the police department in the Property Room Evidence Fund, the Area G Citizen Corps Program Fund to account for Area G cities' contributions to finance the community emergency response teams, and the Interoperability Network of South Bay Fund to account for member city revenues to finance a wide-area interoperable government communications network. The City uses a private-purpose trust (fiduciary) fund to account for the successor agency activities since the dissolution of the former redevelopment agency (governmental) funds on February 1, 2012 (see Note 22).

The *Enterprise Funds* are presented on an "economic resources" measurement focus and the full-accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues for the Water Enterprise Fund, the Sewer Enterprise Fund, the Sanitation Enterprise Fund, the Transit System Enterprise Fund, and the Municipal Airport Enterprise Fund are charges for goods and services. Operating expenses for these same enterprise funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Accounting for Encumbrances

The encumbrance system of accounting is used. An encumbrance is recorded as a charge against appropriations in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received, as required by the United States of America generally accepted accounting principles (U.S. GAAP). Encumbrances at year end are reported as restricted, committed, or assigned depending on the resources that have been identified to fund the applicable encumbrance.

Cash and Investments

The City pools all nonrestricted cash from all funds for the purpose of increasing interest earnings through investment activities. Investments are carried at fair value. Fair value is estimated by the City's investment management service. The fair value of guaranteed investment contracts and other investments with no regular market are at cost. The fair value of mutual funds, government-sponsored investment pools and other similar investments is stated at share value. Certain money market investments with initial maturities at the time of the purchase of less than one year are recorded at cost which approximates market. Interest income is allocated monthly to the various funds based on their average monthly cash balances. Interest income earned on restricted cash and investments is deposited directly to the fund earning the income.

For purposes of reporting cash flows for Enterprise Fund types, cash and cash equivalents include cash on hand and investments purchased with maturities within 90 days. Cash includes deposits in the cash management pool that has the general characteristics of a demand deposit account.

Cash and Cash Equivalents with Fiscal Agents

Cash and investments restricted as to their use by debt resolutions.

Inventories and Prepaids

Inventories of supplies as determined by perpetual records are accounted for using the consumption method and are stated at cost applied on a first-in, first-out basis.

Prepaids are items that were paid in the current fiscal year but pertain to the next fiscal year activities. The governmental funds use the consumption method in accounting for prepaids.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at $5,000. Gifts or contributions of capital assets are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful life of the assets as follows:

Buildings – 40 years

Improvements – 40 years

Equipment – 5 to 7 years

Infrastructure – 25 to 80 years

For Enterprise Fund types, capital assets are recorded at historical cost, except assets of the Water Enterprise Fund acquired prior to June 30, 1980 which are recorded at their estimated historical cost. Depreciation is provided for on the straight-line method over the estimated useful lives of the assets.

Property Tax Calendar

In 1978, a state constitutional amendment (Proposition 13) provided that the property tax rate is generally limited to 1% of market value, levied only by the County and shared with all other jurisdictions. The County of Los Angeles collects the taxes and distributes such revenues to taxing jurisdictions on the basis of the taxing jurisdictions' assessed valuations subject to adjustments for voter-approved debt. Property taxes levied on March 1, are due on November 1 and March 1 and become delinquent on December 10 and April 10 for the first and second installments, respectively. The lien date is January 1. City property tax revenues are recognized when levied to the extent that they result in current receivables collectible within 60 days.

Pension Plans

For purposes of measuring the total pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government of the City's CalPERS plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. Similar information for the PARS Enhanced Retirement Defined Benefit Pension Plan is based on its own actuarial report. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Investments are reported at fair value.

Governmental Accounting Standards Board Statement 68 (GASB 68) requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

CalPERS pension:

Valuation date (VD)	June 30, 2023
Measurement date (MD)	June 30, 2024
Measurement period (MP)	July 1, 2023 to June 30, 2024

PARS pension:

Valuation date (VD)	June 30, 2023
Measurement date (MD)	June 30, 2024
Measurement period (MP)	July 1, 2023 to June 30, 2024

Postemployment Benefits Other Than Pensions (OPEB)

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

Governmental Accounting Standards Board Statement 75 (GASB 75) requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation date (VD)	June 30, 2023
Measurement date (MD)	June 30, 2024
Measurement period (MP)	July 1, 2023 to June 30, 2024

Vacation and Sick Leave

It is the policy of the City to record the cost of vested vacation and sick leave as earned. This amount is included as a liability in the governmental activities in government-wide statements.

Claims and Judgments

The City is self-insured for State unemployment insurance, general liability claims, long-term disability and individual workers' compensation claims of City employees up to certain limits. The City has established risk financing Internal Service Funds where assets are set aside for claim settlements. The unpaid claims liabilities are included in the Self-Insurance Internal Service Fund.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding, net of accumulated amortization reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and

amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows related to pensions/OPEB equal to employer contributions made after the measurement date of the total pension/OPEB liability.

- Deferred outflows related to pensions for differences between expected and actual experience. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

- Deferred outflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.

- Deferred outflows related to pension/OPEB from difference between projected and actual earnings on investments.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from *unavailable revenues*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for interest. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Deferred inflows related to pensions/OPEB for differences between expected and actual experience. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions/OPEB through the plans.

- Deferred inflows from pensions/OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions/OPEB through the plans.

- Deferred inflows related to pensions/OPEB resulting from the difference in projected and actual earnings on investments of the pensions/OPEB plan fiduciary net position. These amounts are amortized over five years.

- Deferred inflows related to certain leases which are measured at the present value of lease payments expected to be received during the lease term, plus any payments received at or before the commencement of the lease term that relate to future periods.

Fund Balance

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance

Nonspendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in physical form (such as inventory) or that are legally or contractually required to be maintained intact (such as endowments).

Spendable Fund Balance

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by external legal requirements imposed by other governments, external resource providers, or creditors. City Council imposed restrictions do not create restricted fund balance unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.

Committed Fund Balance – this includes amounts that can only be used for specific purposes pursuant to the most binding constraint imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless City Council rescinds or modifies the specified use by resolution. If the Council resolution that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resultant fund balance is considered to be committed, not restricted. The City considers a resolution to constitute a formal action of City Council for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are intended to be used for specific purposes. In Section 3 of the Operating Budget Resolution of the City, City Council delegated authority to assign amounts for specific purposes to the City Manager.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications. The General Fund is the only fund that reports positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three classifications:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt and capital related payables that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Net Position Flow Assumptions

Sometimes the City 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 City's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

Budgetary Principles

The City uses the modified accrual plus encumbrances as its budgetary basis of accounting. The City is required by its Charter to adopt an annual budget. On or before the first day of June each year, the City Manager shall submit to City Council a proposed budget for all departments. The said budget shall include estimates for all revenues and expenditures for the ensuing year. From the effective date of the budget, the amounts stated therein, as proposed expenditures become appropriations to the various City departments. The following governmental funds are annually appropriated: General Fund, Debt Service Fund, Rental Assistance Program Fund, Street Lighting District Assessment Fund, Vanpool Rideshare Fund, Low Mod Housing Fund, and Meadow Park Parking Lot District Fund. Budgets for the Capital Improvement Fund and Special Revenue Capital Project Funds are long-term in nature. Therefore, no budgetary comparisons are presented in the accompanying financial statements. The enterprise funds with annual appropriations are: Transit System Fund, Water Fund, Sewer Fund, Municipal Airport Fund, and Sanitation Fund.

The City Council may amend the budget by a majority vote during the fiscal year. The City Manager may make such changes within the budget totals and allocations of any department during

the fiscal year as he deems reasonably necessary in order to meet the City's needs or goals, however, the City Manager may not increase appropriations allocated in the budget for any department without an amendment to the budget approved by the City Council. All operating appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered. Capital project appropriations lapse when individual projects are completed or canceled.

Expenditures may not legally exceed budgeted appropriations at the department level. Budgeted revenue amounts, as presented in the accompanying financial statements, represent the original budget as modified by adjustments during the year for those items which were contingent upon new or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year.

New Accounting Pronouncements

Current Year Standards

GASB 101, *"Compensated Absences",* effective for fiscal years beginning after December 15, 2023. This statement updates the recognition and measurement guidance for compensated absences through aligning the guidance under a unified model and by amending certain previously required disclosures. It requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. It establishes guidance for measuring the liability by using an employee's pay rate as of the date of the financial statements. The implementation of this new accounting standard resulted in restatement of beginning net position in both the governmental activities and the business-type activities.

GASB 102, *"Certain Risk Disclosures",* effective for fiscal years beginning after December 15, 2023. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. It defines concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The implementation of this standard did not have an impact on the City's financial statements.

Pending Accounting Standards

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

GASB 103, *"Financial Reporting Model Improvements",* effective for fiscal years beginning after June 15, 2025. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and

assessing a government's accountability.

GASB 104, *"Disclosure of Certain Capital Assets",* effective for fiscal years beginning after June 15, 2025. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure, and requires additional disclosures for capital assets held for sale.

Use of Estimates

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

(2) Cash and Investments

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

Statement of net position:		
Cash and investments	$	385,386,927
Cash and investments held by bond trustee		45,287,970
Fiduciary funds:		
Cash and investments		5,510,925
Cash and investments held by bond trustee		381
Total cash and investments	$	436,186,203

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	$	5,609
Cash with fiscal agent		679,626
Deposits with financial institutions		54,672,822
Investments		380,828,146
Total cash and investments	$	436,186,203

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

The table that follows identifies the **investment types** that are authorized for the City by the California Government Code and the City investment policy. The table also identifies certain provisions of the California Government Code (or the City investment policy, if more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City investment policy.

Investment Types Authorized by State Law	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage Of Portfolio	*Maximum Investment In One Issuer
Local Agency Bonds	Yes	5 years	10%	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	75%	30%
Banker's Acceptances	Yes	180 days	20%	5%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	20%	None
Time Certificates of Deposit	Yes	1 year	10%	None
Repurchase Agreements	Yes	30 days	10%	None
Reverse Repurchase Agreements	No	N/A	N/A	None
Medium-Term Notes	Yes	5 years	20%	5%
Mutual Funds	No	N/A	N/A	N/A
Money Market Mutual Funds	Yes	N/A	None	None
Mortgage Pass-Through Securities	No	N/A	N/A	None
County Pooled Investment Funds	No	N/A	N/A	None
Local Agency Investment Fund (LAIF)	Yes	N/A	$65 mil per agency	None
JPA Pools (other investment pools)	No	N/A	N/A	None

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

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City investment policy. The following table identifies the **investment types** that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
LAIF	None	None	None

Disclosures Relating to Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices of similar assets in active markets; Level 3 inputs are significant unobservable inputs.

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

			Fair Value Measurement		
Investment Type		Exempt from Disclosure	Level 1 Inputs (not applicable)	Level 2 Inputs (observable inputs)	Level 3 Inputs (not applicable)
U.S. treasury notes	$ 77,282,565	$ -	$ -	$ 77,282,565	$ -
Local municipal bonds	356,842	-	-	356,842	-
Federal agency securities	108,785,185	-	-	108,785,185	-
Corporate medium term notes	84,092,036	-	-	84,092,036	-
Negotiable certificate of deposit	3,888,091	-	-	3,888,091	-
CAMP	95,777,058	-	-	95,777,058	-
Corporate bonds	5,122,750	-	-	5,122,750	-
Subtotal	375,304,527	-	-	375,304,527	-
Money market mutual funds	1,764,010	1,764,010	-	-	-
State investment pool	1,353	1,353	-	-	-
	377,069,890	1,765,363	-	375,304,527	-
Held by bond trustee:					
Money market mutual funds	3,758,256	3,758,256	-	-	-
	3,758,256	3,758,256	-	-	-
Total	$ 380,828,146	$ 5,523,619	$ -	$ 375,304,527	$ -

The City's investments measured using Level 2 inputs utilized matrix pricing model. Matrix pricing is used to value securities based on securities' relationships to benchmark quoted prices.

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 investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City investments by maturity:

		Remaining Maturity (in Months)			
Investment Type		12 Months Or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
U.S. treasury notes	$ 77,282,565	$ 13,248,215	$ 14,823,600	$ 49,210,750	$ -
Local municipal bonds	356,842	-	-	356,842	-
Federal agency securities	108,785,185	44,368,665	34,966,320	29,450,200	-
Corporate medium term notes	84,092,036	3,565,512	8,448,000	72,078,524	-
Negotiable certificate of deposit	3,888,091	2,405,678	1,231,506	250,907	-
CAMP	95,777,058	95,777,058	-	-	-
Corporate bonds	5,122,750	-	-	5,122,750	-
Money market mutual funds	1,764,010	1,764,010	-	-	-
State investment pool	1,353	1,353	-	-	-
	377,069,890	161,130,491	59,469,426	156,469,973	-
Held by bond trustee:					
Money market mutual funds	3,758,256	3,758,256	-	-	-
	3,758,256	3,758,256	-	-	-
Total	$ 380,828,146	$ 164,888,747	$ 59,469,426	$ 156,469,973	$ -

Disclosures Relating to Credit Risk

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

Investment Type		Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End AAA	AA	A	Not Rated
U.S. treasury notes	$ 77,282,565	N/A	$ -	$ -	$ -	$ -	$ 77,282,565
Local municipal bonds	356,842	N/A	-	-	-	-	356,842
Federal agency securities	108,785,185	N/A	-	-	108,785,185	-	-
Corporate medium term notes	84,092,036	A	-	-	26,595,398	49,048,638	8,448,000
Negotiable certificate of deposit	3,888,091	N/A	-	-	-	-	3,888,091
CAMP	95,777,058	N/A	-	-	-	-	95,777,058
Corporate bonds	5,122,750	N/A	-	-	5,122,750	-	-
Money market mutual funds	1,764,010	N/A	-	-	-	1,764,010	-
State investment pool	1,353	N/A	-	-	-	-	1,353
	377,069,890		-	-	140,503,333	50,812,648	185,753,909
Held by bond trustee							
Money market mutual funds	3,758,256	A	-	3,758,256	-	-	-
	3,758,256		-	3,758,256	-	-	-
TOTAL	$ 380,828,146		$ -	$ 3,758,256	$ 140,503,333	$ 50,812,648	$ 185,753,909

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 one exception is the Policy limits the percentage allowed in any one issuer for Federal agencies to 30% per agency. 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 are as follows:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal agency securities	$ 52,323,930
Federal Home Loan Bank	Federal agency securities	26,485,505
Federal Home Loan Mortgage Corp	Federal agency securities	29,975,750

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 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. As of June 30, 2025, $13,425,806 of the City deposits with financial institutions in excess of federal depository insurance limits were secured by pledged securities in an undivided collateral pool held in the name of Bank of America under trust with Bank of New York Trust.

For investments identified herein as held by bond trustee, the bond trustee, at the direction of the City Treasurer, selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City 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 is not rated.

(3) Capital Assets

Infrastructure assets at June 30, 2025 (in thousands):

Description	Cost	Accumulated Depreciation	Net Cost
Road system	$ 359,276	$ (213,487)	$ 145,789
Storm drain system	34,447	(12,158)	22,289
Sewer lines	78,077	(44,524)	33,553
Water system	153,189	(55,485)	97,704
	$ 624,989	$ (325,654)	$ 299,335

Capital Asset activity for the year ended June 30, 2025 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 83,189	$ -	$ -	$ -	$ 83,189
Right-of-way	19,950	-	-	-	19,950
Construction in progress	16,424	15,712	(12,812)	-	19,324
Total capital assets not being depreciated	119,563	15,712	(12,812)	-	122,463
Capital assets being depreciated:					
Land improvements and buildings	148,740	2,784	(5)	-	151,519
Machinery and equipment	83,928	18,109	(2,056)	-	99,981
Infrastructure	382,588	14,503	(30)	-	397,061
SBITA	10,671	8,108	(489)	-	18,290
Total capital assets being depreciated	625,927	43,504	(2,580)	-	666,851
Less accumulated depreciation and amortization for:					
Land improvements and buildings	(73,793)	(3,373)	-	-	(77,166)
Machinery and equipment	(59,171)	(5,760)	2,056	-	(62,875)
Infrastructure	(217,963)	(8,026)	-	-	(225,989)
SBITA	(1,698)	(1,916)	196	-	(3,418)
Total accumulated depreciation and amortization	(352,625)	(19,075)	2,252	-	(369,448)
Total capital assets being depreciated, net	273,302	24,429	(328)	-	297,403
Governmental activities capital assets, net	$ 392,865	$ 40,141	$ (13,140)	$ -	$ 419,866

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital assets not being depreciated:					
Land	$ 8,833	$ -	$ -	$ -	$ 8,833
Construction in progress	4,475	10,113	(4,810)	-	9,778
Capitalized construction interest	491	-	(491)	-	-
Total capital assets not being depreciated	13,799	10,113	(5,301)	-	18,611
Capital assets being depreciated:					
Infrastructure	226,218	1,711	-	-	227,929
Easement	1,743	-	-	-	1,743
Land improvements and buildings	23,061	132	-	-	23,193
Machinery and equipment	79,844	6,776	(1,094)	-	85,526
Furniture and fixtures	2,011	-	-	-	2,011
SBITA	968	244	-	-	1,212
Total capital assets being depreciated	333,845	8,863	(1,094)	-	341,614
Less accumulated depreciation and amortization for:					
Infrastructure	(96,136)	(3,530)	-	-	(99,666)
Easement	(687)	(58)	-	-	(745)
Land improvements and buildings	(14,285)	(307)	-	-	(14,592)
Machinery and equipment	(62,987)	(3,597)	1,094	-	(65,490)
Furniture and fixtures	(2,011)	-	-	-	(2,011)
SBITA	(341)	(206)	-	-	(547)
Total accumulated depreciation and amortization	(176,447)	(7,698)	1,094	-	(183,051)
Total capital assets being depreciated, net	157,398	1,165	-	-	158,563
Business-type activities capital assets, net	$ 171,197	$ 11,278	$ (5,301)	$ -	$ 177,174

The capital assets for the Fleet Services Fund and the Self-Insurance Fund, internal service funds, have been consolidated into the governmental activities, and are included in the machinery and equipment, construction in progress and SBITA category: asset additions amounted to $20,322,476 and asset deductions amounted to $4,219,984.

Depreciation and amortization expense was charged to functions/programs of the primary government as follows (in thousands):

Governmental Activities:		
General government	$	5,853
Public safety		2,923
Public works		9,311
Community development		128
Culture and recreation		860
Total depreciation and amortization expense - governmental activities	$	19,075
Business-type activities:		
Water	$	2,774
Sewer		1,327
Sanitation		792
Municipal Airport		269
Transit System		2,536
Total depreciation and amortization expense - business-type activities	$	7,698

Included in the depreciation charge to general government is the amount of depreciation and amortization for the Fleet Services Fund, an internal service fund. This amount includes depreciation and amortization expense of $2,502,058, and retirements of $2,050,339. The result is a net addition to accumulated depreciation in the amount of $451,719.

(4) Notes Receivable

Rehabilitation Housing

This represents a number of small loans given to eligible participants in the City's Federal Housing Rehabilitation program. These loans, usually less than $10,000, are no-interest bearing loans that will be repaid when the property is sold. The balance of these loans as of June 30, 2025 is $32,900.

(5) Lease Receivables

The City leases land and commercial spaces to multiple entities with agreements ranging from 7 to 88 years with interest rates between 2.24% and 2.53%. The City recognized $9,040,103 of lease revenue during the fiscal year ended June 30, 2025, and reported $172,621,883 and $155,461,183 of lease receivables and deferred inflows of resources, respectively, as of June 30, 2025.

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are calculated as a percentage of the lessee's revenues. During the year ended June

30, 2025, the City received variable payments totaling $2,541,361, which are recorded as revenue in the period the payment is received.

A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

The future lease receipts are as follows (in thousands):

	Principal	Interest	Total
Year ending June 30:			
2026	$ 5,578	$ 4,199	$ 9,777
2027	5,831	4,103	9,934
2028	6,056	4,006	10,062
2029	6,103	3,892	9,995
2030	5,009	3,797	8,806
2031 to 2035	22,482	16,968	39,450
2036 to 2040	16,490	14,689	31,179
2041 to 2045	18,962	12,080	31,042
2046 to 2050	21,033	9,645	30,678
2051 to 2055	16,628	7,059	23,687
2056 to 2060	11,503	5,423	16,926
2061 to 2065	13,822	3,854	17,676
2066 to 2070	17,032	1,876	18,908
2071 to 2072	6,093	157	6,250
	$ 172,622	$ 91,748	$ 264,370

(6) Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The City uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA term. A SBITA asset is presented in the Capital Assets section, on the government-wide Statement of Net Position and presented in the Capital Assets Note 3.

The City has a variety of variable payment clauses, within its SBITA arrangements, including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance, are included in the measurement of the SBITA liability presented in the table below. The City did not incur expenses related to its SBITA activities

such as termination penalties, not previously included in the measurement of the SBITA liability, or losses due to impairment.

As of June 30, 2025, the City had minimum principal and interest payment requirements for its SBITA activities, with a remaining term in excess of one year, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year ending June 30:			
2026	$ 1,728	$ 285	$ 2,013
2027	1,953	252	2,205
2028	1,692	215	1,907
2029	1,746	181	1,927
2030	1,172	147	1,319
2031 to 2035	5,485	382	5,867
2036	945	28	973
	$ 14,721	$ 1,490	$ 16,211

	Business-Type Activities		
	Principal	Interest	Total
Year ending June 30:			
2026	$ 228	$ 13	$ 241
2027	244	8	252
2028	90	3	93
2029	95	2	97
	$ 657	$ 26	$ 683

(7) Long-term Debt

a) Certificates of Participation

2016 Refunding Certificates of Participation

In 2016, the City, with the Public Property Financing Corporation of California, issued $22,135,000 of refunding certificates of participation to refinance the 2009 certificates of participation issued by the Torrance Public Financing Authority to finance the acquisition of approximately 15 acres of real property for a regional transit center and other City uses. Debt proceeds and the 2009 certificates of participation reserves of $1,251,320 were deposited in an irrevocable trust with an escrow agent to redeem the 2009 certificates of participation on November 15, 2016. As a result, the 2009 certificates of participation are considered defeased, and the related liability has been removed from the books. The undiscounted cash flows required to service the 2016 Refunding Certificates of Participation that were issued during the year ended June 30, 2016 will be $10,134,685 more than the cash flows that would have been required to service the defeased 2009 Certificates. The 2016 Refunding Certificates of

Participation extend the debt service period by 7 years through fiscal year 2046/47. The economic gain (difference between the present values of the old and the new debt service payments) resulting from this transaction was $1,565,891. A portion ($6,105,790) of the 2016 Refunding Certificates of Participation was set aside for the construction of capital improvements related to an emergency operations center and any other public capital improvements selected by the City. The refunding certificates of participation debt is considered to be capital related.

There is no reserve requirement for the 2016 Refunding Certificates of Participation. Pledged rental payments equaled debt service payment during fiscal year ended June 30, 2025.

The principal matures November 1 each year through 2046 at variable amounts ranging from $395,000 to $1,235,000. Interest is payable on November 1 and May 1 with interest rates ranging from 2.00% to 5.00% and $18,560,000 remains outstanding as of June 30, 2025.

Annual debt service requirements are as follows (in thousands):

	Annual Debt Service Requirement		
	Principal	Interest	Total
Year ending June 30:			
2026	$ 530	$ 727	$ 1,257
2027	550	705	1,255
2028	580	680	1,260
2029	610	650	1,260
2030	640	618	1,258
2031 to 2035	3,645	2,640	6,285
2036 to 2040	4,320	1,965	6,285
2041 to 2045	5,265	1,027	6,292
2046 to 2047	2,420	99	2,519
	$ 18,560	$ 9,111	$ 27,671

b) Lease Revenue Bonds

2020 Lease Revenue Bonds

In 2020, the City, with the Torrance Joint Powers Financing Authority, issued $349,515,000 of lease revenue bonds to refinance a portion of the Unfunded Accrued Liability (UAL) of the City's Miscellaneous, Safety Fire and Safety Police pension plans with CalPERS. The refinancing was estimated to generate overall savings through FY 2044 of about $172.2 million.

There is no reserve requirement for the 2021 Lease Revenue Bonds. Pledged rental payments equaled debt service payment during fiscal year ended June 30, 2025.

The principal matures October 1 each year through 2043 at variable amounts ranging from $2,015,000 to $26,590,000. Interest is payable on October 1 and April 1 with interest rates ranging from 1.239% to 3.803% and $323,420,000 remains outstanding as of June 30, 2025.

Annual debt service requirements are as follows (in thousands):

	Annual Debt Service Requirement		
	Principal	Interest	Total
Year ending June 30:			
2026	$ 9,325	$ 10,538	$ 19,863
2027	10,050	10,348	20,398
2028	10,830	10,120	20,950
2029	11,655	9,858	21,513
2030	12,535	9,557	22,092
2031 to 2035	77,875	41,876	119,751
2036 to 2040	110,690	26,119	136,809
2041 to 2044	80,460	5,450	85,910
	$ 323,420	$ 123,866	$ 447,286

2021 Lease Revenue Bonds

In 2021, the City, with the Torrance Joint Powers Financing Authority, issued $39,725,000 of lease revenue bonds to refinance the 2014 certificates of participation issued by the Torrance Public Financing Authority to construct certain maintenance and entertainment facilities within the City. Debt proceeds and the 2014 certificates of participation reserves of $2,611,940 were deposited in an irrevocable trust with an escrow agent to redeem the 2014 certificates of participation on April 15, 2021. As a result, the 2014 certificates of participation are considered defeased, and the related liability has been removed from the books. The economic gain (difference between the present values of the old and the new debt service payments) resulting from this transaction was approximately $3.8 million. Proceeds from the 2014 Refunding Certificates of Participation was set aside for the construction of street improvements, storm drain improvements, and purchases of equipment. The lease revenue bonds are considered to be capital related.

There is no reserve requirement for the 2021 Lease Revenue Bonds. Pledged rental payments equaled debt service payment during fiscal year ended June 30, 2025.

The principal matures June 1 each year through 2044 at variable amounts ranging from $1,445,000 to $2,415,000. Interest is payable on December 1 and June 1 with interest rates ranging from 0.408% to 3.379% and $35,365,000 remains outstanding as of June 30, 2025.

Annual debt service requirements are as follows (in thousands):

	Annual Debt Service Requirement		
	Principal	Interest	Total
Year ending June 30:			
2026	$ 1,480	$ 1,026	$ 2,506
2027	1,495	1,006	2,501
2028	1,520	981	2,501
2029	1,555	952	2,507
2030	1,590	918	2,508
2031 to 2035	8,555	3,969	12,524
2036 to 2040	9,955	2,566	12,521
2041 to 2044	9,215	792	10,007
	$ 35,365	$ 12,210	$ 47,575

c) Water Fund Easement

In August 2012, the City entered into a thirty year easement agreement with the Torrance Unified School District for access to a land-locked, City-owned parcel to be developed as a water well, treatment and storage facility. The net book value of the easement asset as of June 30, 2025 is $987,972. The related debt is considered to be capital debt.

The future easement obligations at June 30, 2025 are as follows (in thousands):

	Water Enterprise Fund
Year ending June 30:	
2026	$ 58
2027	58
2028	58
2029	58
2030	58
2031 to 2035	291
2036 to 2040	291
2041 to 2042	116
	$ 988

d) Water Fund Installment Sale Agreement

In 2017, the City entered into an installment sale agreement with the Public Property Financing Corporation of California (the "Corporation"), for the purpose of financing the drilling and construction of a new water well, the North Torrance Well Field Project (the "Project"). The

Corporation or its assignee provided $5,749,428 for construction of the Project. The installment sale agreement debt is considered to be capital related.

The principal matures May 1 and November 1 each year from 2018 through 2028 at variable amounts ranging from $195,000 to $317,071. Interest is payable on May 1 and November 1 at a rate of 2.36% and $1,671,301 remains outstanding as of June 30, 2025.

Annual debt service requirements are as follows (in thousands):

	Water Fund Annual Debt Service Requirement		
	Principal	Interest	Total
Year ending June 30:			
2026	609	36	645
2027	623	21	644
2028	439	7	446
	$ 1,671	$ 64	$ 1,735

e) Water Fund Construction Installment Sale Agreement

In 2025, the City entered into a construction installment sale agreement with the California State Water Resources Control Board ("State Water Board"), for the purpose of financing the drinking water construction project, the Van Ness Avenue Well Field Project (the "Project"). The State Water Board or its assignee provided $14,338,835 for construction of the Project. The installment sale agreement debt is considered to be capital related.

The principal matures June 30 each year from 2025 through 2044 at variable amounts ranging from $628,146 to $806,759. Interest is payable on June 30 at a rate of 1.4% and $13,564,833 remains outstanding as of June 30, 2025.

Annual debt service requirements are as follows (in thousands):

	Water Fund Annual Debt Service Requirement		
	Principal	Interest	Total
Year ending June 30:			
2026	628	190	818
2027	637	181	818
2028	646	172	818
2029	655	163	818
2030	664	154	818
2031 to 2035	3,462	628	4,090
2036 to 2040	3,711	379	4,090
2041 to 2044	3,162	111	3,273
	$ 13,565	$ 1,978	$ 15,543

(8) Changes in Long-Term Obligations

The following is a summary of changes in the City's long-term obligations for the year ended June 30, 2025 (in thousands):

Govermental Activities:	Balance June 30, 2024 (as restated)	Incurred or Issued	Satisfied or Matured	Balance June 30, 2025	Amounts due within One Year	Amounts Due in more than One Year
Other Long-term Liabilities						
Compensated absences payable *	$ 30,351	796	-	$ 31,147	8,098	23,049
Notes payable	920	-	222	698	227	471
SBITA liability (note 6)	8,965	8,107	2,351	14,721	1,728	12,993
Claims & judgments (note 15)	67,480	3,577	3,123	67,934	13,839	54,095
Other Debt						
Certificates of Participation:						
2016 refunding certificates	19,070	-	510	18,560	530	18,030
2016 premium	1,295	-	57	1,238	-	1,238
Lease Revenue Bonds:						
2020 lease revenue bonds	332,070	-	8,650	323,420	9,325	314,095
2021 lease revenue bonds	36,830	-	1,465	35,365	1,480	33,885
Total Governmental Activities	$496,981	12,480	16,378	$ 493,083	35,227	457,856
Business-Type Activities:						
Other Long-term Liabilities						
Compensated absences payable *	$ 2,916	289	-	$ 3,205	833	2,372
SBITA liability (note 6)	632	244	219	657	228	429
Direct Borrowings						
Easement payable - Water Fund	1,046	-	58	988	58	930
Installment Sale Agreement - Water Fund	2,266	-	595	1,671	609	1,062
Drinking Water State Revolving Loan - Water Fund	-	14,339	774	13,565	628	12,937
Total Business-Type Activities	$ 6,860	14,872	1,646	$ 20,086	2,356	17,730

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

Compensated Absences

The City's policy regarding compensated absences is described in Note 1. The funded portion of this debt, is recorded in the Internal Service funds and business-type Enterprise funds totaling $8,841,173 and $3,205,352 respectively. The unfunded portion, amounting to $22,305,607 is recorded in the governmental activities and is expected to be paid from future resources. In prior years, compensated absences have been liquidated primarily by the General Fund.

Notes Payable

The City entered into a 7-year municipal lease-to-own financing with Republic First National to purchase eight ambulances from Southwest Ambulance Sales LLC in the amount of $1,560,528, with a total interest cost of $138,391 at an annual rate of 2.17%. The annual payment is payable on March 15, and at the end of the term, the City will own the ambulances. As of June 30, 2025, $697,609 of principal remains outstanding.

Claims and Judgments

The long-term liability for self-insurance claims and judgments is recorded in the Self-Insurance Fund of the Internal Service funds and the liability is liquidated in that fund. Since the Internal Service funds primarily serve the governmental funds, the long-term liability for claims and judgments has been included in the governmental activities in the Government-wide Statement of Net Position. As of June 30, 2025, claims and judgments payable was $67,934,283 (see Note 15).

(9) Pension Plan

The following is a summary of pension related items for the year ended June 30, 2025:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense / (Income)
CalPERS Miscellaneous	$ 66,709,126	$ 24,796,619	$ (325,609)	$ 19,359,937
CalPERS Safety – Police	86,154,368	24,362,316	(1,329,296)	24,582,741
CalPERS Safety – Fire	62,277,052	26,357,199	-	15,935,775
PARS (see Note 10)	16,713,306	1,196,155	(381,797)	1,312,483
Total	**$ 231,853,852**	**$ 76,712,289**	**$ (2,036,702)**	**$ 61,190,936**

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government 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 under Forms and Publications.

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 to 62 with statutorily reduced benefits. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The City typically uses the General Fund and the enterprise funds to liquidate pension and other post-retirement obligations. The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates	7.00%	8.00%
Required employer contribution:		
Normal cost rate	10.34%	12.479%
Payment of unfunded liability	$ -	$ -

	Safety - Police	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.7%
Required employee contribution rates	9.00%	15.50 % or 13.00%
Required employer contribution:		
Normal cost rate	29.39%	26.221% or 22.529%
Payment of unfunded liability	$ -	$ -

	Safety – Fire	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.7%
Required employee contribution rates	9.00%	12.00%
Required employer contribution:		
Normal cost rate	22.23%	20.822% or 22.549%
Payment of unfunded liability	$ -	$ -

Employees Covered

At June 30, 2024 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety - Police	Safety - Fire
Inactive employees or beneficiaries currently receiving benefits	1,281	419	232
Inactive employees entitled to but not yet receiving benefits	1,528	125	44
Active employees	994	180	140
Total	**3,803**	**724**	**416**

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the measurement period ending June 30, 2024 (the measurement date), the average active employee contribution rate is 7.47 percent for Miscellaneous, 10.05 percent for Safety – Police and 9.93 percent for Safety – Fire, of annual pay, and the employer's contribution rate is 10.14 percent for Miscellaneous, 27.51 percent for Safety – Police and 20.95 percent for Safety – Fire, of annual payroll. Employer contribution rates may change if plan contracts are

amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

Actuarial Cost Method	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.3%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.80% net of pension plan investment and administrative expenses; includes inflation
Retirement Age	Based on 2021 CalPERS' Experience Study and Review of Actuarial Assumptions
Mortality Rate Table	Based on 2021 CalPERS' Experience Study and Review of Actuarial Assumptions

Discount Rate

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

Subsequent Events

Since the valuation date, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost of living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the total pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists. At this time, the long-term price inflation assumption of 2.3% per annum remains appropriate.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 10 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:

Asset Class [1]	**New Strategic Allocation**	**Real Return**[1,2]
Public Equities – Cap Weighted	31.80%	8.8%
Public Equities – Factor Weighted	10.00	n/a
Treasury	7.30	0.3
Mortgage-backed Securities	5.30	1.6
Investment Grade Corporates	6.40	2.7
High Yield	5.30	n/a
Emerging Market Debt	5.30	n/a
Private Debt	2.80	n/a
Private Equity	15.50	11.0
Real Assets	13.20	5.6
Leverage	(2.90)	n/a
Total	100.00%	

[1] An expected inflation of 2.3% used for this period

[2] Figures are based on the CalPERS Trust Level Review as of June 20th, 2024

Changes in Total Pension Liability

The following table shows the changes in total pension liability recognized over the measurement period.

	Miscellaneous		
	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Total Pension Liability (c) = (a) - (b)**
Balance at: 6/30/2023	**$ 754,357,468**	**$ 677,516,237**	**$ 76,841,231**
Changes Recognized for the Measurement Period:			
Service Cost	11,281,868	-	11,281,868
Interest on the Total Pension Liability	51,219,945	-	51,219,945
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	3,472,715	-	3,472,715
Changes of Assumptions	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	7,682,596	(7,682,596)
Contributions from Employees	-	5,570,731	(5,570,731)
Net Investment Income	-	63,404,603	(63,404,603)
Administrative Expense	-	(551,297)	551,297
Benefit Payments, including Refunds of Employee Contributions	(42,306,119)	(42,306,119)	-
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2023-24	**23,668,409**	**33,800,514**	**(10,132,105)**
Balance at: 6/30/2024	**$ 778,025,877**	**$ 711,316,751**	**$ 66,709,126**

	Safety - Police		
	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Total Pension Liability (c) = (a) - (b)**
Balance at: 6/30/2023	**$ 692,052,445**	**$ 594,281,340**	**$ 97,771,105**
Changes Recognized for the Measurement Period:			
Service Cost	10,188,830	-	10,188,830
Interest on the Total Pension Liability	46,578,056	-	46,578,056
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(2,111,235)	-	(2,111,235)
Changes of Assumptions	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	8,474,142	(8,474,142)
Contributions from Employees	-	2,937,049	(2,937,049)
Net Investment Income	-	55,344,766	(55,344,766)
Administrative Expense	-	(483,569)	483,569
Benefit Payments, including Refunds of Employee Contributions	(39,982,692)	(39,982,692)	-
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2023-24	**14,672,959**	**26,289,696**	**(11,616,737)**
Balance at: 6/30/2024	**$ 706,725,404**	**$ 620,571,036**	**$ 86,154,368**

	Safety - Fire		
	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Total Pension Liability (c) = (a) - (b)**
Balance at: 6/30/2023	**$ 429,490,256**	**$ 371,698,509**	**$ 57,791,747**
Changes Recognized for the Measurement Period:			
Service Cost	6,266,328	-	6,266,328
Interest on the Total Pension Liability	29,648,354	-	29,648,354
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	10,210,410	-	10,210,410
Changes of Assumptions	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	5,169,039	(5,169,039)
Contributions from Employees	-	2,263,492	(2,263,492)
Net Investment Income	-	34,509,708	(34,509,708)
Administrative Expense	-	(302,452)	302,452
Benefit Payments, including Refunds of Employee Contributions	(26,295,080)	(26,295,080)	-
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2023-24	**19,830,012**	**15,344,707**	**4,485,305**
Balance at: 6/30/2024	**$ 449,320,268**	**$ 387,043,216**	**$ 62,277,052**

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.90%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate – 1% (5.90%)	**Current Discount Rate (6.90%)**	**Discount Rate + 1% (7.90%)**
Plan's Total Pension Liability – Miscellaneous	$ 164,395,367	$ 66,709,126	$ (14,221,455)
Plan's Total Pension Liability – Safety-Police	$ 178,258,858	$ 86,154,368	$ 10,470,693
Plan's Total Pension Liability – Safety-Fire	$ 117,645,615	$ 62,277,052	$ 16,369,049

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the measurement period ended June 30, 2024, the City recognized a pension expense of $19,359,937 for the Miscellaneous Plan, $24,582,741 for the Safety-Police Plan and $15,935,775 for the Safety-Fire Plan.

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

Miscellaneous	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 9,878,256	$ -
Differences between Expected and Actual Experience	2,186,524	(325,609)
Changes of Assumptions	620,956	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	12,110,883	-
Total	$ 24,796,619	$ (325,609)

Safety - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 11,202,785	$ -
Differences between Expected and Actual Experience	1,884,896	(1,329,296)
Changes of Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	11,274,635	-
Total	$ 24,362,316	$ (1,329,296)

Safety - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 6,866,814	$ -
Differences between Expected and Actual Experience	9,441,100	-
Changes of Assumptions	2,782,667	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,266,618	-
Total	$ 26,357,199	$ -

Deferred outflows of resources related to contributions subsequent to the measurement date reported above for Miscellaneous, Safety-Police and Safety-Fire in the amounts of $9,878,256, $11,202,785 and $6,866,814, respectively, will be recognized as a reduction of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
Measurement Period Ending June 30	**Miscellaneous**	**Safety - Police**	**Safety - Fire**
2026	$ 1,464,119	$ 1,478,084	$ 5,543,011
2027	19,321,915	15,706,938	13,709,859
2028	(2,653,931)	(2,285,801)	1,008,844
2029	(3,539,349)	(3,068,986)	(771,329)
2030	-	-	-
Thereafter	-	-	-

(10) PARS Enhanced Retirement Defined Benefit Pension Plan

Pursuant to a Plan Document dated January 25, 2004, the City provides an enhanced retirement benefit to members of the Torrance Professional and Supervisory Association (TPSA), the Engineer Bargaining Unit, the Fiscal Bargaining Unit, and certain Information Technology Specialists who migrated to the TPSA on October 19, 2004. This benefit takes the form of a single employer defined benefit pension plan. The authority to establish and amend the funding policy is the City Council. Currently it is the City's policy to annually fund an amount budgeted to approximate the required annual contribution for that fiscal year.

Benefits are available to members hired on or before January 25, 2004 that retire from the City at an age of 55 or greater and with five or more years of City service. Benefits are also available to members hired between January 25, 2004 and December 31, 2012 that retire from the City at an age of 55 or greater and with five or more years of City service specific to the eligible bargaining unit, as identified previously. New hires after December 31, 2012 are not eligible for this benefit.

Generally, the enhanced benefit is expressed as .46951% times years of CalPERS eligible service times the member's highest annual compensation while a bargaining group member. This plan is administered for the City through a third party administrator, Public Agency Retirement Services (PARS). Copies of PARS' annual financial report may be obtained from its executive office at 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

Employees covered – At June 30, 2023 (valuation date), the following employees were covered by the benefit term for the Plan:

Retirees	162
Vested terminations	35
Suspended	17
Active employees	52
Total	266

Contribution Description

The City's funding policy is to make the contribution as determined by the Plan's actuary. The Plan's annual pension cost for the fiscal year ended June 30, 2025, is based on an actuarial valuation as of June 30, 2023. For the fiscal year ended June 30, 2025, the City's annual pension cost is $1,312,483. The City contributed $1,196,155 to the plan.

Measurement Date:	June 30, 2024
Actuarial Valuation Date:	June 30, 2023
Asset Valuation Method:	Investment gains and losses over 5 year period, not less than 80% nor more than 120% of market value
Discount rate:	5.25%
Mortality:	CalPERS' 2021 Experience Study
General Inflation:	2.5%
Cost of Living Adjustment:	2%
Termination:	CalPERS' 2021 Experience Study
Salary Increases:	Varies by entry age and service
Retirement Age:	CalPERS' 2021 Experience Study

Actuarial Methods

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) method. The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits.

Plan funded status based on the excess of

1) Plan Assets over
2) Actuarial Accrued Liability

Actuarial valuation of assets are not less than 80% nor more than 120% of market value. This is due to investment gains/losses being spread over a 5 year rolling period.

Discount Rate

The discount rate used to measure the total pension liability was 5.25 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the actuary stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 5.25 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

Change in Total Pension Liability

The following table shows the changes in total pension liability recognized over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Total Pension Liability (c) = (a) - (b)**
Balance at: 6/30/2023	**$ 36,894,131**	**$ 18,841,371**	**$ 18,052,760**
Changes Recognized for the Measurement Period:			
Service Cost	359,576	-	359,576
Interest on the total pension liability	1,909,226	-	1,909,226
Differences between actual and expected experience	-	-	-
Change of assumptions	-	-	-
Contributions from the employer	-	1,372,000	(1,372,000)
Investment income	-	2,267,121	(2,267,121)
Administrative expense	-	(30,865)	30,865
Benefit payments, including refunds	(1,798,007)	(1,798,007)	-
Net Changes	**470,795**	**1,810,249**	**(1,339,454)**
Balance at: 6/30/2024	**$ 37,364,926**	**$ 20,651,620**	**$ 16,713,306**

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 5.25%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.25%) or 1 percentage-point higher (6.25%) than the current rate:

	1% Decrease (4.25%)	**Discount Rate (5.25%)**	**1% Increase (6.25%)**
Total Pension Liability	$ 21,413,375	$ 16,713,306	$ 12,798,147

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the measurement period ended June 30, 2024 (the measurement date), the City recognized a pension expense of $1,312,483 for the Plan.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	(381,797)
Employer contributions made subsequent to the measurement date	1,196,155	-
Total	$ 1,196,155	$ (381,797)

As of June 30, 2025, deferred outflows of resources related to employer contributions subsequent to the measurement date in the amount of $1,196,155 will be recognized as a reduction of the total pension liability in the year ending 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:

Measurement Period Ending June 30:	Deferred Outflows/(Inflows) of Resources
2026	$ (165,047)
2027	388,101
2028	(353,326)
2029	(251,525)
2030	-
Thereafter	-

(11) Other Postemployment Benefit Plan

Plan Description

The City has established the City of Torrance Retiree Healthcare Plan (the "Plan"), an agent multiple-employer defined benefit postemployment healthcare plan. The Plan provides post-retirement medical benefits to eligible retirees and their dependents through the California Public Employees Medical and Hospital Care Act (PEMHCA) and managed through the California Retiree Benefit Trust (CERBT). All employees are vested after five years of employment and must reach the age of 50 and qualify for CalPERS retirement in order to receive these benefits. Benefits are

payable for the life of the retiree and survivor coverage continues after the death of the retiree. A separate financial report is not prepared for the Plan.

Employees Covered

As of the June 30, 2023 valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefits	842
Inactive employees entitled to but not yet receiving benefits	505
Active employees	1,196
Total	2,543

Contributions

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreement between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution (ADC). In the measurement date June 30, 2024, the City's cash contributions were $5,837,000 in payments to the Trust.

Total Other Postemployment Benefit (OPEB) Liability

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

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial methods and assumptions:

Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Actuarial Cost Method	Entry age normal, level percentage of payroll
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.5%
Salary Increases	Aggregate – 2.75%, Merit - CalPERS 2021 assumptions
Investment Rate of Return	6.25%
Medical Trend	Non-Medicare – 7.6%, Medicare – 5.9%
Mortality, Retirement, Disability, Termination	CalPERS 2021 Experience Study

The target allocation shown below was adopted by CERBT effective March 2022.

Asset Class	Strategic Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23	1.56
TIPS	5	(0.08)
Commodities	3	1.22
REITs	20	4.06
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and dependents. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Total OPEB Liability

The following table shows the changes in total OPEB liability recognized over the measurement period.

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Total OPEB Liability (c) = (a) - (b)**
Balance at: 6/30/2023	**$ 100,668,488**	**$ 38,987,802**	**$ 61,680,686**
Changes Recognized for the Measurement Period:			
Service Cost	2,475,922	-	2,475,922
Interest on the Total OPEB Liability	6,314,131	-	6,314,131
Changes of Benefit Terms	4,933,108	-	4,933,108
Differences between Expected and Actual Experience	(898,249)	-	(898,249)
Changes of Assumptions	-	-	-
Contributions from the Employer	-	5,837,000	(5,837,000)
Contributions from Employees	-	-	-
Net Investment Income	-	4,779,492	(4,779,492)
Administrative Expense	-	(36,414)	36,414
Benefit Payments	(4,301,819)	(4,301,819)	-
Net Changes during 2023-24	**8,523,093**	**6,278,259**	**2,244,834**
Balance at: 6/30/2024	**$ 109,191,581**	**$ 45,266,061**	**$ 63,925,520**

Change of Assumptions

There have been no changes in the assumptions since the last measurement date.

Change of Benefit Terms

The City's contribution to Police Yearly Stipend increased from 2.0% to 2.5% of payroll effective July 1, 2024. The impact on the Total OPEB liability is $4,933,108.

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

The following presents the total OPEB liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.25%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.25%) or 1 percentage-point higher (7.25%) than the current rate:

	Discount Rate – 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
Total OPEB Liability	$ 78,526,047	$ 63,925,520	$ 51,902,341

Sensitivity of the Total OPEB Liability to Changes in the Medical Trend Rates

The following presents the total OPEB liability of the Plan as of the Measurement Date, calculated using the medical trend rates of Non-Medicare – 7.60% and Medicare – 5.90%, as well as what the total OPEB liability would be if it were calculated using medical trend rates that are 1 percentage-point lower (Non-Medicare – 6.60%, Medicare – 4.90%) or 1 percentage-point higher (Non-Medicare – 8.60%, Medicare – 6.90%) than the current rates:

	Medical Trend Rates – 1% (6.60% and 4.90%)	Current Medical Trend Rates (7.60% and 5.90%)	Medical Trend Rates + 1% (8.60% and 6.90%)
Total OPEB Liability	$ 53,933,057	$ 63,925,520	$ 76,279,930

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

For the measurement period ended June 30, 2024, the City recognized OPEB expense of $12,506,362.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	$ 6,761,195	$ -
Differences between Expected and Actual Experience	4,210,276	(2,580,863)
Changes of Assumptions	9,417,978	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	149,277	-
Total	$ 20,538,726	$ (2,580,863)

Deferred outflows of resources related to contributions subsequent to the measurement date reported above in the amounts of $6,761,195, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	Deferred Outflows/(Inflows) of Resources
Year Ending June 30	**Miscellaneous**
2026	$ 1,553,351
2027	2,957,657
2028	1,599,240
2029	1,815,159
2030	2,216,048
Thereafter	1,055,213

(12) Deferred Compensation Plan

During fiscal year 1973-74, the City Council adopted Resolution 74-120 establishing a deferred compensation plan (Plan) for the benefit of its eligible employees. The City established the Plan to attract and hold well-qualified City employees by permitting them to make special provisions for monthly payments upon retirement. The Plan was qualified under the applicable provisions of the Federal Internal Revenue Code and complies with the provisions of Sections 53212 and 53214 of the California Government Code. Prior to fiscal year 1996-97, in accordance with Section 457 of the Internal Revenue Code, all assets of the Plan remained the property of the City until paid or made available to participants, subject only to the claims of the City's general creditors.

As a result of changes to Section 457 deferred compensation plans resulting from the Small Business Job Protection Act of 1996, the City's deferred compensation plan administrator, Great West Life & Annuity Insurance Company (GWLAIC) established a custodial account on behalf of the Plan participants. Effective July 1, 1998, all amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in the custodial account for the exclusive benefit of the employee participants and their beneficiaries.

While the City has full power and authority to administer and to adopt rules and regulations for the Plan, all investment decisions under the Plan are the responsibility of the Plan participants. The City has no liability for losses under the Plan, but does have the duty of due care that would be required of an ordinary prudent investor. Under certain circumstances, employees may modify their arrangements with the Plan to provide for greater or lesser contributions or to terminate their participation. If participants retire under the Plan or terminate service with the City, they may be eligible to receive payments under the Plan in accordance with provisions thereof. In the event of

serious financial emergency, the City may approve, upon request, withdrawals from the Plan by the participants, along with their allocated contributions.

(13) Other Required Individual Fund Disclosures

Interfund Transactions – Due to/Due from Other Funds

Interfund receivable and payable balances at June 30, 2025 were as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 8,585

The receivables from the nonmajor governmental funds represent short-term loans to cover negative cash balances in various funds.

Interfund Transactions - Advances

The balances of advances between funds at June 30, 2025 were as follows (in thousands):

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	General Fund	$ 600

The advance from the Parks and Recreation Facilities Fund (a nonmajor governmental fund) to the General Fund represents a loan for property acquisition.

Successor Agency – Advances

The balances of advances to the Successor Agency Trust at June 30, 2025 were as follows (in thousands):

Receivable Fund	Amount
General Fund	$ 3,003
Nonmajor Governmental Funds	1,059
Water Enterprise Fund	1,235
	$ 5,297

The advances to the Successor Agency Trust represent loans to fund infrastructure improvements and Supplemental Educational Revenue Augmentation Fund (SERAF) payments. As required by law, 20% of the loan repayments from the Successor Agency are transferred to the Low Mod Housing Fund. More information regarding the Successor Agency Trust can be found in Note 22.

(14) Transfers In and Out

The balances of transfers between funds for the year ended June 30, 2025 were as follows (in thousands):

Transfer From	Transfer To		Amount
General Fund	Water Enterprise Fund	$	18
	Sewer Enterprise Fund		34
	Nonmajor Enterprise Fund		315
	Nonmajor Governmental Funds		13,009
			13,376
Transit System Enterprise Fund	Nonmajor Enterprise Fund		15
Water Enterprise Fund	Nonmajor Enterprise Fund		3
Municipal Airport Enterprise Fund	General Fund		25,145
	Nonmajor Governmental Funds		67
	Nonmajor Enterprise Fund		31
			25,243
Internal Service Funds	Nonmajor Enterprise Fund		18
Nonmajor Enterprise Fund	General Fund		1,282
Nonmajor Governmental Funds	General Fund		2,743
	Transit System Enterprise Fund		3,000
	Water Enterprise Fund		740
	Nonmajor Governmental Funds		702
			7,185
Total		$	47,122

Major activity within the fund transfers category can be summarized as follows:

- General Fund transfers to the Capital Improvement Fund (a nonmajor governmental fund) represents contributions to fund various capital projects;
- Transfers to the General Fund from the Municipal Airport Enterprise Fund represent transfers to fund operations and equipment replacement;
- Transfers to the Transit System Enterprise Fund from the Proposition A Fund (a nonmajor governmental fund) represent contributions to improve public transit and related transportation infrastructure;

- Transfers to the General Fund from the Gas Tax Fund (a nonmajor governmental fund) represent transfers to fund various street-related operations.

(15) Risk Management

The City self-insures some risks, often within certain dollar limits, and fully insures other risks through the purchase of commercial insurance.

Liability: The City insures automobile and general liability risks to $5,000,000 per occurrence. There is excess liability coverage of $25,000,000 for amounts above the $5,000,000 self-insured retention.

The City also purchases insurance with lower or no deductibles/retentions covering the following specific risks: The Airport, Pollution Liability related to named locations, the Farmer's Market and certain special events.

Workers' Compensation: The City is self-insured for workers' compensation risks up to $2,000,000 per occurrence. Excess coverage is in place for amounts above the $2,000,000 self-insured retention.

Property: The City purchases all risks property insurance, subject to exclusions, covering City buildings, contents, vehicles, and machines subject to deductibles of $1,000 to $150,000 per occurrence depending upon the type of loss.

Crime: The City purchases crime insurance up to $25,000,000 per occurrence for the loss of money and securities caused by employees and or others.

Short and Long Term Disability: The City purchases commercially available insurance to cover disability claims.

As of June 30, 2025, $49,534,713 and $18,399,570 have been accrued for workers' compensation and general liability claims, respectively. These accruals represent estimates of amounts to be ultimately paid for reported claims and incurred but unreported claims based upon past experience, modified for current trends and other information.

Changes in the balance of claim liabilities during the period for all Self-Insurance Funds combined are as follows (in thousands):

Fiscal years	Beginning fiscal year liability balance	Current year claims and changes in estimates	Claim payments	Ending fiscal year balance
2023-24	$ 68,816	$ 7,779	$ (9,115)	$ 67,480
2024-25	67,480	12,069	(11,615)	67,934

(16) Due from/Due to Other Governments

Amounts due from other governments consisted of the following at June 30, 2025 (in thousands):

	State of California	Federal Agencies	County of Los Angeles	Other Local Governments	Total
Governmental Funds:					
General Fund	$ 15,545	$ -	$ 1,546	$ -	$ 17,091
Other Governmental Funds:					
Measure R Highway Fund	-	-	134	-	134
State Gas Tax Improvement Fund	1,052	-	-	-	1,052
Grants and Donation Fund	175	27	94	238	534
Community Development Block Grant Fund	-	663	-	-	663
Police Inmate Welfare Fund	-	-	11	-	11
Measure M Grant Fund	-	-	863	-	863
Measure W Fund	-	-	2,157	-	2,157
Rental Assistance Program Fund	-	9	-	-	9
Street Lighting District Assessment Fund	-	-	14	-	14
Enterprise Funds:					
Transit System Fund	851	2,268	5,298	-	8,417
Sewer Fund	-	-	1	-	1
Nonmajor Enterprise Fund	96	-	3	-	99
Total	$ 17,719	$ 2,967	$ 10,121	$ 238	$ 31,045

Amounts due to other governments consisted of the following at June 30, 2025:

	Federal Agencies
Other Governmental Fund:	
Rental Assistance Program Fund	$ 1,077

The payables to the Federal Agencies represent interest earnings in excess of $500 that must be returned to the U.S. Department of Housing and Urban Development (HUD).

(17) Unearned Revenue

The table that follows shows activity for the City's unearned revenue accounts as of June 30, 2025. The unearned revenue in the Transit System Enterprise Fund represents amounts that will be recognized when eligible purchases occur. The rents received by the Municipal Airport Enterprise Fund in June for July will be recognized in July 2025. In May and June of 2025, the Parks and Recreation program of the General Fund collected revenues for summer classes which begin in July. These revenues will be recognized in July 2025.

Unearned Revenue Activity for Fiscal Year Ended June 30, 2025
(in thousands)

	Balance at July 1, 2024	Additions	Deductions	Balance at June 30, 2025
Governmental Funds:				
Parks and Recreation revenues received in May and June for July classes	$ 795	$ 941	$ 795	$ 941
Section 8 Housing - Emergency Housing Voucher	30	3	-	33
Bicycle Transportation Fund	-	149	-	149
Total governmental funds	825	1,093	795	1,123
Enterprise Funds:				
Transit Security Reserve	1,343	-	-	1,343
Transit Prop 1B	1,517	57	-	1,574
Transit Prop C (MOSIP)	2,191	-	40	2,151
Transit Measure R Operations	2,082	359	2,082	359
Transit Measure M Operations	4,288	1,165	4,288	1,165
Transit Cap and Trade Capital	408	18	-	426
Airport rents received for July	285	3,260	3,313	232
Total Enterprise Funds	12,114	4,859	9,723	7,250
Total	$ 12,939	$ 5,952	$ 10,518	$ 8,373

(18) Deficit Fund Balance and Net Position (Accumulated Deficit)

The Self-Insurance Fund, an internal service fund, has an accumulated deficit of $52,257,482 at June 30, 2025. Such deficit is attributed to replenishment of the reserve for general liability claims resulting from settlements of claims in excess of established reserves. It is anticipated that the deficit will continue to be reduced over future years through increases in annual charges made through the budgeting process, as they become necessary. Excess charges will be distributed to all funds proportionately depending on their proportionate benefit of the Self-Insurance Fund.

(19) Adjustments to and Restatements of Beginning Balances

Change in Accounting Principle

During the year ended June 30, 2025, the City implemented the provisions of GASB Statement 101, Compensated Absences. Under this new standard, compensated absences liability should be estimated by multiplying the unused leave more likely than not to be used or settled by the pay rate at the end of the fiscal period. However, if a different pay rate applies for leaves settled at termination, that rate should be applied. The liability should also include salary-related payments.

Depending on an employee's labor group, the City policy requires sick leaves settled at termination to be paid at a certain percentage of the pay rate at period end depending on years of service. The City previously estimated accrued sick leave by only accounting for leave settled at termination. The City therefore examined its past experience with accumulated sick leave and estimated the amount of leave that is more likely than not to be used as time off in a future period. This estimate is now reported as a liability. The portion of this liability that existed at the beginning of the current fiscal year is recognized as a decrease in beginning net position resulting from implementation of a new accounting standard.

The City also restated the compensated liability arising from compensatory leave and Police annual leave by multiplying the unused leave by the pay rate at the end of the fiscal period and adding in salary-related payments. This resulted in a net increase in the beginning net position of the Postemployment/Comp Absences Fund, an internal service fund.

Error Correction

The City failed to accrue an invoice that was related to the previous fiscal period. This error overstated the fund balance of the Measure W Fund and the net position of governmental activities in the government-wide statements.

	Beginning Balance	Change in Accounting Principle	Error Correction	Restated Balance
Net Position: Government-Wide Statements				
Governmental Activities	$ 31,916,896	(6,333,590)	(36,656)	$ 25,546,650
Business-Type Activities	287,131,043	(604,075)	-	286,526,968
Total Primary Government	319,047,939	(6,937,665)	(36,656)	312,073,618
Fund Balances: Governmental Funds				
Nonmajor Governmental Funds	91,829,107	-	(36,656)	91,792,451
Total Governmental Funds	91,829,107	-	(36,656)	91,792,451
Fund Net Position: Enterprise Funds				
Transit System Fund	46,988,158	(309,729)	-	46,678,429
Water Fund	139,639,169	(138,066)	-	139,501,103
Sewer Fund	50,693,941	(30,910)	-	50,663,031
Municipal Airport Fund	36,693,676	(59,994)	-	36,633,682
Nonmajor Enterprise Fund	13,116,099	(65,376)	-	13,050,723
Total Enterprise Funds	287,131,043	(604,075)	-	286,526,968
Fund Net Position: Internal Service Funds				
Fleet Services Fund	45,664,433	(110,939)	-	45,553,494
Postemployment/Comp Absences Fund	783,685	1,463,675	-	2,247,360
Total Internal Service Funds	$ 46,448,118	1,352,736	-	$ 47,800,854

Changes within the Financial Reporting Entity

During the fiscal year ended June 30, 2025, the City reclassified the activities in the Flexible Benefits Fund, previously reported as a custodial fund, to the General Fund. The Flexible Benefits Fund was used to account for employee unspent pre-tax benefits collected from the participating employees. Upon further assessment, the City determined that the activities of this clearing account do not meet the criteria to be reported as fiduciary activities and therefore should not be reported in a custodial fund. This change resulted in the transfer of deposits payable from the custodial fund to the General Fund.

(20) Commitments and Contingencies

The City has various outstanding contracts and purchase orders for services, supplies, materials and capital projects that have not been completed as of fiscal year-end. These commitments total $20,737,808 at June 30, 2025.

The balances of encumbrances and other commitments by funds at June 30, 2025 were as follows (in thousands):

Governmental Funds:		
General Fund	$	3,296
Capital improvement funds		17,401
Nonmajor governmental funds		41
Total governmental funds	$	20,738

The City has been named as a defendant in certain other claims and litigation matters. In the opinion of City management, the outcome of such litigation is not expected to result in a material adverse effect on the financial condition of the City beyond that accrued for in the City's Self-Insurance Fund.

(21) Fund Balance Policies

The City will maintain at the end of each fiscal year a General Fund Unassigned fund balance at a level that is equal to at least 20% of the fiscal year's General Fund Operating Fund budget appropriation, as amended. In a year in which the City falls short, a plan shall be identified to return to meet the 20% policy.

As part of the Operating Budget Resolution of the City, City Council delegates authority to assign amounts for specific purposes to the City Manager. As of June 30, 2025, the assigned fund balance of $104,066,213 consists of amounts intended to be used for capital-related projects, including a portion set aside for various technology replacement, as well as portion set aside under an Economic Anomaly Reserve. Council approval will be required before expending funds from the Economic Anomaly Reserve.

(22) Successor Agency Trust for Assets of Former Redevelopment Agency

a) Long-term Debt – Successor Agency Bonds

2018 Tax Allocation Refunding Bonds – Downtown Redevelopment Project

On October 2018, the Former Redevelopment Agency issued $3,665,000 Tax Allocation Refunding Bonds. Proceeds of the Bonds were used to refund the Agency's outstanding Downtown Redevelopment Project Tax Allocation Refunding Bonds, 1998 Series A, to fund a reserve for the Bonds, to pay premium of the 2018 Insurance Policy, and to pay the costs of issuing the Bonds. Starting from September 1, 2019 and continuing through 2028, the principal on the term bonds matures at variable amounts ranging from $310,000 to $445,000. Interest is payable on March 1 and September 1 of each year with rates ranging from 3.00% to 5.00%. Principal and interest are to be repaid directly from the tax increments accruing to the Agency.

The reserve requirement is equal to the lesser of: 1) 10% of the original principal amount of the bonds; 2) 125% of average annual debt service payments; or 3) the maximum annual debt service payments. This requirement will be satisfied by the delivery of the 2018 Reserve Policy in the amount of $412,448 on the closing date of the 2018 bonds. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the reserve account with cash if 1) amounts are not available under the 2018 Reserve Policy, or 2) any rating assigned to the bond insurer is downgraded, withdrawn or suspended.

2018 Tax Allocation Refunding Bonds – Industrial Redevelopment Project

On October 2018, the Former Redevelopment Agency issued $11,505,000 Tax Allocation Refunding Bonds. Proceeds of the 2018 Series Bonds were used to refund the Agency's outstanding Industrial Redevelopment Project Tax Allocation Refunding Bonds, 1998 Series A and B, and 1999 Series C, to fund a reserve for the Bonds, to pay premium of the 2018 Insurance Policy, and to pay the costs of issuing the Bonds. Starting from September 1, 2019 and continuing through 2028, the principal on the term bonds matures at variable amounts ranging from $960,000 to $1,390,000. Interest is payable on March 1 and September 1 of each year with rates ranging from 3.00% to 5.00%.

The reserve requirement is equal to the lesser of: 1) 10% of the original principal amount of the bonds; 2) 125% of average annual debt service payments; or 3) the maximum annual debt service payments. This requirement will be satisfied by the delivery of the 2018 Reserve Policy in the amount of $1,294,318 on the closing date of the 2018 bonds. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the reserve account with cash if 1) amounts are not available under the 2018 Reserve Policy, or 2) any rating assigned to the bond insurer is downgraded, withdrawn or suspended.

Annual debt service requirements to maturity for all tax allocation bonds to be paid from the Successor Agency Trust are as follows (in thousands):

	Annual Debt Service Requirement		
	Principal	Interest	Total
Year ending June 30:			
2026	$ 1,590	$ 302	$ 1,892
2027	1,665	221	1,886
2028	1,750	135	1,885
2029	1,835	46	1,881
	$ 6,840	$ 704	$ 7,544

Advances and Notes Payable

At June 30, 2025, the Successor Agency Trust had advances and notes payable in the following amounts:

Advance from Los Angeles County: The maximum annual debt service on Agency indebtedness may not exceed $1,550,000. Such advances are to be repaid in the fiscal year immediately following the year in which the Agency's annual tax increment allocation exceeds the annual debt service requirement. This advance bears simple interest at the rate of 7.0% per year. At June 30, 2025, the principal balance outstanding is $12,733,970 and accrued interest is $15,123,897.

Pledged Revenue

The Successor Agency Trust reports debt issuances outstanding that were collateralized by the pledging of certain revenues of the former redevelopment agency. The amount and term of the remainder of these commitments is indicated in the debt service to maturity tables presented in the accompanying notes. The purpose for which the proceeds of the related debt issuances were utilized is disclosed in the debt description of the accompanying notes. As a result of the state's action to dissolve all redevelopment agencies, the Successor Agency no longer receives the full amount of tax increment previously pledged by the dissolved redevelopment agency to its bondholders. In its place is a new revenue stream, Redevelopment Property Tax Trust Fund (RPTTF) funds, provided to the Successor Agency that represents only that portion of tax increment that is necessary to pay the enforceable obligations approved by the Department of Finance. For the current year, debt service payments as a percentage of RPTTF funds is indicated on the table below. This percentage also approximates the relationship of debt service to RPTTF revenues for the remainder of the term of the commitments.

Description of Pledged Revenue	Annual Amount of RPTTF Revenue	Debt Service (Annual Principal and Interest)	Debt Service as a Percentage of RPTTF Revenue
Successor Agency Revenues (RPTTF)	$3,105,702	$1,890,875	60.9%

b) Changes in Long-Term Obligations – Successor Agency Debt

The following is a summary of changes in the Successor Agency Trust's long-term obligations for the year ended June 30, 2025 (in thousands):

Trust Activities:	Balance June 30, 2024	Incurred or Issued	Satisfied or Matured	Balance June 30, 2025	Amounts due within One Year	Amounts Due in more than One Year
Advances and notes payable:						
Direct Borrowing						
County of Los Angeles	$ 27,935	$ 891	$ 968	$ 27,858	$ 1,024	$ 26,834
Other debt:						
Tax Allocation Bonds						
Downtown '18 project refunding	2,020	-	365	1,655	385	1,270
Downtown '18 project refunding - premium	198	-	46	152	-	152
Industrial '18 project refunding	6,335	-	1,150	5,185	1,205	3,980
Industrial '18 project refunding - premium	622	-	144	478	-	478
Total Trust Activities	$ 37,110	$ 891	$ 2,673	$ 35,328	$ 2,614	$ 32,714

c) Advances from City – Successor Agency Advances

The advances from the City to the Successor Agency Trust of $5,297,308 represent loans to fund infrastructure improvements including debt related interest and SERAF payments.

d) Deficit Net Position – Successor Agency Deficit

The Successor Agency Trust has an accumulated deficit of $38,301,411 as of June 30, 2025, which represents the inclusion of long-term advances and bond debt in excess of cash with fiscal agents including related interest.

(23) Subsequent Event

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 30, 2025, which is the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

Schedules of Required Supplementary Information

1) Pension Plan

Schedule of Changes in Total Pension Liability and Related Ratios During the Measurement Period (Last Ten Fiscal Years)

MISCELLANEOUS										
Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TOTAL PENSION LIABILITY										
Service Cost	$ 11,281,868	$ 10,772,264	$ 11,455,825	$ 10,755,852	$ 10,706,256	$ 10,949,536	$ 10,957,510	$ 10,776,016	$ 9,326,290	$ 9,144,087
Interest	51,219,945	49,672,891	48,324,463	47,495,199	46,055,415	44,638,083	43,043,370	42,085,919	40,872,188	39,258,518
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	3,472,715	(555,304)	(5,630,835)	(2,912,611)	(3,733,828)	(1,659,363)	(7,537,823)	(4,660,868)	(2,057,399)	(7,405,941)
Changes of Assumptions	-	-	19,249,642	-	-	-	(4,059,282)	34,423,764	-	(9,412,681)
Benefit Payments, Including Refunds of Employee Contributions	(42,306,119)	(41,197,053)	(37,484,512)	(34,783,119)	(32,690,913)	(31,127,723)	(28,939,991)	(26,989,306)	(25,708,633)	(24,976,500)
Net Change in Total Pension Liability	**23,668,409**	**18,692,798**	**35,914,583**	**20,555,321**	**20,336,930**	**22,800,533**	**13,463,784**	**55,635,525**	**22,432,446**	**6,607,483**
Total Pension Liability – Beginning	**754,357,468**	**735,664,670**	**699,750,087**	**679,194,766**	**658,857,836**	**636,057,303**	**622,593,519**	**566,957,994**	**544,525,548**	**537,918,065**
Total Pension Liability – Ending (a)	**$ 778,025,877**	**$ 754,357,468**	**$ 735,664,670**	**$ 699,750,087**	**$ 679,194,766**	**$ 658,857,836**	**$ 636,057,303**	**$ 622,593,519**	**$ 566,957,994**	**$ 544,525,548**
PLAN FIDUCIARY NET POSITION										
Contributions – Employer	$ 7,682,596	$ 11,657,493	$ 10,950,442	$ 93,550,447	$ 15,584,372	$ 13,593,022	$ 11,610,677	$ 10,402,620	$ 10,695,442	$ 8,666,613
Contributions – Employee	5,570,731	4,393,192	4,272,378	4,684,750	4,742,292	4,681,095	4,804,470	4,751,970	4,489,879	4,427,144
Investment Income	63,404,603	40,396,552	(55,089,320)	133,797,877	26,295,191	33,414,583	40,668,268	49,956,056	2,292,263	10,203,028
Administrative Expense	(551,297)	(487,358)	(461,328)	(543,282)	(748,123)	(364,288)	(755,023)	(660,060)	(277,649)	(512,710)
Plan to Plan Resource Movement	-	-	-	-	-	-	(1,188)	(572)	(1,138)	(1,092)
Benefit Payments, Including Refunds of Employee Contributions	(42,306,119)	(41,197,053)	(37,484,512)	(34,783,119)	(32,690,913)	(31,127,723)	(28,939,991)	(26,989,306)	(25,708,633)	(24,976,500)
Other Changes in Net Fiduciary Position	-	-	-	-	-	1,188	(1,433,802)	-	-	-
Net Change in Fiduciary Net Position	**33,800,514**	**14,762,826**	**(77,812,340)**	**196,706,673**	**13,182,819**	**20,197,877**	**25,953,411**	**37,460,708**	**(8,509,836)**	**(2,193,517)**
Plan Fiduciary Net Position – Beginning	**677,516,237**	**662,753,411**	**740,565,751**	**543,859,078**	**530,676,259**	**510,478,382**	**484,524,971**	**447,064,263**	**455,574,099**	**457,767,616**
Plan Fiduciary Net Position – Ending (b)	**$ 711,316,751**	**$ 677,516,237**	**$ 662,753,411**	**$ 740,565,751**	**$ 543,859,078**	**$ 530,676,259**	**$ 510,478,382**	**$ 484,524,971**	**$ 447,064,263**	**$ 455,574,099**
Plan Total Pension Liability – Ending (a) - (b	**$ 66,709,126**	**$ 76,841,231**	**$ 72,911,259**	**$ (40,815,664)**	**$ 135,335,688**	**$ 128,181,577**	**$ 125,578,921**	**$ 138,068,548**	**$ 119,893,731**	**$ 88,951,449**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**91.43%**	**89.81%**	**90.09%**	**105.83%**	**80.07%**	**80.54%**	**80.26%**	**77.82%**	**78.85%**	**83.66%**
Covered Payroll	**$ 86,352,482**	**$ 75,235,099**	**$ 74,291,497**	**$ 74,945,198**	**$ 75,648,179**	**$ 77,403,884**	**$ 74,413,027**	**$ 72,998,617**	**$ 70,886,923**	**$ 69,039,875**
Plan Total Pension Liability as a Percentage of Covered Payroll	**77.25%**	**102.13%**	**98.14%**	**-54.46%**	**178.90%**	**165.60%**	**168.76%**	**189.14%**	**169.13%**	**128.84%**

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

SAFETY - POLICE

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TOTAL PENSION LIABILITY										
Service Cost	$ 10,188,830	$ 10,449,013	$ 11,371,123	$ 10,297,994	$ 10,266,470	$ 10,135,377	$ 9,617,998	$ 9,591,564	$ 8,469,089	$ 8,309,481
Interest	46,578,056	45,576,331	43,930,948	42,612,265	41,172,526	39,814,196	38,480,738	37,507,939	36,797,609	35,673,874
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(2,111,235)	5,654,688	(1,207,290)	1,634,984	332,145	240,434	(2,314,059)	(5,427,144)	(2,637,099)	589,439
Changes of Assumptions	-	-	22,792,083	-	-	-	(2,610,368)	30,873,205	-	(8,606,841)
Benefit Payments, Including Refunds of Employee Contributions	(39,982,692)	(38,549,863)	(34,749,264)	(33,904,651)	(32,002,431)	(30,696,816)	(29,199,389)	(27,966,047)	(27,437,806)	(26,035,590)
Net Change in Total Pension Liability	**14,672,959**	**23,130,169**	**42,137,600**	**20,640,592**	**19,768,710**	**19,493,191**	**13,974,920**	**44,579,517**	**15,191,793**	**9,930,363**
Total Pension Liability – Beginning	**692,052,445**	**668,922,276**	**626,784,676**	**606,144,084**	**586,375,374**	**566,882,183**	**552,907,263**	**508,327,746**	**493,135,953**	**483,205,590**
Total Pension Liability – Ending (a)	**$ 706,725,404**	**$ 692,052,445**	**$ 668,922,276**	**$ 626,784,676**	**$ 606,144,084**	**$ 586,375,374**	**$ 566,882,183**	**$ 552,907,263**	**$ 508,327,746**	**$ 493,135,953**
PLAN FIDUCIARY NET POSITION										
Contributions – Employer	$ 8,474,142	$ 12,349,064	$ 11,847,266	$ 189,129,627	$ 21,054,557	$ 18,925,078	$ 16,961,372	$ 15,646,286	$ 15,412,320	$ 13,719,737
Contributions – Employee	2,937,049	2,831,357	3,140,533	3,136,916	2,993,505	2,983,799	2,728,055	2,554,857	2,841,688	2,724,184
Investment Income	55,344,766	35,458,887	(48,468,581)	112,274,103	18,488,022	23,344,017	28,673,867	35,441,336	1,582,749	7,263,861
Administrative Expense	(483,569)	(428,432)	(405,694)	(380,596)	(523,005)	(254,540)	(528,343)	(463,367)	(196,022)	(361,983)
Plan to Plan Resource Movement	-	-	-	-	-	-	(832)	572	404	1,092
Benefit Payments, Including Refunds of Employee Contributions	(39,982,692)	(38,549,863)	(34,749,264)	(33,904,651)	(32,002,431)	(30,696,816)	(29,199,389)	(27,966,047)	(27,437,806)	(26,035,590)
Other Changes in Net Fiduciary Position	-	-	-	-	-	832	(1,003,332)	-	-	-
Net Change in Fiduciary Net Position	**26,289,696**	**11,661,013**	**(68,635,740)**	**270,255,399**	**10,010,648**	**14,302,370**	**17,631,398**	**25,213,637**	**(7,796,667)**	**(2,688,699)**
Plan Fiduciary Net Position – Beginning	**594,281,340**	**582,620,327**	**651,256,067**	**381,000,668**	**370,990,020**	**356,687,650**	**339,056,252**	**313,842,615**	**321,639,282**	**324,327,981**
Plan Fiduciary Net Position – Ending (b)	**$ 620,571,036**	**$ 594,281,340**	**$ 582,620,327**	**$ 651,256,067**	**$ 381,000,668**	**$ 370,990,020**	**$ 356,687,650**	**$ 339,056,252**	**$ 313,842,615**	**$ 321,639,282**
Plan Total Pension Liability – Ending (a) - (b)	**$ 86,154,368**	**$ 97,771,105**	**$ 86,301,949**	**$ (24,471,391)**	**$ 225,143,416**	**$ 215,385,354**	**$ 210,194,533**	**$ 213,851,011**	**$ 194,485,131**	**$ 171,496,671**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**87.81%**	**85.87%**	**87.10%**	**103.90%**	**62.86%**	**63.27%**	**62.92%**	**61.32%**	**61.74%**	**65.22%**
Covered Payroll	**$ 38,310,822**	**$ 36,290,274**	**$ 36,436,354**	**$ 36,949,943**	**$ 36,495,812**	**$ 37,037,648**	**$ 36,159,856**	**$ 35,008,338**	**$ 34,532,099**	**$ 33,611,327**
Plan Total Pension Liability as a Percentage of Covered Payroll	**224.88%**	**269.41%**	**236.86%**	**-66.23%**	**616.90%**	**581.53%**	**581.29%**	**610.86%**	**563.20%**	**510.23%**

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

SAFETY - FIRE

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TOTAL PENSION LIABILITY										
Service Cost	$ 6,266,328	$ 5,798,843	$ 6,081,104	$ 5,145,012	$ 5,373,553	$ 5,227,948	$ 5,388,369	$ 5,477,299	$ 4,792,460	$ 4,548,904
Interest	29,648,354	28,354,338	27,558,427	27,147,256	26,342,771	25,640,581	24,647,319	24,038,253	23,824,477	23,092,358
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	10,210,410	2,642,770	403,770	1,655,408	(275,824)	3,732,401	(308,957)	(5,110,618)	(643,989)	(4,479,829)
Changes of Assumptions	-	-	9,739,334	-	-	-	(1,978,419)	18,706,825	-	(5,267,980)
Benefit Payments, Including Refunds of Employee Contributions	(26,295,080)	(25,391,886)	(23,820,561)	(22,555,084)	(21,456,735)	(20,232,644)	(19,359,553)	(17,971,061)	(17,603,550)	(17,494,135)
Net Change in Total Pension Liability	**19,830,012**	**11,404,065**	**19,962,074**	**11,392,592**	**9,983,765**	**14,368,286**	**8,388,759**	**25,140,698**	**10,369,398**	**399,318**
Total Pension Liability – Beginning	**429,490,256**	**418,086,191**	**398,124,117**	**386,731,525**	**376,747,760**	**362,379,474**	**353,990,715**	**328,850,017**	**318,480,619**	**318,081,301**
Total Pension Liability – Ending (a)	**$ 449,320,268**	**$ 429,490,256**	**$ 418,086,191**	**$ 398,124,117**	**$ 386,731,525**	**$ 376,747,760**	**$ 362,379,474**	**$ 353,990,715**	**$ 328,850,017**	**$ 318,480,619**
PLAN FIDUCIARY NET POSITION										
Contributions – Employer	$ 5,169,039	$ 7,224,125	$ 6,192,282	$ 109,127,284	$ 11,622,060	$ 10,531,151	$ 9,397,067	$ 8,711,092	$ 9,381,268	$ 7,929,158
Contributions – Employee	2,263,492	1,914,964	1,811,128	1,785,080	1,711,907	1,802,278	1,715,776	1,759,306	1,645,230	1,582,829
Investment Income	34,509,708	22,088,065	(30,647,145)	71,728,027	12,375,436	15,731,227	19,484,911	24,165,084	1,103,442	4,937,128
Administrative Expense	(302,452)	(269,237)	(257,183)	(252,753)	(351,198)	(172,311)	(360,377)	(317,314)	(134,400)	(248,172)
Plan to Plan Resource Movement	-	-	-	-	-	-	(564)	-	735	13,412
Benefit Payments, Including Refunds of Employee Contributions	(26,295,080)	(25,391,886)	(23,820,561)	(22,555,084)	(21,456,735)	(20,232,644)	(19,359,553)	(17,971,061)	(17,603,550)	(17,494,135)
Other Changes in Net Fiduciary Position	-	-	-	-	-	564	(684,363)	-	-	-
Net Change in Fiduciary Net Position	**15,344,707**	**5,566,031**	**(46,721,479)**	**159,832,554**	**3,901,470**	**7,660,265**	**10,192,897**	**16,347,107**	**(5,607,275)**	**(3,279,780)**
Plan Fiduciary Net Position – Beginning	**371,698,509**	**366,132,478**	**412,853,957**	**253,021,403**	**249,119,933**	**241,459,668**	**231,266,771**	**214,919,664**	**220,526,939**	**223,806,719**
Plan Fiduciary Net Position – Ending (b)	**$ 387,043,216**	**$ 371,698,509**	**$ 366,132,478**	**$ 412,853,957**	**$ 253,021,403**	**$ 249,119,933**	**$ 241,459,668**	**$ 231,266,771**	**$ 214,919,664**	**$ 220,526,939**
Plan Total Pension Liability – Ending (a) - (b	**$ 62,277,052**	**$ 57,791,747**	**$ 51,953,713**	**$ (14,729,840)**	**$ 133,710,122**	**$ 127,627,827**	**$ 120,919,806**	**$ 122,723,944**	**$ 113,930,353**	**$ 97,953,680**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**86.14%**	**86.54%**	**87.57%**	**103.70%**	**65.43%**	**66.12%**	**66.63%**	**65.33%**	**65.35%**	**69.24%**
Covered Payroll	**$ 30,551,662**	**$ 27,929,114**	**$ 28,011,597**	**$ 27,089,986**	**$ 25,179,302**	**$ 25,674,381**	**$ 25,623,573**	**$ 24,462,329**	**$ 23,651,743**	**$ 22,790,050**
Plan Total Pension Liability as a Percentage of Covered Payroll	**203.84%**	**206.92%**	**185.47%**	**-54.37%**	**531.03%**	**497.10%**	**471.91%**	**501.69%**	**481.70%**	**429.81%**

Notes to Schedule:

Benefit Changes - The figures above include any liability impact that may have resulted from voluntary benefit changes which occurred after the June 30, 2021 valuation.

Changes in Assumptions:

Fiscal year 2015-16 – the discount rate changed from 7.5% (net of administrative expense) to 7.65% (without a reduction for administrative expense).

Fiscal year 2017-18 – the discount rate changed from 7.65% to 7.15%.

Fiscal year 2018-19 – demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017.

Fiscal year 2022-23 – the discount rate changed from 7.15% to 6.9%.

Fiscal years 2023-24 thru 2024-25 – there were no significant changes in assumption.

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

Schedule of Plan Contributions (Last Ten Fiscal Years)

Miscellaneous	Fiscal Year 2024-25	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
Actuarially Determined Contribution	$ 9,878,256	$ 7,411,431	$ 11,661,780	$ 11,208,576	$ 16,843,019	$ 15,530,157	$ 13,582,986	$ 11,408,482	$ 10,408,505	$ 9,699,067
Contributions in Relation to the Actuarially Determined Contribution	(9,878,256)	(7,411,431)	(11,661,780)	(11,208,576)	(93,526,273)	(15,530,157)	(13,582,986)	(11,408,482)	(10,408,505)	(9,699,067)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ (76,683,254)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 94,920,889	$ 86,352,482	$ 75,235,099	$ 74,291,497	$ 74,945,198	$ 75,648,179	$ 77,403,884	$ 74,413,027	$ 72,998,617	$ 70,886,923
Contributions as a Percentage of Covered Payroll	10.41%	8.58%	15.50%	15.09%	22.47%	20.53%	17.55%	15.33%	14.26%	13.68%

Safety - Police	Fiscal Year 2024-25	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
Actuarially Determined Contribution	$ 11,202,785	$ 8,143,861	$ 12,347,359	$ 12,143,202	$ 23,112,845	$ 20,999,595	$ 18,933,276	$ 16,730,140	$ 15,640,401	$ 14,412,320
Contributions in Relation to the Actuarially Determined Contribution	(11,202,785)	(8,143,861)	(12,347,359)	(12,143,202)	(189,103,194)	(20,999,595)	(18,933,276)	(16,730,140)	(15,640,401)	(14,412,320)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$(165,990,349)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 44,138,163	$ 38,310,822	$ 36,290,274	$ 36,436,354	$ 36,949,943	$ 36,495,812	$ 37,037,648	$ 36,159,856	$ 35,008,338	$ 34,532,099
Contributions as a Percentage of Covered Payroll	25.38%	21.26%	34.02%	33.33%	62.55%	57.54%	51.12%	46.27%	44.68%	41.74%

Safety - Fire	Fiscal Year 2024-25	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
Actuarially Determined Contribution	$ 6,866,814	$ 4,956,696	$ 7,217,148	$ 6,341,996	$ 13,356,419	$ 11,610,002	$ 10,524,771	$ 9,272,712	$ 8,711,092	$ 8,381,268
Contributions in Relation to the Actuarially Determined	(6,866,814)	(4,956,696)	(7,217,148)	(6,341,996)	(109,115,882)	(11,610,002)	(10,524,771)	(9,272,712)	(8,711,092)	(8,381,268)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ (95,759,463)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 35,153,611	$ 30,551,662	$ 27,929,114	$ 28,011,597	$ 27,089,986	$ 25,179,302	$ 25,674,381	$ 25,623,573	$ 24,462,329	$ 23,651,743
Contributions as a Percentage of Covered Payroll	19.53%	16.22%	25.84%	22.64%	49.30%	46.11%	40.99%	36.19%	35.61%	35.44%

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

Notes to Schedule:

Valuation Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.30%	2.50%	2.30%	2.50%	2.625%	2.625%	2.75%	2.75%	2.75%	2.75%
Payroll Growth	2.80%	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.8% (2)	7.00% (2)	6.90% (2)	7.00% (2)	7.25% (2)	7.25% (2)	7.375% (2)	7.50% (2)	7.50% (2)	7.50% (2)
Retirement age	(6)	(5)	(5)	(5)	(5)	(4)	(4)	(4)	(3)	(3)
Mortality	(10)	(9)	(9)	(9)	(9)	(8)	(8)	(8)	(7)	(7)

(1) Level percentage of payroll, closed
(2) Net of pension plan investment expense, including inflation
(3) The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
(4) The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
(5) The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
(6) The probabilities of Retirement are based on the 2021 CalPERS Experience Study.
(7) 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 include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.
(8) The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
(9) The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
(10) The probabilities of mortality are based on the 2021 CalPERS Experience Study. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

2) PARS Enhanced Retirement Defined Benefit Pension Plan

Schedule of Changes in Total Pension Liability and Related Ratios During the Measurement Period (Last Ten Fiscal Years)

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
TOTAL PENSION LIABILITY										
Service Cost	$ 359,576	$ 404,155	$ 410,733	$ 418,495	$ 441,715	$ 493,000	$ 518,000	$ 480,000	$ 504,000	$ 504,000
Interest	1,909,226	1,865,183	1,830,031	1,891,988	1,836,979	1,785,000	1,721,000	1,741,000	1,664,000	1,581,000
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	335,110	-	(1,006,503)	-	(280,000)	-	(118,000)	-	(772,000)
Changes of Assumptions	-	-	-	2,088,141	-	144,000	-	950,000	-	821,000
Benefit Payments, Including Refunds	(1,798,007)	(1,645,856)	(1,504,467)	(1,357,066)	(1,240,507)	(1,144,000)	(1,068,000)	(945,000)	(844,000)	(756,000)
Net Change in Total Pension Liability	**470,795**	**958,592**	**736,297**	**2,035,055**	**1,038,187**	**998,000**	**1,171,000**	**2,108,000**	**1,324,000**	**1,378,000**
Total Pension Liability – Beginning	**36,894,131**	**35,935,539**	**35,199,242**	**33,164,187**	**32,126,000**	**31,128,000**	**29,957,000**	**27,849,000**	**26,525,000**	**25,147,000**
Total Pension Liability – Ending (a)	**$ 37,364,926**	**$ 36,894,131**	**$ 35,935,539**	**$ 35,199,242**	**$ 33,164,187**	**$ 32,126,000**	**$ 31,128,000**	**$ 29,957,000**	**$ 27,849,000**	**$ 26,525,000**
PLAN FIDUCIARY NET POSITION										
Contributions – Employer	$ 1,372,000	$ 1,362,000	$ 1,563,000	$ 1,512,000	$ 1,509,800	$ 1,510,000	$ 1,508,000	$ 1,522,000	$ 1,349,000	$ 1,347,000
Contributions – Employee	-	-	-	-	-	-	-	-	-	-
Investment Income	2,267,121	1,446,500	(2,608,630)	3,753,615	545,042	913,000	857,000	1,190,000	77,000	235,000
Administrative Expense	(30,865)	(53,962)	(32,212)	(47,917)	(31,969)	(33,000)	(45,000)	(31,000)	(48,000)	(28,000)
Benefit Payments, Including Refunds	(1,798,007)	(1,645,856)	(1,504,467)	(1,357,066)	(1,240,507)	(1,144,000)	(1,068,000)	(945,000)	(844,000)	(756,000)
Other Changes in Net Fiduciary Position	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	**1,810,249**	**1,108,682**	**(2,582,309)**	**3,860,632**	**782,366**	**1,246,000**	**1,252,000**	**1,736,000**	**534,000**	**798,000**
Plan Fiduciary Net Position – Beginning	**18,841,371**	**17,732,689**	**20,314,998**	**16,454,366**	**15,672,000**	**14,426,000**	**13,174,000**	**11,438,000**	**10,904,000**	**10,106,000**
Plan Fiduciary Net Position – Ending (b)	**$ 20,651,620**	**$ 18,841,371**	**$ 17,732,689**	**$ 20,314,998**	**$ 16,454,366**	**$ 15,672,000**	**$ 14,426,000**	**$ 13,174,000**	**$ 11,438,000**	**$ 10,904,000**
Plan Total Pension Liability – Ending (a) - (b)	**$ 16,713,306**	**$ 18,052,760**	**$ 18,202,850**	**$ 14,884,244**	**$ 16,709,821**	**$ 16,454,000**	**$ 16,702,000**	**$ 16,783,000**	**$ 16,411,000**	**$ 15,621,000**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**55.27%**	**51.07%**	**49.35%**	**57.71%**	**49.61%**	**48.78%**	**46.34%**	**43.98%**	**41.07%**	**41.11%**
Covered Payroll	**$ 8,700,068**	**$ 7,305,916**	**$ 8,349,228**	**$ 9,235,008**	**$ 10,286,106**	**$ 11,318,533**	**$ 11,518,508**	**$ 13,423,893**	**$ 14,409,690**	**$ 15,371,654**
Plan Total Pension Liability as a Percentage of Covered Payroll	**192.11%**	**247.10%**	**218.02%**	**161.17%**	**162.45%**	**145.37%**	**145.00%**	**125.02%**	**113.89%**	**101.62%**

Notes to Schedule:
Benefit Changes - There were no changes to benefit terms specific to the plan.
Changes of Assumptions:
Fiscal year 2015-16 - the CalPERS experience study was changed from 1997-2007 to 1997-2011 and the mortality improvement projection was changed from scale AA to MP-14.
Fiscal year 2017-18 – the CalPERS experience study was changed from 1997-2011 to 1997-2015. The discount rate and expected long-term rate of return on plan investments changed from 6.25% to 5.75% and the inflation rate changed from 3.00% to 2.75%.
Fiscal year 2019-20 – the mortality improvement projection was changed from scale MP-14 to MP-19.
Fiscal year 2021-22 – the mortality improvement projection was changed from scale MP-19 to MP-21.
Fiscal years 2022-23 thru 2024-25 – there were no significant changes in assumption.

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

Schedule of Plan Contributions (Last Ten Fiscal Years)

	Fiscal Year 2024-25	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16
Actuarially Determined Contribution	$ 1,196,155	$ 1,415,800	$ 1,362,000	$ 1,563,000	$ 1,512,000	$ 1,509,800	$ 1,510,000	$ 1,466,000	$ 1,522,134	$ 1,348,502
Contributions in Relation to the Actuarially Determined	(1,196,155)	(1,415,800)	(1,362,000)	(1,563,000)	(1,512,000)	(1,509,800)	(1,510,000)	(1,466,000)	(1,522,134)	(1,348,502)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,310,651	$ 8,700,068	$ 7,305,916	$ 8,349,228	$ 9,235,008	$ 10,286,106	$ 11,318,533	$ 11,518,508	$ 13,423,893	$ 14,409,690
Contributions as a Percentage of Covered Payroll	14.4%	16.3%	18.6%	18.7%	16.4%	14.7%	13.3%	12.7%	11.3%	9.4%

Notes to Schedule:

Valuation Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(7)	(7)	6.02% (1)	6.02% (1)	6.02% (1)	6.02% (1)	6.02% (1)	6.02% (1)	6.02% (1)	6.02% (1)
Amortization period	19 yrs	19 yrs	19 yrs	16 yrs	17 yrs	16 yrs	16 yrs	17 yrs	18 yrs	19 yrs
Asset valuation method	(9)	(9)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%
Cost of living adjustment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Investment rate of return	5.25%	5.25%	5.25%	5.75%	5.75%	6.75%	5.75%	6.25%	6.25%	6.25%
Retirement age	(8)	(8)	(6)	(6)	(5)	(5)	(5)	(4)	(4)	(4)
Mortality	(8)	(8)	(6)	(6)	(5)	(5)	(5)	(4)	(4)	(4)

(1) Minus normal cost
(2) Investment gains and losses spread over 5 year rolling period, not less than 80% nor more than 120% of market value.
(3) CalPERS 1997-2007 Experience Study
(4) CalPERS 1997-2011 Experience Study
(5) CalPERS 1997-2015 Experience Study
(6) CalPERS 2000-2019 Experience Study
(7) Changes in the Total Pension Liability due to assumption changes and liability experience gain/loss are amortized on a straight-line basis over Expected Remaining Service Lives of plan participants.
(8) CalPERS Public Agency 2021 Experience Study
(9) Investment gain/los is amortized on a straight-line basis over 5 years

3) Other Postemployment Benefits

Schedule of Changes in Total OPEB Liability and Related Ratios During the Measurement Period

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 *
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17 *
TOTAL OPEB LIABILITY								
Service Cost	$ 2,475,922	$ 2,105,585	$ 1,935,301	$ 1,857,231	$ 1,803,137	$ 1,724,000	$ 1,674,000	$ 1,625,000
Interest	6,314,131	5,011,817	4,839,056	4,879,287	4,696,322	4,647,000	4,475,000	4,319,000
Changes of Benefit Terms	4,933,108	-	-	5,549,078				
Difference between Expected and Actual Experience	(898,249)	5,732,980	-	(5,078,087)	-	(1,801,000)	-	-
Changes of Assumptions	-	11,852,107	-	2,011,737	-	(360,000)	-	-
Benefit Payments	(4,301,819)	(4,171,763)	(4,252,385)	(4,063,915)	(3,622,000)	(3,512,000)	(3,763,000)	(3,596,000)
Net Change in Total OPEB Liability	8,523,093	20,530,726	2,521,972	5,155,331	2,877,459	698,000	2,386,000	2,348,000
Total OPEB Liability – Beginning	100,668,488	80,137,762	77,615,790	72,460,459	69,583,000	68,885,000	66,499,000	64,151,000
Total OPEB Liability – Ending (a)	$ 109,191,581	$ 100,668,488	$ 80,137,762	$ 77,615,790	$ 72,460,459	$ 69,583,000	$ 68,885,000	$ 66,499,000
PLAN FIDUCIARY NET POSITION								
Contributions – Employer	$ 5,837,000	$ 5,644,000	$ 5,957,000	$ 5,781,000	$ 5,297,000	$ 5,908,000	$ 5,908,000	$ 11,617,000
Contributions – Employee	-	-	-	-	-	-	-	-
Investment Income	4,779,492	3,067,253	(5,999,322)	9,263,758	1,164,007	1,630,000	1,799,000	1,457,000
Administrative Expense	(36,414)	(32,415)	(26,519)	(27,144)	(29,753)	(19,000)	(35,000)	(8,000)
Benefit Payments, Including Refunds	(4,301,819)	(4,171,763)	(4,252,385)	(4,063,915)	(3,622,000)	(3,512,000)	(3,763,000)	(3,596,000)
Net Change in Fiduciary Net Position	6,278,259	4,507,075	(4,321,226)	10,953,699	2,809,254	4,007,000	3,909,000	9,470,000
Plan Fiduciary Net Position – Beginning	38,987,802	34,480,727	38,801,953	27,848,254	25,039,000	21,032,000	17,123,000	7,653,000
Plan Fiduciary Net Position – Ending (b)	$ 45,266,061	$ 38,987,802	$ 34,480,727	$ 38,801,953	$ 27,848,254	$ 25,039,000	$ 21,032,000	$ 17,123,000
Plan Total OPEB Liability – Ending (a) - (b)	$ 63,925,520	$ 61,680,686	$ 45,657,035	$ 38,813,837	$ 44,612,205	$ 44,544,000	$ 47,853,000	$ 49,376,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	41.5%	38.7%	43.0%	50.0%	38.4%	36.0%	30.5%	25.7%
Covered Payroll	$ 112,148,771	$ 139,454,487	$ 135,000,968	$ 132,144,587	$ 131,469,000	$ 133,561,000	$ 140,096,000	$ 141,378,000
Plan Total OPEB Liability as a Percentage of Covered Payroll	57.0%	44.2%	33.8%	29.4%	33.9%	33.4%	34.2%	34.9%

Notes to Schedule:
Benefit Changes:
Fiscal year 2021-22 – the City contribution to Police Yearly Stipend increased from 1.5% to 2.0% of payroll
Changes of Assumptions:
Fiscal year 2019-20 – the mortality improvement projection was updated to scale MP-19.
Fiscal year 2020-21 – there were no significant changes in assumption.
Fiscal year 2021-22 - the mortality improvement projection was updated to scale MP-21.
Fiscal year 2022-23 thru 2024-25 – there were no significant changes in assumption.

* Fiscal year 2017-18 was the first year of GASB 75 implementation, therefore only eight fiscal years are shown.

CITY OF TORRANCE, CALIFORNIA

Required Supplementary Information

Year ended June 30, 2025

Schedule of Plan Contributions

	Fiscal Year 2024-25	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18 *
Actuarially Determined Contribution	$ 6,761,195	$ 5,837,000	$ 5,644,000	$ 5,957,000	$ 5,781,000	$ 5,297,000	$ 5,908,000	$ 6,105,000
Contributions in Relation to the Actuarially Determined	(6,761,195)	(5,837,000)	(5,644,000)	(5,957,000)	(5,781,000)	(5,297,000)	(5,908,000)	(5,908,000)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 197,000
Covered Payroll	$130,160,671	$112,148,771	$139,454,487	$135,000,968	$132,144,587	$131,469,000	$133,561,000	$140,096,000
Contributions as a Percentage of Covered Payroll	5.2%	5.2%	4.0%	4.4%	4.4%	4.0%	4.4%	4.4%

Notes to Schedule:
Methods and assumptions used to determine contribution rates -

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Changes in the Total OPEB Liability due to assumption changes and liability experience gain/loss are amortized on a straight-line basis over Expected Remaining Service Lives of plan participants. Changes in Total OPEB Liability due to changes in the benefit terms are recognized immediately.
Asset Valuation Method	Investment gains and losses is amortized on a straight-line basis over 5 years
Inflation	2.50%
Discount Rate	6.25%
Retirement Age	CalPERS Public Agency 2021 experience study
Mortality	CalPERS Public Agency 2021 experience study

* Fiscal year 2017-18 was the first year of GASB 75 implementation, therefore only eight fiscal years are shown.

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COMBINING FINANCIAL STATEMENTS & SCHEDULES

ANNUAL COMPREHENSIVE FINANCIAL REPORT

NON-MAJOR GOVERNMENTAL FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF TORRANCE, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Pooled cash and investments	$ 91,828,697	$ 22,842,209	$ -	$ 114,670,906
Cash and cash equivalents with fiscal agents	-	3,756,770	1,145	3,757,915
Accounts receivable	615,006	300	-	615,306
Accrued interest receivable	317,665	-	-	317,665
Advance to successor agency	1,059,462	-	-	1,059,462
Due from other governments	5,436,414	-	-	5,436,414
Interfund advances receivable	600,000	-	-	600,000
Notes receivable	32,900	-	-	32,900
Lease receivable	742,548	-	-	742,548
Prepaids	12,498	5,500	-	17,998
Total Assets	$ 100,645,190	$ 26,604,779	$ 1,145	$ 127,251,114
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 3,875,207	$ 973,303	$ -	$ 4,848,510
Accounts payable - contract retention	1,258,204	98,039	-	1,356,243
Accrued liabilities	1,310,976	559,203	-	1,870,179
Due to other funds	6,741,004	1,844,467	-	8,585,471
Unearned revenue	182,037	-	-	182,037
Deposits and guarantees	6,132,632	158,056	-	6,290,688
Total Liabilities	19,501,137	3,633,068	-	23,134,205
Deferred inflows of resources:				
Unavailable revenue	693,381	-	-	693,381
Deferred leases	647,767	-	-	647,767
Total Deferred inflows of resources	1,341,148	-	-	1,341,148
Fund Balances:				
Nonspendable				
Prepaids	12,498	5,500	-	17,998
Restricted for:				
Public safety	4,833,127	-	-	4,833,127
Public works	57,190,036	-	-	57,190,036
Culture and recreation	5,770,047	-	-	5,770,047
Community development	11,997,197	-	-	11,997,197
Debt service	-	-	1,145	1,145
Assigned to:				
Capital projects	-	22,966,211	-	22,966,211
Total Fund Balances	79,802,905	22,971,711	1,145	102,775,761
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 100,645,190	$ 26,604,779	$ 1,145	$ 127,251,114

CITY OF TORRANCE, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended June 30, 2025

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 1,290,875	$ -	$ -	$ 1,290,875
Licenses, fees and permits	2,276,644	-	-	2,276,644
Fines, forfeitures and penalties	801,917	-	-	801,917
Use of money and property	3,100,899	172,085	23,101,675	26,374,659
Intergovernmental	50,807,570	-	-	50,807,570
Other revenues	95,573	340,000	-	435,573
Total revenues	58,373,478	512,085	23,101,675	81,987,238
Expenditures:				
General government	2,134,608	4,336,266	-	6,470,874
Public safety	2,207,917	2,487,847	-	4,695,764
Public works	31,601,161	715,094	-	32,316,255
Culture and recreation	888,958	309,476	-	1,198,434
Community development	9,267,577	621,109	-	9,888,686
Debt service:				
Principal retirement	-	-	10,625,000	10,625,000
Interest and fiscal charges	-	-	12,482,338	12,482,338
Total expenditures	46,100,221	8,469,792	23,107,338	77,677,351
Excess (deficiency) of revenues over (under) expenditures	12,273,257	(7,957,707)	(5,663)	4,309,887
Other financing sources (uses):				
SBITA	-	80,716	-	80,716
Transfers in	782,200	12,995,731	-	13,777,931
Transfers out	(7,185,224)	-	-	(7,185,224)
Total other financing sources (uses)	(6,403,024)	13,076,447	-	6,673,423
Net change in fund balances	5,870,233	5,118,740	(5,663)	10,983,310
Fund balances, July 1, 2024 (as previously presented)	73,969,328	17,852,971	6,808	91,829,107
Error correction (note 19)	(36,656)	-	-	(36,656)
Fund balances, June 30, 2025	$ 79,802,905	$ 22,971,711	$ 1,145	$ 102,775,761

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable and nonexpendable trusts) that are restricted by law to expenditure for specified purposes.

The **PARKS AND RECREATION FACILITIES FUND** is used to account of the revenues and expenditures in connection with the City's park and recreation facilities tax.

The **RENTAL ASSISTANCE PROGRAM FUND** is used to account for the operations of the Federal rental assistance program which provides relief for lower income families.

The **SEISMIC EDUCATION FUND** is used to account for the training and developing of the City's staff on seismic activities.

The **STREET LIGHTING DISTRICT ASSESSMENT FUND** is used to account for the revenues and expenditures associated with the maintenance and use of the City's street lighting system.

The **DRAINAGE IMPROVEMENT FUND** is used to account for the revenues and expenditures in connection with the improvement of the City's drainage system.

The **PARKS, REHABILITATION AND OPEN SPACE, PARK EQUIPMENT REPLACEMENT, AND GREENWOOD PARK IMPROVEMENT REPLACEMENT FUNDS** are used to account for the resources generated by a fee imposed on new dwelling construction and certain remodeling of dwellings.

The **PROPOSITION A FUND** is used to develop and improve local public transit, paratransit and related transportation infrastructure.

The **PROPOSITION C FUND** is used to improve transit service and operations, reduce traffic congestion, improve air quality, efficiently operate and improve the condition of the streets and freeways utilized by public transit and reduce foreign fuel dependence.

The **MEASURE R LOCAL RETURN AND HIGHWAY FUND** is used for planning, right of way acquisitions, engineering, administration, construction improvement, maintenance, and operation of public streets and roads, highways and exclusive public mass transit guide ways.

The **MEASURE M LOCAL RETURN AND GRANT FUND** is used for street and roads improvements, traffic control measures, bikeway and pedestrian improvements, and public transit services.

The **MEASURE W FUND** is used to increase water supply, improve water quality, and provide community enhancements.

The **GRANTS AND DONATIONS FUND** is used to account for monies received for the purpose of providing educational, cultural and recreational needs of the community and for specific infrastructure projects.

The **SPECIAL DEPOSITS FUND** is used to account for private donations, deposits and other funds disbursements on projects of the general government.

The **VANPOOL RIDESHARE FUND** is used to account for rideshare revenues from Prop C and fares, and to account for rideshare expenses.

The **BICYCLE TRANSPORTATION FUND** is used to account for the revenues and expenditures in connection with the City's bicycle transportation program.

The **LOW MOD HOUSING FUND** is used to account for the revenues and expenditures in connection with developing and managing affordable housing for low, very low and extreme low income households.

The **DEVELOPMENT IMPACT FUND** is used to account for the transportation, utility undergrounding, sewer storm drain, Police & Fire impact fees that will be used to finance facilities identified by the study's needs list.

The **GEOLOGIC HAZARD ABATEMENT FUND** is used to account for the costs of installation and construction of improvements necessary to the prevention, mitigation, abatement, or control of a geologic hazard within the City.

The **STATE GAS TAX STREET IMPROVEMENT FUND** is used to account for the State gasoline tax revenues received from the State which are used for maintenance and improvement of the City's streets.

The **ENVIRONMENTAL FUND** is used to account for the cost of analysis and evaluation of air pollutants potentially derived from refineries.

The **AIR QUALITY MANAGEMENT DISTRICT FUND** is used to account for City compliance with air quality management regulations.

The **MEADOW PARK PARKING LOT DISTRICT FUND** is used to account for the revenues and expenditures generated through the cleaning and maintenance of the Meadow Park parking lot district.

The **POLICE INMATE WELFARE FUND** is comprised of any money, refund, rebate or commission received from a telephone company or pay telephone provider when the money is attributable to the use of pay telephones which are primarily used by inmates while incarcerated.

The **COMMUNITY DEVELOPMENT BLOCK GRANT FUND** is used to account for the funds allocated by the US Department of Housing and Urban Development to the City for community and infrastructure development.

The **FEDERAL HOUSING AND REHABILITATION FUND** is used to account for the activities of the Federal Housing and Rehabilitation Grant.

The **ASSET FOREFEITURE FUND** is used to account for resources used solely for investigation, detection and prosecution of criminal activities. This includes the purchase of equipment, investigation training, and developing/acquiring personnel resources.

The **PROPOSITION 1B FUND** is used to account for monies received from the State out of the State general obligation bonds for the purpose of providing roadway extension, rehabilitation and reconstruction.

The **DNA SAMPLING FUND** is used to account for DNA sampling of arrestees that is reimbursed by the State.

The **TORRANCE TOURISM BUSINESS IMPROVEMENT DISTRICT FUND** is used to account for funds contributed by lodging businesses to market the area, including promotional activities, special events, and programs in order to increase business.

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CITY OF TORRANCE, CALIFORNIA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Parks and Recreation Facilities Fund	Rental Assistance Program Fund	Seismic Education Fund	Street Lighting District Assessment Fund	Drainage Improvement Fund	Parks, Rehabiliation and Open Space Fund	Park Equipment Replacement Fund
Assets							
Pooled cash and investments	$ 681,049	$ 1,115,507	$ 99,381	$ 149,359	$ 22,816	$ 3,020,671	$ 341,424
Accounts receivable	-	10,560	723	20	-	1,925	-
Accrued interest receivable	3,488	-	509	-	117	15,470	1,749
Advance to successor agency	-	-	-	-	-	-	-
Due from other governments	-	8,662	-	14,310	-	-	-
Interfund advances receivable	600,000	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	742,548
Prepaids	-	-	-	-	-	-	-
Total assets	$ 1,284,537	$ 1,134,729	$ 100,613	$ 163,689	$ 22,933	$ 3,038,066	$ 1,085,721
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	$ -	$ 244	$ 86,131	$ 155,182	$ -	$ 81,985	$ -
Accounts payable - contract retention	480	-	-	-	-	-	-
Accrued liabilities	-	19,001	-	8,507	-	-	-
Due to other funds	-	561,727	-	-	-	-	-
Due to other governments	-	1,077	-	-	-	-	-
Unearned revenue	-	32,633	-	-	-	-	-
Deposits and guarantees	-	-	-	-	-	-	-
Total liabilities	480	614,682	86,131	163,689	-	81,985	-
Deferred inflows of resources:							
Unavailable revenue	-	-	-	-	-	-	-
Deferred leases	-	-	-	-	-	-	647,767
Total deferred inflows of resources	-	-	-	-	-	-	647,767
Fund balances:							
Nonspendable							
Prepaids	-	-	-	-	-	-	-
Restricted for:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	22,933	-	-
Culture and recreation	1,284,057	-	-	-	-	2,956,081	437,954
Community development	-	520,047	14,482	-	-	-	-
Total fund balances	1,284,057	520,047	14,482	-	22,933	2,956,081	437,954
Total liabilities, deferred inflows of resources and fund balances	$ 1,284,537	$ 1,134,729	$ 100,613	$ 163,689	$ 22,933	$ 3,038,066	$ 1,085,721

Greenwood Park Improvement Replacement Fund	Proposition A Fund	Proposition C Fund	Measure R Local Return and Highway Fund	Measure M Local Return and Grant Fund	Measure W Fund	Grants and Donations Fund	Special Deposits Fund	Vanpool Rideshare Fund
$ 10,631	$ 6,421,591	$ 9,813,953	$ 8,696,655	$ 7,477,524	$ 12,704,817	$10,351,737	$ 3,449,500	$ 11,189
-	-	-	-	-	-	242,845	330,809	4,538
54	32,886	50,301	44,537	103,358	-	163	-	16
-	-	-	-	-	-	-	-	-
-	-	-	134,088	862,579	2,156,730	533,862	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,498	-	-
$ 10,685	$ 6,454,477	$ 9,864,254	$ 8,875,280	$ 8,443,461	$ 14,861,547	$ 11,141,105	$ 3,780,309	$ 15,743
$ -	$ -	$ 65,626	$ 55,601	$ 181,869	$ 13,227	$ 660,912	$ 55,033	$ 24
-	-	167,442	77,818	252,832	-	110,389	-	-
-	-	938,594	84,327	35,273	12,172	28,276	8,933	15,719
-	-	-	3,923,682	1,352,158	-	870,348	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	999	3,716,343	-
-	-	1,171,662	4,141,428	1,822,132	25,399	1,670,924	3,780,309	15,743
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,498	-	-
-	-	-	-	-	-	1,610,547	-	-
-	6,454,477	8,692,592	4,733,852	6,621,329	14,836,148	1,095,443	-	-
10,685	-	-	-	-	-	1,081,270	-	-
-	-	-	-	-	-	5,670,423	-	-
10,685	6,454,477	8,692,592	4,733,852	6,621,329	14,836,148	9,470,181	-	-
$ 10,685	$ 6,454,477	$ 9,864,254	$ 8,875,280	$ 8,443,461	$ 14,861,547	$ 11,141,105	$ 3,780,309	$ 15,743

(continued)

CITY OF TORRANCE, CALIFORNIA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025
(continued)

	Bicycle Transportation Fund	Low Mod Housing Fund	Development Impact Fund	Geologic Hazard Abatement Fund	State Gas Tax Street Improvement Fund	Environmental Fund	Air Quality Management District Fund
Assets							
Pooled cash and investments	$ 149,404	$ 3,698,349	$ 6,721,412	$ 14,317	$ 12,073,532	$ 166,389	$ 476,211
Accounts receivable	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	61,965	852	1,991
Advance to successor agency	-	1,059,462	-	-	-	-	-
Due from other governments	-	-	-	-	1,052,332	-	-
Interfund advances receivable	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-	-
Total assets	$ 149,404	$ 4,757,811	$ 6,721,412	$ 14,317	$ 13,187,829	$ 167,241	$ 478,202
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	$ -	$ -	$ 114,513	$ -	$ 1,653,921	$ -	$ -
Accounts payable - contract retention	-	-	-	-	615,286	-	-
Accrued liabilities	-	1,143	-	-	156,736	-	2,295
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	149,404	-	-	-	-	-	-
Deposits and guarantees	-	-	2,370,000	-	-	-	-
Total liabilities	149,404	1,143	2,484,513	-	2,425,943	-	2,295
Deferred inflows of resources:							
Unavailable revenue	-	693,381	-	-	-	-	-
Deferred leases	-	-	-	-	-	-	-
Total deferred inflows of resources	-	693,381	-	-	-	-	-
Fund balances:							
Nonspendable							
Prepaids	-	-	-	-	-		-
Restricted for:							
Public safety	-	-	265,525	-	-	-	-
Public works	-	-	3,971,374	-	10,761,886	-	-
Culture and recreation	-	-	-	-	-	-	-
Community development	-	4,063,287	-	14,317	-	167,241	475,907
Total fund balances	-	4,063,287	4,236,899	14,317	10,761,886	167,241	475,907
Total liabilities, deferred inflows of resources and fund balances	$ 149,404	$ 4,757,811	$ 6,721,412	$ 14,317	$ 13,187,829	$ 167,241	$ 478,202

Meadow Park Parking Lot District Fund	Police Inmate Welfare Fund	Community Development Block Grant Fund	Federal Housing and Rehabilitation Fund	Asset Forfeiture Fund	Proposition 1B Fund	DNA Sampling Fund	Torrance Tourism Business Improvement District Fund	Total Nonmajor Special Revenue Funds
$ 295,999	$ 40,848	$ 27,250	$ 744,656	$ 2,925,448	$ -	$ 81,788	$ 45,290	$ 91,828,697
-	-	23,586	-	-	-	-	-	615,006
-	209	-	-	-	-	-	-	317,665
-	-	-	-	-	-	-	-	1,059,462
-	11,365	662,486	-	-	-	-	-	5,436,414
-	-	-	-	-	-	-	-	600,000
-	-	-	32,900	-	-	-	-	32,900
-	-	-	-	-	-	-	-	742,548
-	-	-	-	-	-	-	-	12,498
$ 295,999	$ 52,422	$ 713,322	$ 777,556	$ 2,925,448	$ -	$ 81,788	$ 45,290	$ 100,645,190
$ 2,062	$ -	$ 646,274	$ -	$ 102,603	$ -	$ -	$ -	$ 3,875,207
-	-	33,957	-	-	-	-	-	1,258,204
-	-	-	-	-	-	-	-	1,310,976
-	-	33,089	-	-	-	-	-	6,741,004
-	-	-	-	-	-	-	-	1,077
-	-	-	-	-	-	-	-	182,037
-	-	-	-	-	-	-	45,290	6,132,632
2,062	-	713,320	-	102,603	-	-	45,290	19,501,137
-	-	-	-	-	-	-	-	693,381
-	-	-	-	-	-	-	-	647,767
-	-	-	-	-	-	-	-	1,341,148
-	-	-	-	-	-	-	-	12,498
-	52,422	-	-	2,822,845	-	81,788	-	4,833,127
-	-	2	-	-	-	-	-	57,190,036
-	-	-	-	-	-	-	-	5,770,047
293,937	-	-	777,556	-	-	-	-	11,997,197
293,937	52,422	2	777,556	2,822,845	-	81,788	-	79,802,905
$ 295,999	$ 52,422	$ 713,322	$ 777,556	$ 2,925,448	$ -	$ 81,788	$ 45,290	$ 100,645,190

CITY OF TORRANCE, CALIFORNIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year ended June 30, 2025

	Parks and Recreation Facilities Fund	Rental Assistance Program Fund	Seismic Education Fund	Street Lighting District Assessment Fund	Drainage Improvement Fund	Parks, Rehabiliation and Open Space Fund	Park Equipment Replacement Fund
Revenues:							
Taxes	$ -	$ -	$ -	$ 1,290,875	$ -	$ -	$ -
Licenses, fees and permits	243,100	-	-	-	-	1,131,757	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-
Use of money and property	21,480	24,585	4,017	-	883	99,946	111,079
Intergovernmental	-	8,801,886	-	-	-	-	-
Other revenues	-	26,138	3,311	-	-	-	-
Total revenues	264,580	8,852,609	7,328	1,290,875	883	1,231,703	111,079
Expenditures:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	1,882,096	-	-	-
Culture and recreation	-	-	-	-	-	259,722	20,898
Community development	-	8,907,177	4,650	-	-	-	-
Total expenditures	-	8,907,177	4,650	1,882,096	-	259,722	20,898
Excess (deficiency) of revenues over expenditures	264,580	(54,568)	2,678	(591,221)	883	971,981	90,181
Other financing sources (uses):							
Transfers in	-	-	-	591,221	-	-	-
Transfers out	-	-	-	-	-	-	-
Net change in fund balances	264,580	(54,568)	2,678	-	883	971,981	90,181
Fund balances, July 1, 2024 (as previously presented)	1,019,477	574,615	11,804	-	22,050	1,984,100	347,773
Error correction (note 19)	-	-	-	-	-	-	-
Fund balances, June 30, 2025	$ 1,284,057	$ 520,047	$ 14,482	$ -	$ 22,933	$ 2,956,081	$ 437,954

Greenwood Park Improvement Replacement Fund	Proposition A Fund	Proposition C Fund	Measure R Local Return and Highway Fund	Measure M Local Return and Grant Fund	Measure W Fund	Grants and Donations Fund	Special Deposits Fund	Vanpool Rideshare Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
412	237,943	372,347	335,050	294,160	502,452	45,126	-	-
-	3,753,632	3,113,543	3,534,619	5,691,882	7,523,683	9,345,662	-	28,296
-	-	-	-	-	-	25,753	-	34,254
412	3,991,575	3,485,890	3,869,669	5,986,042	8,026,135	9,416,541	-	62,550
-	-	-	-	-	-	2,134,608	-	-
-	-	-	-	-	-	1,344,778	-	-
-	-	3,683,000	2,907,489	6,170,434	1,253,600	1,741,874	-	-
-	-	-	-	-	-	608,338	-	-
-	-	-	-	-	-	10,615	-	240,704
-	-	3,683,000	2,907,489	6,170,434	1,253,600	5,840,213	-	240,704
412	3,991,575	(197,110)	962,180	(184,392)	6,772,535	3,576,328	-	(178,154)
-	-	-	-	-	-	12,825	-	178,154
-	(3,000,000)	(178,154)	-	-	-	(740,000)	-	-
412	991,575	(375,264)	962,180	(184,392)	6,772,535	2,849,153	-	-
10,273	5,462,902	9,067,856	3,771,672	6,805,721	8,100,269	6,621,028	-	-
-	-	-	-	-	(36,656)	-	-	-
$ 10,685	$ 6,454,477	$ 8,692,592	$ 4,733,852	$ 6,621,329	$ 14,836,148	$ 9,470,181	$ -	$ -

(continued)

CITY OF TORRANCE, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year ended June 30, 2025
(continued)

	Bicycle Transportation Fund	Low Mod Housing Fund	Development Impact Fund	Geologic Hazard Abatement Fund	State Gas Tax Street Improvement Fund	Environmental Fund	Air Quality Management District Fund
Revenues:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses, fees and permits	-	-	901,787	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-
Use of money and property	-	21,967	236,197	-	600,709	6,441	13,753
Intergovernmental	-	-	-	-	8,066,118	-	188,874
Other revenues	-	-	-	-	-	-	-
Total revenues	-	21,967	1,137,984	-	8,666,827	6,441	202,627
Expenditures:							
General government	-	-	-	-	-	-	-
Public safety	-	-	243,841	-	-	-	-
Public works	-	-	115,971	-	12,936,659	-	230,893
Culture and recreation	-	-	-	-	-	-	-
Community development	-	59,827	-	-	-	-	-
Total expenditures	-	59,827	359,812	-	12,936,659	-	230,893
Excess (deficiency) of revenues over expenditures	-	(37,860)	778,172	-	(4,269,832)	6,441	(28,266)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(3,267,070)	-	-
Net change in fund balances	-	(37,860)	778,172	-	(7,536,902)	6,441	(28,266)
Fund balances, July 1, 2024 (as previously presented)	-	4,101,147	3,458,727	14,317	18,298,788	160,800	504,173
Error correction (note 19)	-	-	-	-	-	-	-
Fund balances, June 30, 2025	$ -	$ 4,063,287	$ 4,236,899	$ 14,317	$ 10,761,886	$ 167,241	$ 475,907

Meadow Park Parking Lot District Fund	Police Inmate Welfare Fund	Community Development Block Grant Fund	Federal Housing and Rehabilitation Fund	Asset Forfeiture Fund	Proposition 1B Fund	DNA Sampling Fund	Torrance Tourism Business Improvement District Fund	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1,290,875
-	-	-	-	-	-	-	-	2,276,644
-	57,120	-	-	744,797	-	-	-	801,917
58,145	795	-	-	113,412	-	-	-	3,100,899
-	-	759,375	-	-	-	-	-	50,807,570
-	1,047	-	-	-	-	5,070	-	95,573
58,145	58,962	759,375	-	858,209	-	5,070	-	58,373,478
-	-	-	-	-	-	-	-	2,134,608
-	45,246	-	-	574,052	-	-	-	2,207,917
-	-	679,145	-	-	-	-	-	31,601,161
-	-	-	-	-	-	-	-	888,958
29,229	-	15,375	-	-	-	-	-	9,267,577
29,229	45,246	694,520	-	574,052	-	-	-	46,100,221
28,916	13,716	64,855	-	284,157	-	5,070	-	12,273,257
-	-	-	-	-	-	-	-	782,200
-	-	-	-	-	-	-	-	(7,185,224)
28,916	13,716	64,855	-	284,157	-	5,070	-	5,870,233
265,021	38,706	(64,853)	777,556	2,538,688	-	76,718	-	73,969,328
-	-	-	-	-	-	-	-	(36,656)
$ 293,937	$ 52,422	$ 2	$ 777,556	$ 2,822,845	$ -	$ 81,788	$ -	$ 79,802,905

CITY OF TORRANCE, CALIFORNIA

Rental Assistance Program Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 8,928,000	$ 9,018,000	$ 8,801,886	$ (216,114)
Use of money and property	5,500	5,500	24,585	19,085
Other revenues	16,000	16,000	26,138	10,138
Total revenues	8,949,500	9,039,500	8,852,609	(186,891)
EXPENDITURES				
Current:				
Community development	8,825,679	8,915,679	8,907,177	8,502
Total expenditures	8,825,679	8,915,679	8,907,177	8,502
Excess (deficiency) of revenues over expenditures	123,821	123,821	(54,568)	(178,389)
Net change in fund balances	123,821	123,821	(54,568)	(178,389)
Fund balances - beginning	574,615	574,615	574,615	-
Fund balances - ending	$ 698,436	$ 698,436	$ 520,047	$ (178,389)

CITY OF TORRANCE, CALIFORNIA
Street Lighting District Assessment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,291,500	$ 1,291,500	$ 1,290,876	$ (624)
Total revenues	1,291,500	1,291,500	1,290,876	(624)
EXPENDITURES				
Current:				
Public works	1,866,272	1,882,854	1,882,096	758
Total expenditures	1,866,272	1,882,854	1,882,096	758
Excess (deficiency) of revenues over expenditures	(574,772)	(591,354)	(591,220)	134
OTHER FINANCING SOURCES (USES)				
Transfers in	574,772	605,551	591,220	(14,331)
Total other financing sources (uses)	574,772	605,551	591,220	(14,331)
Net change in fund balances	-	14,197	-	(14,197)
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ 14,197	$ -	$ (14,197)

CITY OF TORRANCE, CALIFORNIA

Vanpool Rideshare Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 35,000	$ 35,000	$ 28,296	$ (6,704)
Use of money and property	965	965	-	(965)
Other revenues	30,000	30,000	34,254	4,254
Total revenues	65,965	65,965	62,550	(3,415)
EXPENDITURES				
Current:				
Community development	245,871	245,871	240,704	5,167
Total expenditures	245,871	245,871	240,704	5,167
Excess (deficiency) of revenues over expenditures	(179,906)	(179,906)	(178,154)	1,752
OTHER FINANCING SOURCES (USES)				
Transfers in	179,906	179,906	178,154	(1,752)
Total other financing sources (uses)	179,906	179,906	178,154	(1,752)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

CITY OF TORRANCE, CALIFORNIA

Low Mod Housing Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Use of money and property	$ 40,450	$ 40,450	$ 21,967	$ (18,483)
Total revenues	40,450	40,450	21,967	(18,483)
EXPENDITURES				
Current:				
Community development	65,061	65,061	59,827	5,234
Total expenditures	65,061	65,061	59,827	5,234
Excess (deficiency) of revenues over expenditures	(24,611)	(24,611)	(37,860)	(13,249)
Net change in fund balances	(24,611)	(24,611)	(37,860)	(13,249)
Fund balances - beginning	4,101,147	4,101,147	4,101,147	-
Fund balances - ending	$ 4,076,536	$ 4,076,536	$ 4,063,287	$ (13,249)

CITY OF TORRANCE, CALIFORNIA
Meadow Park Parking Lot District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Use of money and property	$ 40,064	$ 40,064	$ 58,145	$ 18,081
Total revenues	40,064	40,064	58,145	18,081
EXPENDITURES				
Current:				
Community development	29,064	30,264	29,229	1,035
Total expenditures	29,064	30,264	29,229	1,035
Excess (deficiency) of revenues over expenditures	11,000	9,800	28,916	19,116
Net change in fund balances	11,000	9,800	28,916	19,116
Fund balances - beginning	265,021	265,021	265,021	-
Fund balances - ending	$ 276,021	$ 274,821	$ 293,937	$ 19,116

NON-MAJOR CAPITAL PROJECT FUNDS

The Capital Project funds are used to account for resources used for the acquisition or construction of major capital facilities, except for those financed by certain Special Revenue and Proprietary Funds.

The **CAPITAL IMPROVEMENT FUND** is used to account for construction of street improvements, storm drain and building improvements and other capital projects within the City.

The **TORRANCE PUBLIC PROPERTY FINANCING CAPITAL PROJECT FUND** is used to account for construction of capital improvements related to an emergency operation center and any other public capital improvements selected by the City.

CITY OF TORRANCE, CALIFORNIA
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2025

	Capital Improvement Fund	Torrance Public Property Financing Capital Project Fund	Total Nonmajor Capital Projects Funds
Assets			
Pooled cash and investments	$ 22,842,209	$ -	$ 22,842,209
Cash and cash equivalents with fiscal agents	-	3,756,770	3,756,770
Accounts receivable	300	-	300
Prepaids	5,500	-	5,500
Total assets	$ 22,848,009	$ 3,756,770	$ 26,604,779
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 633,888	$ 339,415	$ 973,303
Accounts payable - contract retention	34,262	63,777	98,039
Accrued liabilities	559,203	-	559,203
Due to other funds	-	1,844,467	1,844,467
Deposits and guarantees	158,056	-	158,056
Total liabilities	1,385,409	2,247,659	3,633,068
Fund balances:			
Nonspendable			
Prepaids	5,500	-	5,500
Assigned to capital projects	21,457,100	1,509,111	22,966,211
Total fund balances	21,462,600	1,509,111	22,971,711
Total liabilities and fund balances	$ 22,848,009	$ 3,756,770	$ 26,604,779

CITY OF TORRANCE, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended June 30, 2025

	Capital Improvement Fund	Torrance Public Property Financing Capital Project Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Use of money and property	$ 4,200	$ 167,885	$ 172,085
Other	340,000	-	340,000
Total revenues	344,200	167,885	512,085
Expenditures:			
General government	4,336,266	-	4,336,266
Public safety	241,661	2,246,186	2,487,847
Public works	715,094	-	715,094
Culture and recreation	309,476	-	309,476
Community development	621,109	-	621,109
Total expenditures	6,223,606	2,246,186	8,469,792
Excess (deficiency) of revenues over (under) expenditures	(5,879,406)	(2,078,301)	(7,957,707)
Other financing sources:			
SBITA	80,716	-	80,716
Transfers in	12,995,731	-	12,995,731
Total other financing sources	13,076,447	-	13,076,447
Net change in fund balances	7,197,041	(2,078,301)	5,118,740
Fund balances, July 1, 2024	14,265,559	3,587,412	17,852,971
Fund balances, June 30, 2025	$ 21,462,600	$ 1,509,111	$ 22,971,711

NON-MAJOR DEBT SERVICE FUND

The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on specific long-term obligations of the City.

The **TORRANCE PUBLIC PROPERTY FINANCING DEBT SERVICE FUND** is used to account for debt service related to certificates of participation and lease revenue bonds issued to provide for the refinance of a lease obligation that financed certain facilities and capital improvements within the City and the acquistion of real property for a regional transit center, and for the refinance of a portion of the unfunded accrued liability of the City's pension plans with CalPERS.

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CITY OF TORRANCE, CALIFORNIA

Combining Balance Sheet

Nonmajor Debt Service Fund

June 30, 2025

	Torrance Public Property Financing Debt Service Fund	Total Nonmajor Debt Service Fund
Assets		
Cash and cash equivalents with fiscal agents	$ 1,145	$ 1,145
Total assets	$ 1,145	$ 1,145
Liabilities and Fund Balances		
Liabilities	$ -	$ -
Total liabilities	-	-
Fund balances:		
Restricted - debt service	1,145	1,145
Total fund balances	1,145	1,145
Total liabilities and fund balances	$ 1,145	$ 1,145

CITY OF TORRANCE, CALIFORNIA

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

Nonmajor Debt Service Fund

Year ended June 30, 2025

	Torrance Public Property Financing Debt Service Fund	Total Nonmajor Debt Service Fund
Revenues:		
Use of money and property	$ 23,101,675	$ 23,101,675
Total revenues	23,101,675	23,101,675
Expenditures:		
Debt Service:		
Principal retirement	10,625,000	10,625,000
Interest and fiscal charges	12,482,338	12,482,338
Total expenditures	23,107,338	23,107,338
Excess (deficiency) of revenues over (under) expenditures	(5,663)	(5,663)
Net change in fund balances	(5,663)	(5,663)
Fund balances, July 1, 2024	6,808	6,808
Fund balances, June 30, 2025	$ 1,145	$ 1,145

CITY OF TORRANCE, CALIFORNIA

Torrance Public Property Financing Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Use of money and property	$ 23,107,338	$ 23,107,338	$ 23,101,675	$ (5,663)
Total revenues	23,107,338	23,107,338	23,101,675	(5,663)
EXPENDITURES				
Debt service:				
Principal retirement	10,625,000	10,625,000	10,625,000	-
Interest and fiscal charges	12,482,338	12,482,338	12,482,338	-
Total expenditures	23,107,338	23,107,338	23,107,338	-
Excess (deficiency) of revenues over expenditures	-	-	(5,663)	(5,663)
Net change in fund balances	-	-	(5,663)	(5,663)
Fund balances - beginning	6,808	6,808	6,808	-
Fund balances - ending	$ 6,808	$ 6,808	$ 1,145	$ (5,663)

NON-MAJOR ENTERPRISE FUND

The Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing these services to the general public on a continuing basis are financed primarily through user charges.

The **SANITATION FUND** is used to account for the City's refuse, recycling, and green waste programs.

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CITY OF TORRANCE, CALIFORNIA
Combining Statement of Net Position
Nonmajor Enterprise Fund
June 30, 2025

	Sanitation Fund	Total Nonmajor Enterprise Fund
Assets and Deferred Outflows of Resources		
Current assets:		
Pooled cash and investments	$ 11,594,534	$ 11,594,534
Accounts receivable	4,556,813	4,556,813
Accrued interest receivable	89,988	89,988
Due from other governments	99,405	99,405
Prepaids	37,622	37,622
Total current assets	16,378,362	16,378,362
Noncurrent assets:		
Capital assets, net	4,384,422	4,384,422
Total noncurrent assets	4,384,422	4,384,422
Deferred outflows of resources:		
Deferred pension amounts	1,061,793	1,061,793
Deferred OPEB amounts	308,081	308,081
Total deferred outflows of resources	1,369,874	1,369,874
Total Assets and Deferred Outflows of Resources	22,132,658	22,132,658
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Accounts payable	555,764	555,764
Accrued interest payable	30,610	30,610
Accrued liabilities	1,158,714	1,158,714
Compensated absences payable - current	73,354	73,354
Total current liabilities	1,818,442	1,818,442
Noncurrent liabilities:		
Compensated absences payable - long term	208,778	208,778
Total pension liability	3,085,909	3,085,909
Total OPEB liability	958,883	958,883
Total noncurrent liabilities	4,253,570	4,253,570
Deferred inflows of resources:		
Deferred pension amounts	20,167	20,167
Deferred OPEB amounts	38,713	38,713
Total deferred inflows of resources	58,880	58,880
Total Liabilities and Deferred Inflows of Resources	6,130,892	6,130,892
Net Position		
Net investment in capital assets	4,384,422	4,384,422
Unrestricted	11,617,344	11,617,344
Total Net Position	$ 16,001,766	$ 16,001,766

CITY OF TORRANCE, CALIFORNIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Fund

Year ended June 30, 2025

	Sanitation Fund	Total Nonmajor Enterprise Fund
Operating revenues:		
Charges for services	$ 17,113,176	$ 17,113,176
Other	714,646	714,646
Total operating revenues	17,827,822	17,827,822
Operating expenses:		
Salaries and employee benefits	4,604,385	4,604,385
Services and supplies	3,228,409	3,228,409
Other professional services	3,899,264	3,899,264
Depreciation and amortization	792,152	792,152
Insurance and claims	3,640	3,640
City charges	1,970,147	1,970,147
Other	78,904	78,904
Total operating expenses	14,576,901	14,576,901
Operating income	3,250,921	3,250,921
Nonoperating revenues:		
Investment earnings	405,642	405,642
Gain (loss) on sale of capital assets	5,250	5,250
Grants	188,508	188,508
Total nonoperating revenues	599,400	599,400
Income before transfers	3,850,321	3,850,321
Transfers in	382,321	382,321
Transfers out	(1,281,599)	(1,281,599)
Change in net position	2,951,043	2,951,043
Total net position - July 1, 2024 (as previously presented)	13,116,099	13,116,099
Restatement for change in accounting principle (note 19)	(65,376)	(65,376)
Total net position - June 30, 2025	$ 16,001,766	$ 16,001,766

CITY OF TORRANCE, CALIFORNIA
Combining Statement of Cash Flows
Nonmajor Enterprise Fund
Year ended June 30, 2025

	Sanitation Fund	Total Nonmajor Enterprise Fund
Cash flows from operating activities:		
Receipts from customers	$ 16,716,411	$ 16,716,411
Cash payments to suppliers for goods and services	(7,998,195)	(7,998,195)
Cash payments to employees for services	(4,182,833)	(4,182,833)
Other receipts	714,646	714,646
Net cash provided by operating activities	5,250,029	5,250,029
Cash flows from noncapital financing activities:		
Cash received from noncapital grants and subsidies	188,508	188,508
Cash received from other funds	382,321	382,321
Cash paid to other funds	(1,281,599)	(1,281,599)
Net cash provided by noncapital financing activities	(710,770)	(710,770)
Cash flows from capital financing activities:		
Cash payments for capital additions	(1,524,685)	(1,524,685)
Proceeds from sale of capital assets	5,250	5,250
Net cash used in capital financing activities	(1,519,435)	(1,519,435)
Cash flows from investing activities:		
Cash received from interest on investments	402,806	402,806
Cash provided by investing activities	402,806	402,806
Net increase in cash, restricted cash and cash equivalents	3,422,630	3,422,630
Cash and cash equivalents, July 1, 2024	8,171,904	8,171,904
Cash and cash equivalents, June 30, 2025	$ 11,594,534	$ 11,594,534
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 3,250,921	3,250,921
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	792,152	792,152
Bad debt expense	32,283	32,283
Changes in assets and liabilities:		
Accounts receivable	(331,500)	(331,500)
Due from other governments	(97,547)	(97,547)
Prepaids and other assets	3,944	3,944
Accounts payable	122,780	122,780
Accrued salaries and benefits	(53,444)	(53,444)
Other accrued liabilities	1,055,443	1,055,443
Deferred outflows related to pensions	915,574	915,574
Deferred outflows related to OPEB	56,121	56,121
Total pension liability	(448,320)	(448,320)
Total OPEB liability	33,673	33,673
Deferred inflows related to pensions	(78,435)	(78,435)
Deferred inflows related to OPEB	(3,616)	(3,616)
Net cash provided by operating activities	$ 5,250,029	$ 5,250,029

INTERNAL SERVICE FUNDS

The Internal Service funds are used to account for financing of goods or services provided by one City department to other departments of the City and to other governmental units on a cost-reimbursement basis.

The **SELF-INSURANCE FUND** is used to finance and account for the City's risk management and self-insurance programs.

The **FLEET SERVICES FUND** is used to finance and account for the City's vehicular equipment.

The **POSTEMPLOYMENT/COMP ABSENCES FUND** is used to account for interfund charges to the City's departments for postemployment benefits and compensated absences.

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CITY OF TORRANCE, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Self-Insurance Fund	Fleet Services Fund	Postemployment/ Comp Absences Fund	Total Internal Service Funds
Assets and Deferred Outflows of Resources				
Current assets:				
Pooled cash and investments	$ 26,522,199	$ 26,991,167	$ 5,510,905	$ 59,024,271
Cash and cash equivalents with fiscal agents	677,419	-	-	677,419
Accounts receivable	308,271	200,720	5,467,265	5,976,256
Accrued interest receivable	-	-	44,185	44,185
Prepaids	-	212,668	-	212,668
Inventory	-	1,462,223	-	1,462,223
Total current assets	27,507,889	28,866,778	11,022,355	67,397,022
Noncurrent assets:				
Capital assets, net	-	24,778,471	-	24,778,471
Total noncurrent assets	-	24,778,471	-	24,778,471
Deferred outflows of resources:				
Deferred pension amounts	74,391	888,216	-	962,607
Deferred OPEB amounts	20,538	267,005	-	287,543
Total deferred outflows of resources	94,929	1,155,221	-	1,250,150
Total Assets and Deferred Outflows of Resources	27,602,818	54,800,470	11,022,355	93,425,643
Liabilities and Deferred Inflows of Resources				
Current liabilities:				
Accounts payable	718,575	888,582	-	1,607,157
Compensated absences payable	-	475,654	8,365,519	8,841,173
Accrued interest payable	-	4,738	-	4,738
Accrued liabilities	10,939,831	146,533	-	11,086,364
SBITA liablity - current	-	83,355	-	83,355
Accrued liability for self-insurance claims - current	13,839,290	-	-	13,839,290
Total current liabilities	25,497,696	1,598,862	8,365,519	35,462,077
Noncurrent liabilities:				
SBITA liability - long term	-	273,890	-	273,890
Accrued liability for self-insurance claims - long-term	54,094,993	-	-	54,094,993
Total pension liability	200,127	2,618,945	-	2,819,072
Total OPEB liability	63,926	831,032	-	894,958
Total noncurrent liabilities	54,359,046	3,723,867	-	58,082,913
Deferred inflows of resources:				
Deferred pension amounts	977	17,887	-	18,864
Deferred OPEB amounts	2,581	33,551	-	36,132
Total deferred inflows of resources	3,558	51,438	-	54,996
Total Liabilities and Deferred Inflows of Resources	79,860,300	5,374,167	8,365,519	93,599,986
Net Position				
Net position:				
Net investment in capital assets	-	24,778,471	-	24,778,471
Unrestricted	(52,257,482)	24,647,832	2,656,836	(24,952,814)
Total Net Position	$ (52,257,482)	$ 49,426,303	$ 2,656,836	$ (174,343)

CITY OF TORRANCE, CALIFORNIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year ended June 30, 2025

	Self-Insurance Fund	Fleet Services Fund	Postemployment/ Comp Absences Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	$ 23,643,920	$ 12,351,946	$ -	$ 35,995,866
Other	330,808	255,983	-	586,791
Total operating revenues	23,974,728	12,607,929	-	36,582,657
Operating expenses:				
Salaries and employee benefits	919,310	4,227,169	-	5,146,479
Services and supplies	4,564	658,007	-	662,571
Other professional services	428,800	181,502	-	610,302
Insurance and claims	22,596,159	-	-	22,596,159
Depreciation and amortization	-	2,502,058	-	2,502,058
City charges	222,833	2,203,139	-	2,425,972
Other	4,296	22,107	-	26,403
Total operating expenses	24,175,962	9,793,982	-	33,969,944
Operating income (loss)	(201,234)	2,813,947	-	2,612,713
Nonoperating revenues (expenses):				
Investment earnings	-	844,717	409,476	1,254,193
Gain on sale of capital assets	-	232,604	-	232,604
Total nonoperating revenues (expenses)	-	1,077,321	409,476	1,486,797
Net income (loss) before transfers	(201,234)	3,891,268	409,476	4,099,510
Transfers in	-	-	-	-
Transfers out	-	(18,459)	-	(18,459)
Change in net position	(201,234)	3,872,809	409,476	4,081,051
Net position, July 1, 2024 (as previously presented)	(52,056,248)	45,664,433	783,685	(5,608,130)
Restatement for change in accounting principle (note 19)	-	(110,939)	1,463,675	1,352,736
Net position, June 30, 2025	$ (52,257,482)	$ 49,426,303	$ 2,656,836	$ (174,343)

CITY OF TORRANCE, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2025

	Self Insurance Fund	Fleet Services Fund	Postemployment/ Comp Absences Fund	Total Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	$ 23,387,888	$ 12,151,226	$ (1,143,575)	$ 34,395,539
Cash payments to suppliers for goods and services	(17,181,435)	(2,378,971)	(67,287)	(19,627,693)
Cash payments to employees for services	(879,369)	(3,825,522)	414,837	(4,290,054)
Other receipts	330,808	255,983	-	586,791
Net cash provided by (used in) operating activities	5,657,892	6,202,716	(796,025)	11,064,583
Cash flows from noncapital financing activities:				
Cash received from other funds	-	-	-	-
Cash transfers paid to other funds	-	(18,459)	-	(18,459)
Net cash provided by (used in) noncapital financing activities	-	(18,459)	-	(18,459)
Cash flows from capital financing activities:				
Cash payments for capital additions	-	(18,224,606)	-	(18,224,606)
Proceeds from sale of capital assets	-	232,604	-	232,604
Net cash provided by (used in) capital financing activities	-	(17,992,002)	-	(17,992,002)
Cash flows from investing activities:				
Cash received from interest on investments	-	1,093,939	414,574	1,508,513
Net cash provided by (used in) investing activities	-	1,093,939	414,574	1,508,513
Net increase (decrease) in cash, restricted cash and cash equivalents	5,657,892	(10,713,806)	(381,451)	(5,437,365)
Cash and cash equivalents, July 1, 2024	21,541,726	37,704,973	5,892,356	65,139,055
Cash and cash equivalents, June 30, 2025	$ 27,199,618	$ 26,991,167	$ 5,510,905	$ 59,701,690
Reconciliation of cash and cash equivalents:				
Pooled cash and investments	$ 26,522,199	$ 26,991,167	$ 5,510,905	$ 59,024,271
Cash and cash equivalents with fiscal agents	677,419	-	-	677,419
Total cash and cash equivalents	$ 27,199,618	$ 26,991,167	$ 5,510,905	$ 59,701,690
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	$ (201,234)	$ 2,813,947	$ -	$ 2,612,713
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	2,502,058	-	2,502,058
Changes in assets and liabilities:				
Accounts receivable	(256,032)	(200,720)	(1,143,575)	(1,600,327)
Prepaids and other assets	-	132,294	-	132,294
Inventory	-	(3,434)	-	(3,434)
Accounts payable	417,089	709,028	(67,287)	1,058,830
Accrued salaries and benefits	6,566	2,617	414,837	424,020
Other accrued liabilities	5,658,127	(152,104)	-	5,506,023
Deferred outflows related to pension	64,093	766,021	-	830,114
Deferred outflows related to OPEB	3,742	48,637	-	52,379
Total pension liability	(30,397)	(377,395)	-	(407,792)
Total OPEB liability	2,245	29,183	-	31,428
Deferred inflows related to pension	(6,066)	(64,282)	-	(70,348)
Deferred inflows related to OPEB	(241)	(3,134)	-	(3,375)
Net cash provided by (used in) operating activities	$ 5,657,892	$ 6,202,716	$ (796,025)	$ 11,064,583

CUSTODIAL FUNDS

The Custodial funds are used to account for assets held by the City in a fiduciary capacity for individuals, governmental entities and others.

The **AREA G CITIZEN CORPS PROGRAM FUND** is used to account for Area G cities' contributions to finance the community emergency response teams.

The **PROPERTY ROOM EVIDENCE FUND** is used to account for the safekeeping and disbursement of evidence held in the Police property room.

The **INTEROPERABILITY NETWORK OF THE SOUTH BAY FUND** is used to account for funds contributed by Network member cities to enhance the public safety and general government land mobile radio capabilities of its members by developing and managing a wide-area interoperable government communications network.

CITY OF TORRANCE, CALIFORNIA

Combining Statement of Fiduciary Net Position - Custodial Funds

June 30, 2025

	Area G Citizen Corps Program Fund	Property Room Evidence Fund	Interoperability Network of the South Bay Fund	Total Custodial Funds
Assets				
Pooled cash and investments	$ -	$ 1,443,990	$ 1,629,427	$ 3,073,417
Accounts receivable	602,158	-	-	602,158
Accrued interest receivable	-	-	8,345	8,345
Prepaids	101,826	-	-	101,826
Capital assets, net	-	-	199,727	199,727
Total assets	703,984	1,443,990	1,837,499	3,985,473
Liabilities				
Accounts payable	16,878	600	-	17,478
Advances from City	79,157	-	-	79,157
Total liabilities	96,035	600	-	96,635
Net Position				
Restricted for individuals and organizations	607,949	1,443,390	1,837,499	3,888,838
Total net position	$ 607,949	$ 1,443,390	$ 1,837,499	$ 3,888,838

CITY OF TORRANCE, CALIFORNIA

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

Year ended June 30, 2025

	Area G Citizen Corps Program Fund	Property Room Evidence Fund	Interoperability Network of the South Bay Fund	Total Custodial Funds
Additions				
Contributions	$ 659,584	$ -	$ 1,245,498	$ 1,905,082
Fees	-	-	61,736	61,736
Use of money and property	-	-	60,675	60,675
Other	1,572	12,593	-	14,165
Total additions	661,156	12,593	1,367,909	2,041,658
Deductions				
Salaries and employee benefits	221,762	-	-	221,762
Services and supplies	5,726	-	-	5,726
Other professional services	378,907	-	383,397	762,304
Insurance and claims	7,867	-	36,197	44,064
Depreciation and amortization	-	-	100,118	100,118
Membership fees	363	-	78,647	79,010
Total deductions	614,625	-	598,359	1,212,984
Change in net position	46,531	12,593	769,550	828,674
Net position, July 1, 2024	561,418	1,430,797	1,067,949	3,060,164
Net position, June 30, 2025	$ 607,949	$ 1,443,390	$ 1,837,499	$ 3,888,838

STATISTICAL SECTION

(Not covered by Independent Auditors' Report)

Overview of Statistical information Presented in Five Categories

Financial Trend Information: 147
Intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity Information: 152
Intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own revenue.

Debt Capacity Information: 159
Intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Demographic and Economic Information: 164
Intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparison of financial statement information over time and among governments.

Operating Information: 166
Intended to provide information about a government's operations and resources in order to assist readers in using financial statement information to understand and assess a government's economic condition.

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City of Torrance
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	$ 353,069	$ 330,710	$ 326,844	$ 310,909	$ 294,482	$ 286,532	$ 279,740	$ 272,707	$ 269,819	$ 272,391
Restricted	123,922	105,050	60,773	52,988	41,942	42,561	46,401	45,389	45,987	49,306
Unrestricted	(423,863)	(403,843)	(393,476)	(441,505)	(498,999)	(432,413)	(372,163)	(354,180)	(280,023)	(295,513)
Total governmental activities net position	$ 53,128	$ 31,917	$ (5,859)	$ (77,608)	$ (162,575)	$ (103,320)	$ (46,022)	$ (36,084)	$ 35,783	$ 26,184
Business-type activities										
Net investment in capital assets	$ 160,264	$ 167,132	$ 163,294	$ 158,220	$ 164,410	$ 155,891	$ 148,541	$ 153,167	$ 156,096	$ 157,593
Restricted	31,542	32,296	31,197	21,482	-	-	-	-	-	-
Unrestricted	117,446	87,703	78,638	67,823	47,888	(18,914)	(24,541)	(21,247)	(7,868)	(8,181)
Total business-type activities net position	$ 309,252	$ 287,131	$ 273,129	$ 247,525	$ 212,298	$ 136,977	$ 124,000	$ 131,920	$ 148,228	$ 149,412
Primary government										
Net investment in capital assets	$ 513,333	$ 497,842	$ 490,138	$ 469,129	$ 458,892	$ 442,423	$ 428,281	$ 425,874	$ 425,915	$ 429,984
Restricted	155,464	137,346	91,970	74,470	41,942	42,561	46,401	45,389	45,987	49,306
Unrestricted	(306,417)	(316,140)	(314,838)	(373,682)	(451,111)	(451,327)	(396,704)	(375,427)	(287,891)	(303,694)
Total primary government net position	$ 362,380	$ 319,048	$ 267,270	$ 169,917	$ 49,723	$ 33,657	$ 77,978	$ 95,836	$ 184,011	$ 175,596

City of Torrance
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government	$ 50,593	$ 44,824	$ 38,888	$ 28,428	$ 27,553	$ 37,573	$ 35,459	$ 34,122	$ 27,838	$ 31,259
Public safety	200,142	183,968	154,605	124,495	156,247	144,525	121,502	120,281	114,081	99,020
Public works	46,988	31,249	31,733	24,239	27,885	35,308	29,536	29,408	26,807	28,259
Culture and recreation	27,687	26,074	22,162	19,754	26,142	21,947	18,502	20,100	17,388	15,373
Community development	20,849	18,824	15,476	13,509	11,134	18,096	16,896	16,384	10,621	10,433
Interest on long-term debt	12,947	12,984	13,007	15,615	10,633	2,533	2,579	2,619	2,826	2,664
Total governmental activities expenses	359,206	317,923	275,871	226,040	259,594	259,982	224,474	222,914	199,561	187,008
Business-type activities:										
Municipal Airport	8,718	7,151	3,848	2,612	3,223	3,386	3,374	3,542	3,425	3,433
Transit System	39,665	34,263	29,121	26,684	25,640	30,833	39,162	29,574	27,702	24,156
Water	52,142	48,543	46,405	41,263	41,465	39,090	43,294	38,323	35,447	31,843
Sewer	4,837	4,588	4,750	4,543	5,666	4,991	5,264	5,892	5,086	5,509
Sanitation	14,577	15,672	12,477	11,611	13,015	12,873	12,369	16,722	11,620	10,856
Cultural Arts Center	-	-	-	-	-	2,252	2,300	2,357	2,119	1,971
Parks and Recreation	-	-	-	-	-	7,099	7,602	7,456	7,080	6,864
Emergency Medical Services	-	-	-	-	-	16,854	13,824	14,154	12,422	11,141
Total business-type activities expenses	119,939	110,217	96,601	86,713	89,009	117,378	127,189	118,020	104,901	95,773
Total primary government expenses	$ 479,145	$ 428,140	$ 372,472	$ 312,753	$ 348,603	$ 377,360	$ 351,663	$ 340,934	$ 304,462	$ 282,781
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 14,998	$ 2,383	$ 2,489	$ 1,867	$ 890	$ 1,000	$ 1,303	$ 495	$ 414	$ 464
Public safety	13,330	12,066	9,284	8,625	3,704	2,037	2,520	8,576	8,475	8,192
Public works	1,144	1,628	501	426	216	216	631	1,819	1,164	926
Culture and recreation	7,321	5,706	5,211	4,364	2,093	600	635	577	641	628
Community development	11,575	11,984	10,955	10,040	8,777	6,208	7,272	-	-	-
Operating grants and contributions	13,826	13,618	11,656	30,483	29,051	17,309	17,226	18,241	17,279	22,097
Capital grants and contributions	37,186	30,924	37,841	29,256	23,246	13,040	9,929	5,248	6,178	7,787
Total governmental activities program revenues	99,380	78,309	77,937	85,061	67,977	40,410	39,516	34,956	34,151	40,094
Business-type activities:										
Charges for services:										
Municipal Airport	38,444	18,261	22,782	15,663	15,497	14,175	14,173	13,469	12,836	12,754
Transit System	1,561	1,211	960	540	63	3,175	2,743	2,740	2,861	3,165
Water	57,181	53,974	54,255	51,521	49,198	45,553	42,544	41,439	36,848	33,447
Sewer	7,371	6,907	5,899	6,105	6,025	5,712	5,676	5,750	3,783	2,417
Sanitation	17,828	15,903	13,699	13,941	12,920	12,748	12,793	12,368	11,363	11,475
Cultural Arts Center	-	-	-	-	-	782	1,195	1,186	1,018	934
Parks and Recreation	-	-	-	-	-	3,600	4,977	4,731	4,635	4,586
Emergency Medical Services	-	-	-	-	-	1,493	1,602	1,477	1,093	1,244
Operating grants and contributions	30,839	25,971	31,544	32,887	32,285	24,588	22,648	18,376	18,809	18,462
Capital grants and contributions	651	62	810	942	2,031	2,457	1,608	293	1,081	14,708
Total business-type activities program revenues	153,875	122,289	129,949	121,599	118,019	114,283	109,959	101,829	94,327	103,192
Total primary government program revenues	$ 253,255	$ 200,598	$ 207,886	$ 206,660	$ 185,996	$ 154,693	$ 149,475	$ 136,785	$ 128,478	$ 143,286

City of Torrance
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense)/revenue										
Governmental activities	$ (259,826)	$ (239,614)	$ (197,934)	$ (140,979)	$ (191,617)	$ (219,572)	$ (184,958)	$ (187,958)	$ (165,410)	$ (146,914)
Business-type activities	33,936	12,072	33,348	34,886	29,010	(3,095)	(17,230)	(16,191)	(10,574)	7,419
Total primary government net expense	$ (225,890)	$ (227,542)	$ (164,586)	$ (106,093)	$ (162,607)	$ (222,667)	$ (202,188)	$ (204,149)	$ (175,984)	$ (139,495)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 67,399	$ 64,183	$ 61,161	$ 58,219	$ 55,037	$ 52,185	$ 51,984	$ 49,312	$ 46,967	$ 54,348
Sales taxes	82,693	85,531	78,590	61,556	52,938	48,332	49,217	47,178	50,133	39,378
Other taxes	73,147	82,886	83,119	73,897	61,753	58,515	65,747	64,371	63,485	60,932
Investment earnings	40,919	35,410	27,927	19,299	4,389	7,310	7,935	4,763	5,001	6,554
Gain on sale of property	-	-	-	-	-	-	-	-	1,552	-
Loss on disposal of SBITA	-	(16)	-	-	-	-	-	-	-	-
Motor vehicle tax (unrestricted)	231	181	151	168	107	117	72	77	66	60
Other general revenues	650	830	4,896	5,170	4,298	4,845	7,651	5,394	4,560	4,898
Transfers	22,368	8,385	13,840	7,982	(4,710)	(9,113)	(7,586)	(7,477)	(7,848)	(17,996)
Total governmental activities	287,407	277,390	269,684	226,291	173,812	162,191	175,020	163,618	163,916	148,174
Business-type activities:										
Investment earnings	11,090	9,735	6,092	3,911	327	1,690	1,521	405	613	811
Other general revenues	67	579	3	40	78	303	204	294	247	212
Transfers	(22,368)	(8,385)	(13,840)	(7,982)	4,710	9,113	7,586	7,477	7,848	17,996
Total business-type activities	(11,211)	1,929	(7,745)	(4,031)	5,115	11,106	9,311	8,176	8,708	19,019
Total primary government general revenues	$ 276,196	$ 279,319	$ 261,939	$ 222,260	$ 178,927	$ 173,297	$ 184,331	$ 171,794	$ 172,624	$ 167,193
Change in Net Position										
Governmental activities	$ 27,581	$ 37,776	$ 71,750	$ 85,312	$ (17,805)	$ (57,381)	$ (9,938)	$ (24,340)	$ (1,494)	$ 1,260
Business-type activities	22,725	14,001	25,603	30,855	34,125	8,011	(7,919)	(8,015)	(1,866)	26,438
Total primary government	$ 50,306	$ 51,777	$ 97,353	$ 116,167	$ 16,320	$ (49,370)	$ (17,857)	$ (32,355)	$ (3,360)	$ 27,698

Notes:

[1] Effective February 1, 2012 all redevelopment agencies in the State of California were dissolved. Extraordinary amounts in 2012 represent losses due to write-off of advances to the former redevelopment agency of the City of Torrance and gains due to the transfer of bond debt obligations of the former redevelopment agency of the City of Torrance to a private-purpose Successor Agency Trust Fund. Extraordinary amounts in 2014 represent California Department of Finance adjustment to interest on a long-term advance from the General Fund to the Successor Agency Trust Fund.

City of Torrance
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Reserved		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved		-	-	-	-	-	-	-	-	-
Nonspendable[2]	1,823	2,661	2,145	2,094	2,718	3,395	4,621	4,814	15,485	21,607
Restricted	44,225	31,040	7,025	4,638	2,842	1,333	1,166	788	465	688
Assigned	81,100	7,684	5,849	5,483	3,768	5,498	7,612	14,809	14,831	15,895
Unassigned	23,652	78,750	63,420	44,727	22,633	581	16,725	16,501	24,079	21,101
Total general fund	$ 150,800	$ 120,135	$ 78,439	$ 56,942	$ 31,961	$ 10,807	$ 30,124	$ 36,912	$ 54,860	$ 59,291
All other governmental funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	18	580	618	607	80	946	4	-	-	-
Restricted[3]	79,792	74,170	53,190	47,732	39,753	41,477	42,326	40,422	40,729	43,921
Assigned	22,966	17,853	15,277	13,462	14,686	20,061	20,877	22,399	22,887	19,073
Unassigned[3]	-	(774)	(75)	-	-	(2,747)	-	-	-	-
Total all other governmental funds	$ 102,776	$ 91,829	$ 69,010	$ 61,801	$ 54,519	$ 59,737	$ 63,207	$ 62,821	$ 63,616	$ 62,994

Notes:
[1]The City of Torrance implemented GASB 54 for the fiscal year ended June 30, 2011. Information prior to the implementation of GASB 54 is not required to be restated.

[2]The change in fund balance in 2013 reflects a prior period adjustment to record transfer of interest related to the long-term advance from the General Fund to the former City of Torrance Redevelopment Agency. The net liabilities are held in a successor agency trust not reported here. In 2014, the California Department of Finance required an adjustment to reduce this interest on long-term advance.

[3]The change in fund balance in 2012 reflects the former City of Torrance Redevelopment Agency dissolution. The State of California dissolved all redevelopment agencies effective February 1,2012.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	$ 223,238	$ 232,600	$ 222,870	$ 193,672	$ 172,217	$ 162,315	$ 168,084	$ 162,636	$ 161,817	$ 156,103
Licenses, fees and permits	20,738	7,337	6,512	6,763	5,655	4,150	5,290	4,106	4,544	3,814
Fine, forfeitures and penalties	2,505	969	918	1,147	668	1,339	1,677	1,019	1,534	1,906
Investment earnings	40,986	36,182	28,753	20,726	4,791	9,180	9,355	6,154	6,082	7,893
Intergovernmental	51,243	44,572	49,575	60,012	50,525	27,073	26,525	23,265	22,897	28,743
Charges for current services	25,125	25,461	21,010	19,058	10,745	5,959	6,304	6,736	5,750	5,392
Other	642	981	4,969	1,798	3,928	1,155	4,616	2,000	1,282	2,280
Total revenues	364,477	348,102	334,607	303,176	248,529	211,171	221,851	205,916	203,906	206,131
Expenditures										
General government	43,368	36,984	32,231	28,348	41,959	23,023	24,814	22,344	20,387	19,487
Public safety	173,949	151,862	153,790	138,928	413,044	121,693	116,066	109,485	112,160	105,319
Public works	52,530	29,980	47,524	40,894	44,779	32,749	30,526	29,129	30,859	31,958
Culture and recreation	26,456	23,694	21,633	21,812	31,869	17,996	17,657	17,830	17,066	17,115
Nondepartmental	13,565	10,343	5,958	2,151	2,927	5,601	7,619	5,642	6,423	8,656
Community development	19,963	17,276	16,266	15,712	23,765	16,011	15,334	14,725	10,619	10,501
Capital outlay[1]	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal retirement[2]	10,625	9,955	9,330	2,465	435	1,300	1,250	1,215	1,165	1,125
Interest and fiscal charges	12,482	12,638	12,768	17,838	1,606	2,431	2,477	2,516	2,522	2,599
Other	223	218	213	-	4,676	-	-	-	1,620	-
Total expenditures	353,161	292,950	299,713	268,148	565,060	220,804	215,743	202,886	202,821	196,760
Excess of revenues over (under) expenditures	11,316	55,152	34,894	35,028	(316,531)	(9,633)	6,108	3,030	1,085	9,371
Other financing sources (uses)										
Transfers in	42,947	22,421	29,217	16,094	356,749	17,249	15,665	20,649	22,980	22,017
Transfers out	(20,560)	(18,209)	(40,741)	(20,074)	(375,288)	(30,630)	(26,391)	(31,668)	(35,910)	(32,889)
SBITA	7,945	5,150	5,336	-	-	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	-	-	-	-	1,552	-
Proceeds from refunding bonds[3]	-	-	-	-	-	-	-	-	22,135	-
Issuance of debt[3]	-	-	-	1,560	389,240	-	-	-	-	-
Premium on refunding bonds[3]	-	-	-	-	-	-	-	-	1,727	-
Bond escrow refunding[3]	-	-	-	-	(38,032)	-	-	-	(17,378)	-
Total other financing sources (uses)	30,332	9,362	(6,188)	(2,420)	332,669	(13,381)	(10,726)	(11,019)	(4,894)	(10,872)
Extraordinary gain[5]	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ 41,648	$ 64,514	$ 28,706	$ 32,608	$ 16,138	$ (23,014)	$ (4,618)	$ (7,989)	$ (3,809)	$ (1,501)
Debt service as a percentage of noncapital expenditures	6.9%	8.1%	8.3%	8.6%	0.4%	1.8%	1.9%	2.0%	2.0%	2.1%

Notes:

[1] Starting in 2013, capital outlay expenditures are reported in the relevant departmental category.

[2] In 2014, the City retired the outstanding balance on their 1998 Certificates of Participation.

[3] In 2021, the City issued Lease Revenue Bonds to refinance their 2014 Certificates of Participation and generate additional monies for future capital projects.

In 2017, the City issued refunding Certificates of Participation to refinance their 2009 Certificates of Participation and generate additional monies for future capital projects.

[4] In 2010, the City issued Certificates of Participation for land acquisition.

[5] Effective February 1, 2012 all redevelopment agencies in the State of California were dissolved. The extraordinary gain is due to the transfer of net liabilities of the former redevelopment agency of the City of Torrance to a private-purpose Successor Agency Trust Fund.

City of Torrance
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	City			Redevelopment Agency			Total Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value	
Real Property:							
2025	$ 36,976,952	$ 625,121	$ 37,602,073	$ -	$ -	$ -	
2024	35,044,419	525,306	35,569,725	-	-	-	
2023	33,347,358	473,358	33,820,716	-	-	-	
2022	31,670,311	442,350	32,112,661	-	-	-	
2021	30,651,720	425,167	31,076,887	-	-	-	
2020	29,823,983	444,207	30,268,190	-	-	-	
2019	28,206,700	419,422	28,626,122	-	-	-	
2018	26,679,039	368,075	27,047,114	-	-	-	
2017	24,972,616	355,712	25,328,328	-	-	-	
2016	24,432,661	358,694	24,791,355	-	-	-	
Personal Property:							
2025	$ 211,015	$ 919,039	$ 1,130,054	$ -	$ -	$ -	
2024	201,330	891,584	1,092,914	-	-	-	
2023	182,187	686,452	868,639	-	-	-	
2022	214,252	667,627	881,879	-	-	-	
2021	250,413	693,780	944,193	-	-	-	
2020	184,551	700,667	885,218	-	-	-	
2019	281,964	683,665	965,629	-	-	-	
2018	461,991	656,073	1,118,064	-	-	-	
2017	381,327	613,322	994,649	-	-	-	
2016	386,952	614,496	1,001,448	-	-	-	
Total:							
2025	$ 37,187,967	$ 1,544,160	$ 38,732,127	$ -	$ -	$ -	0.1526%
2024	35,245,749	1,416,890	36,662,639	-	-	-	0.1529%
2023	33,529,545	1,159,810	34,689,355	-	-	-	0.1529%
2022	31,884,563	1,109,977	32,994,540	-	-	-	0.1531%
2021	30,902,133	1,118,947	32,021,080	-	-	-	0.1528%
2020	30,008,534	1,144,874	31,153,408	-	-	-	0.1529%
2019	28,488,664	1,103,087	29,591,751	-	-	-	0.1518%
2018	27,141,030	1,024,148	28,165,178	-	-	-	0.1506%
2017	25,353,943	969,034	26,322,977	-	-	-	0.1507%
2016	24,819,613	973,190	25,792,803	-	-	-	0.1508%

Notes:
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 reassessed 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. Amounts shown are net of any homeowner exemptions.

Source: Los Angeles County Auditor - Controller's Office

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City Direct Rates:										
City basic rate	0.1526	0.1529	0.1529	0.1531	0.1528	0.1529	0.1518	0.1506	0.1507	0.1508
Redevelopment Agency[1]	-	-	-	-	-	-	-	-	-	-
Total City Direct Rate	0.1526	0.1529	0.1529	0.1531	0.1528	0.1529	0.1518	0.1506	0.1507	0.1508
Overlapping Rates:										
Metropolitan Water District	0.0070	0.0070	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Torrance Unified School District	0.4815	0.4820	0.4914	0.4961	0.4894	0.4989	0.5020	0.4940	0.4913	0.4903
Community College	0.0210	0.0210	0.0230	0.0226	0.0236	0.0216	0.0216	0.0222	0.0229	0.0174
County of Los Angeles	0.2406	0.2405	0.2405	0.2406	0.2401	0.2406	0.2403	0.2390	0.2394	0.2402
Successor Agency[1]	0.1414	0.1406	0.1401	0.1389	0.1396	0.1369	0.1344	0.1388	0.1356	0.1331
Special Districts	0.0656	0.0657	0.0658	0.0657	0.0657	0.0663	0.0675	0.0676	0.0686	0.0691
Total Direct Rate	1.1097	1.1097	1.0942	1.1205	1.1147	1.1207	1.1211	1.1157	1.1120	1.1044

Notes:

[1]Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved. Remaining assets and liabilities of the City of Torrance Redevelopment Agency were transferred to a Successor Agency Trust.

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. The rates over 1.00% are voter approved (special taxes) bond rates for the tax rate area.

Source: Los Angeles County Auditor - Controller's Office

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percent of Total City Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percent of Total City Taxable Assessed Value
Del Amo Fashion Center Operating Company	$ 987,986,236	1	2.55%	$ 447,333,570	3	1.73%
Torrance Refining Company	792,979,554	2	2.05%			
TI Commerce Center	413,571,713	3	1.07%			
Rexford Industrial 3100 Lomita Blvd	345,260,119	4	0.89%			
Torrance IE Property Owner	173,155,200	5	0.45%			
CLPF Anza LP	135,312,503	6	0.35%			
Allied Signal Inc.	128,977,552	7	0.33%	109,462,121	6	0.42%
RREF II Pacific Center LLC	119,081,658	8	0.31%			
California Water Service Company	104,967,500	9	0.27%			
CLPF Vista North LP	102,246,133	10	0.26%			0.00%
Exxon Mobil Oil Corporation				$ 1,407,927,873	1	5.46%
Toyota Motor Sales/Credit Corp				529,776,433	2	2.05%
American Honda Motor Company Inc.				308,488,677	4	1.20%
Macy's West Stores Inc./Federated Western Properties Inc.				195,219,929	5	0.76%
Continental Skypark LLC				108,536,063	7	0.42%
XLD GROUP LLC / Marriott				81,450,703	8	0.32%
CTC Group Inc				70,703,917	9	0.27%
Robinson Helicopter Company				64,673,735	10	0.25%
	$ 3,303,538,168		8.53%	$ 3,323,573,021		12.88%

Notes:
The amounts shown above include assessed value data for both the City and the Successor Agency Trust. Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved. Remaining assets and liabilities of the City of Torrance Redevelopment Agency were transferred to a Successor Agency Trust.

Source: Los Angeles County Assessor 2024/25 & 2015/16 Secured & Unsecured Tax Rolls

City of Torrance
Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	$ 48,383	$ 46,976	97.09%	$ 116	$ 47,092	97.33%
2024	45,783	44,731	97.70%	141	44,872	98.01%
2023	42,977	42,187	98.16%	92	42,279	98.38%
2022	40,966	40,175	98.07%	90	40,265	98.29%
2021	39,739	38,896	97.88%	90	38,986	98.11%
2020	38,683	37,614	97.24%	52	37,666	97.37%
2019	36,554	35,910	98.24%	44	35,954	98.36%
2018	34,820	34,254	98.37%	40	34,294	98.49%
2017	32,460	31,993	98.56%	31	32,024	98.66%
2016	31,843	31,296	98.28%	32	31,328	98.38%

Notes:

The amounts presented are for City property taxes only.

This schedule also includes amounts collected by the City that were passed-through to other agencies.

Source: Los Angeles County Auditor Controller's Office

City of Torrance Water Fund
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of cubic feet)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	Potable									
Type of Customer:										
Residential	369,483	346,902	341,953	380,937	424,835	370,278	382,206	396,034	381,521	371,531
Industrial	204,547	210,862	227,510	209,392	174,953	181,901	159,277	134,288	135,584	100,085
Commercial	115,455	146,920	126,375	161,636	160,497	158,787	164,730	154,406	164,215	158,623
Other	46,463	38,034	20,114	33,353	31,858	29,956	27,520	50,471	27,246	36,561
Total - Potable Water	735,947	742,718	715,952	785,318	792,143	740,922	733,733	735,199	708,566	666,800
	Recycled/Reclaimed									
Type of Customer:										
Industrial	203,926	207,840	207,912	206,675	217,929	226,824	242,224	273,171	207,389	145,358
Other	13,088	10,165	10,934	14,696	14,671	11,694	14,218	17,944	13,553	15,905
Total - Recycled/Reclaimed Water	217,014	218,005	218,846	221,371	232,600	238,518	256,442	291,115	220,942	161,263
	Total									
Type of Customer:										
Residential	369,483	346,902	341,953	380,937	424,835	370,278	382,206	396,034	381,521	371,531
Industrial	408,473	418,702	435,422	416,067	392,882	408,725	401,501	407,459	342,973	245,443
Commercial	115,455	146,920	126,375	161,636	160,497	158,787	164,730	154,406	164,215	158,623
Other	59,551	48,199	31,048	48,049	46,529	41,650	41,738	68,415	40,799	52,466
Total Water	952,961	960,723	934,798	1,006,689	1,024,743	979,440	990,175	1,026,314	929,508	828,063

Source: Minol USA Usage Report for June 2016 through June 2025, Global Water Usage Report for 2016 through May 2025

City of Torrance Water Fund
Water Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rate				
	Regular[1]	Low Income[1]	Torrance Refining/ Exxon Contract[2]	Wholesale Contract[2]	Other - Recycled Regular[3]
2025	$ 7.48	$ 7.48	$ 1,895.31	$ 589.39	$ 27.55
2024	7.48	7.48	4,000.14	628.25	28.68
2023	7.48	7.48	4,000.14	628.25	28.68
2022	7.48	7.48	4,000.14	628.25	28.68
2021	7.10	7.10	1,898.00 †	590.39	27.22
2020	7.05	7.05	147,008.00	564.51	27.04
2019	6.83	6.83	142,273.00	547.01	26.20
2018	6.43	6.43	119,711.00	540.68	24.67
2017	5.84	5.84	89,657.00	398.31	19.24
2016	5.84	5.84	94,611.00	398.31	19.24

Fiscal Year Ended June 30	Rate Per 100 Cubic Feet				
	Regular[4]	Low Income[4]	Torrance Refining/ Exxon Contract	Wholesale Contract	Other - Recycled Regular
2025	$ 5.37	$ 3.65	$ 6.04	$ 3.30	$ 4.46
2024	5.37	3.65	5.55	3.30	4.46
2023	5.37	3.65	5.55	3.30	4.46
2022	4.86	3.65	5.55	2.95	3.78
2021	4.94	3.48	5.27 †	2.84	3.83
2020	4.58	3.44	2.76	2.79	3.56
2019	4.26	3.33	2.68	2.71	3.55
2018	3.86	3.01	2.59	2.62	3.21
2017	3.93	3.53	2.48	2.52	2.79
2016	3.93	3.53	2.50	2.52	2.79

Notes:

[1]Base rate reflects monthly charge for 3/4 inch meter

[2]Base rate reflects monthly fixed charge stated in contracts.

[3]Base rate reflects monthly charge for 2 inch meter

[4] Reflects Average Rate

† Effective FY20-21 major portion of fixed component converted to Quantity Rate

Source: City of Torrance Public Works Department - Water Division

City of Torrance Water Fund
Principal Water Customers
Current Fiscal Year and Nine Years Ago
Ending June 30

	2025			2016		
Water Customer	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenues
Torrance Refining Company	$ 18,212,507	1	31.89%	-		-
California Water Service - Wholesale	1,443,765	2	2.53%	898,056	2	2.68%
City of Torrance	1,212,951	3	2.12%	708,135	3	2.12%
Torrance Memorial Health System	565,104	4	0.99%	228,272	7	0.68%
Torrance Unified School District	551,188	5	0.96%	609,752	4	1.82%
New Horizons	320,632	6	0.56%	170,774	10	0.51%
American Honda Motors	286,569	7	0.50%	-		-
Summerwind HOA	235,850	8	0.41%	197,819	9	0.59%
Honeywell International	227,641	9	0.40%	275,164	5	0.82%
Health-Ade LLC	221,179	10	0.39%	-		-
Exxon Mobil Oil Corporation				6,596,605	1	19.71%
Toyota Motor Sales USA Inc.				253,922	6	0.76%
Don Wilson Builders				223,167	8	0.67%
Total	$ 23,277,386		40.75%	10,161,666		30.36%

Source: Minol USA and Golden State Top Customer reports

City of Torrance
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except Per Capita)

	Governmental Activities							Business-type Activities						
Fiscal Year Ended June 30	General Government Lease Revenue Bonds[1]	General Government Certificates of Participation[2]	Tax Allocation Bonds[3]	Notes Payable[3]	Capital Lease Payable[4]	SBITA Liability[8]	Total Government Activities	Water Revenue Bonds[5]	Easement Payable[4]	Installment Sale Agreement[6]	SBITA Liability[8]	Total Business-type Activities	Total Primary Government	Percent of Assessed Value[7]	Debt Per Capita
2025	$ 358,785	$ 19,798	$ -	$ 698	$ -	$ 14,721	$ 394,002	-	$ 988	$ 15,236	$ 657	$ 16,881	$ 410,883	1.06%	2,868
2024	368,900	20,365	-	920	-	8,965	399,150	-	1,046	2,266	632	3,944	403,094	1.10%	2,818
2023	378,365	20,912	-	1,138	-	4,904	405,319	-	1,104	2,847	576	4,527	409,846	1.18%	2,865
2022	387,225	21,440	-	1,352	-	-	410,017	-	1,162	3,414	-	4,576	414,593	1.26%	2,870
2021	389,240	21,948	-	-	-	-	411,188	-	1,221	3,968	-	5,189	416,377	1.30%	2,875
2020	-	58,765	-	-	-	-	58,765	-	1,278	4,509	-	5,787	64,552	0.21%	444
2019	-	60,145	-	-	-	-	60,145	-	1,337	5,038	-	6,375	66,520	0.24%	446
2018	-	61,474	-	-	-	-	61,474	-	1,395	305	-	1,700	63,174	0.22%	424
2017	-	62,740	-	-	-	-	62,740	-	1,453	-	-	1,453	64,193	0.24%	437
2016	-	56,637	-	-	65	-	56,702	-	1,453	-	-	1,453	58,155	0.23%	396

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

[1] In 2021, the City issued $40 million of new Lease Revenue Bonds and retired $36 million of older Certificates of Participation.
In 2020, the City issued $350 million of new Lease Revenue Bonds for refinancing of the City's pension plans with CalPERS.

[2] In 2014 the City issued $40 million of new Certificates of Participation and retired $35 million of older Certificates of Participation generating $6 million for capital projects. The City also retired an additional $6 million from a separate 1998 Certificate of Participation issuance.
In 2017 the City issued $22 million of new Certificates of Participation and retired $17 million of older Certificates of Participation generating $5 million for capital projects.

[3] Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved. Assets and liabilities of the City of Torrance Redevelopment Agency were transferred to a Successor Agency Trust that is not part of the governmental activities of the City.

[4] In 2013, the City entered a 5-year capital lease agreement for vehicles and the City's Public Works Department - Water Division entered a 30-year easement agreement for access to a land-locked parcel of City property.

[5] In 2014, the final scheduled payment was made on the City's Public Works Department-Water Division $5 million Water Revenue Refunding Bonds.

[6] In 2018, the City's Public Works Department - Water Division entered into an installment sale agreement to finance drilling and construction of a new water well.

In 2025, the City's Public Works Department - Water Division entered into a construction installment sale agreement to finance a drinking water construction project.

[7] Assessed Value has been used because Personal Income for the City of Torrance is unavailable.

[8] In 2023, the City implemented GASB Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs). This resulted in the recognition of a subscription liability.

City of Torrance
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except Per Capita)

Fiscal Year Ended June 30	Outstanding Net General Bonded Debt				Percent of Assessed Value[2]	Per Capita
	General Government Lease Revenue Bonds	General Government Certificates of Participation	Less Amounts Available in Debt Service Funds[1]	Net General Bonded Debt		
2025	$ 358,785	$ 19,798	$ 1	$ 378,582	1.01%	$ 2,643
2024	368,900	20,365	7	389,258	1.06%	2,721
2023	378,365	20,912	6	399,271	1.15%	2,791
2022	387,225	21,440	5	408,660	1.24%	2,829
2021	389,240	21,948	1,212	409,976	1.28%	2,831
2020	-	58,765	2,620	56,145	0.18%	386
2019	-	60,145	2,524	57,621	0.19%	389
2018	-	61,474	2,427	59,047	0.21%	396
2017	-	62,740	2,450	60,290	0.23%	410
2016	-	56,637	3,741	52,896	0.21%	360

Notes:
General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

[1] Amounts represent cash in debt service reserve accounts held with fiscal agents restricted for the payment of existing bond debt.

[2] Assessed value has been used because the actual value of taxable property is not readily availabl in the State of California.

City of Torrance
Direct and Overlapping Debt
June 30, 2025
(in thousands of dollars)

City Assessed Valuation		$ 38,732,127	
	Percentage Applicable[1]	Outstanding Debt 6/30/25	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Los Angeles County Flood Control District	0.988%	$ 17,155	$ 169
El Camino Community College District	25.412%	480,045	121,989
Los Angeles Community College District	0.005%	4,919,505	246
Los Angeles Unified School District	0.006%	11,745,405	705
Palos Verdes Unified School District	0.014%	107,023	15
Torrance Unified School District	99.998%	388,756	388,748
Total overlapping debt to be repaid with property taxes		17,657,889	511,872
Overlapping Other Debt:			
Los Angeles County General Fund Obligations	1.914%	$ 3,036,637	$ 58,121
Los Angeles County Superintendent of Schools Certificates of Participation	1.914%	2,332	45
Los Angeles Unified School District Certificates of Participation	0.006%	225,010	14
Total overlapping other debt		3,263,979	58,180
Total overlapping debt		$ 20,921,868	570,052
City direct debt:			
Certificates of Participation (including premium)			19,798
Lease Revenue Bonds			358,785
Notes Payable			698
SBITA Liability			14,721
Total City direct debt			394,002
Total direct and overlapping debt			$ 964,054

Notes:
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.

[1]For debt repaid with property taxes, the percentages 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.

Source: California Municipal Statistics, Inc

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	$ 1,452,455	$ 1,374,849	$ 1,300,851	$ 1,237,295	$ 1,200,791	$ 1,200,791	$ 1,109,691	$ 1,056,194	$ 987,112	$ 967,230
Total net debt applicable to limit	19,798	20,365	19,560	21,440	20,480	58,765	60,145	61,474	62,740	56,637
Legal debt margin	$ 1,432,657	$ 1,354,484	$ 1,281,291	$ 1,215,855	$ 1,180,311	$ 1,142,026	$ 1,049,546	$ 994,720	$ 924,372	$ 910,593
Total net debt applicable to the limit as a percentage of debt limit	1.4%	1.5%	1.5%	1.7%	1.7%	4.9%	5.4%	5.8%	6.4%	5.9%

Legal Debt Margin Calculation for Fiscal Year 2025:

Assessed value	$ 38,732,127
Debt limit (3.75% of assessed value)	$ 1,452,455
Debt applicable to limit:	
General government Certificates of Participation	19,798
Legal debt margin	$ 1,432,657

Notes:

The Government Code of the State of California provides for 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 the 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). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the State's establishment of the limit.

Source: City of Torrance Finance Department
Los Angeles County Auditor - Controller's Office

City of Torrance
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars, except Coverage)

Fiscal Year Ended June 30	Water Revenue Bonds/Installment Sale Agreement						Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2025 [2]	$ 57,181	$ 49,368	$ 7,813	$ 1,369	$ 50	5.51	-	-	-	-
2024	53,974	46,338	7,636	581	64	11.84	-	-	-	-
2023	54,255	44,214	10,041	567	77	15.59	-	-	-	-
2022	51,521	41,236	10,285	554	90	15.97	-	-	-	-
2021	49,198	41,465	7,733	541	103	12.01	-	-	-	-
2020	45,557	38,974	6,583	529	116	10.21	-	-	-	-
2019	42,544	41,134	1,410	516	34	2.56	-	-	-	-
2018 [1]	41,445	35,991	5,454	195	7	27.00	-	-	-	-
2017	36,974	33,048	3,926	-	-	-	-	-	-	-
2016	33,473	29,641	3,832	-	-	-	-	-	-	-

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

[1] The City's Public Works Department - Water Division entered into an installment sale agreement to finance drilling and construction of a new water well.
[2] The City's Public Works Department - Water Division entered into a construction installment sale agreement to finance a drinking water construction project.

City of Torrance
Demographic and Economic Indicators
Last Ten Calendar Years

Calendar Year	Torrance Population[1]	California State Population[1]	Personal Income (in millions)[2]	Per Capita Personal Income[2]	Unemployment Rate[3]
2024	143,261	39,431,263	$ 3,400,237	86,232	5.6%
2023	142,910	39,198,693	3,182,779	81,196	4.9%
2022	143,057	39,142,414	3,021,646	77,196	3.7%
2021	144,433	39,142,565	3,019,216	77,134	3.5%
2020	144,832	39,521,958	2,770,489	70,100	7.6%
2019	145,546	39,547,995	2,539,747	64,219	13.3%
2018	148,054	39,535,920	2,411,055	60,984	3.6%
2017	149,245	39,424,315	2,295,049	58,214	3.3%
2016	147,101	39,223,789	2,191,138	55,862	3.6%
2015	147,175	38,966,939	2,097,050	53,816	4.7%

Sources:
[1] State Department of Finance.
[2] U.S. Department of Commerce - Bureau of Economic Analysis
The Personal Income data shown is for the previous calendar year. The calendar year 2024 data will be available in the spring of 2025.
The Personal Income for the City of Torrance is unavailable, the data shown is for the State of California.
[3] Office of Economic Development
Per bea.gov, new statistics for 2022 and revised statistics for 1979-2021 on November 16, 2023.
Per bea.gov, new statistics for 2023 and revised statistics for 2019-2022 on November 14, 2024

City of Torrance
Principal Employers
Current Fiscal Year and Nine Years Ago Ending June 30

Employer	2025 Number of Employees	2025 Rank	2025 Percent of Total Employment	2016 Number of Employees	2016 Rank	2016 Percent of Total Employment
Torrance Memorial Health System	4,366	1	6.0%	3,400	2	4.6%
Torrance Unified School District	2,695	2	3.7%	2,469	3	3.3%
Providence Little Co of Mary Medical Center (4 locations)	2,533	3	3.5%	1,871	4	2.5%
American Honda Motor Company	1,688	4	2.3%	1,757	5	2.4%
City of Torrance	1,615	5	2.2%	1,651	6	2.2%
Robinson Helicopter Company	1,196	6	1.6%	1,175	8	1.6%
Honeywell International	868	7	1.2%	1,332	7	1.8%
Moog Aircraft Group	696	8	1.0%	-		-
King's Hawaiian Bakery, West Inc.	633	9	0.9%			
Arconic Fastening Systems (formerly Alcoa Fastening Systems & Rings)	605	10	0.8%	802	10	1.1%
Toyota Motor Sales USA Inc.	-		-	3,790	1	5.1%
Chemring Energetic Devices Inc.	-		-	1,114	9	1.5%

Notes:
"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: City of Torrance Finance Department
Muniservices, LLC
State of California Employment Development Department

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

Function	Fiscal Year 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	234	225	217	210	239	254	277	281	275	275
Public safety	515	517	498	516	509	466	516	515	501	504
Public works	126	119	122	117	129	136	140	145	143	146
Culture and recreation	380	352	320	308	282	265	478	498	451	454
Community development	70	67	69	59	64	67	69	68	63	62
Municipal airport	10	10	10	10	9	9	10	10	10	10
Transit system	186	174	152	119	140	151	154	141	143	131
Water	29	30	26	24	26	25	25	31	30	30
Sewer	28	27	18	22	24	24	23	24	22	17
Cultural arts center	37	35	34	32	28	13	47	48	47	50
Total	1,615	1,556	1,466	1,417	1,450	1,410	1,739	1,761	1,685	1,679

Source: City of Torrance Finance Department - Payroll Section

City of Torrance
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Arrests	2,413	1,972	1,864	2,131	2,098	2,809	2,839	3,023	3,265	3,739
Bookings	2,228	1,825	1,767	2,082	2,037	2,688	2,196	2,360	2,477	2,623
Parking violations	30,802	12,585	10,155	9,632	9,448	12,695	15,602	17,434	20,945	25,192
Traffic violations	2,816	2,558	2,944	1,254	1,550	2,980	2,657	2,046	26,988	16,987
Fire										
Number of calls answered	17,083	16,484	16,474	16,135	14,214	14,816	15,270	15,208	15,183	14,863
Inspections	4,449	6,385	7,309	8,020	7,400	4,820	8,647	8,448	8,047	9,229
Highways, streets and other transportation										
Potholes repaired	12,046	12,294	12,122	6,417	6,022	5,150	5,477	5,206	8,000	5,045
Number of tenant aircraft	540	500	500	500	500	500	500	500	500	500
Number of fixed bus routes	12	12	12	12	12	11	11	11	11	11
Sanitation										
Refuse collected (tons/day)	140	134	138	143	160	151	144	144	143	144
Recyclables collected (tons/day)	37	39	40	43	47	46	46	50	48	49
Green waste collected (tons/day)	68	68	65	61	69	72	63	63	64	59
Culture and recreation										
Number of registrants served	31,794	18,969	15,810	16,462	13,558	21,868	28,900	41,238	33,780	31,522
Registrant fees collected	$ 3,159,552	$ 2,738,248	$ 2,175,372	$ 2,056,373	$ 720,189	$ 2,294,747	$ 3,150,985	$ 3,103,074	$ 3,282,886	$ 2,931,701
Community center admissions	24,431	22,448	19,524	12,387	2,105	18,110	23,167	30,375	33,097	34,600
Water										
New connections	33	42	54	57	37	38	42	54	23	49
Water main emergency repairs (breaks)	51	35	50	56	66	35	75	69	70	53
Average daily consumption (thousands of gallons)	17,250	15,285	15,172	17,189	16,811	16,720	15,055	16,093	15,454	15,137

Sources: City of Torrance various departments

City of Torrance
Capital Asset Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	49	49	55	55	55	68	64	64	56	56
Motorcycles	12	12	12	16	16	16	16	16	16	16
Fire										
Stations	6	6	6	6	6	6	6		6	6
In-service fire control vehicles	14	16	17	18	18	17	17	17	17	17
In-service paramedic vehicles	20	22	21	20	12	8	8	8	8	8
Sanitation										
Collection trucks	32	32	33	32	32	34	33	38	34	34
Highways, streets and airport										
Streets (centerline miles)-arterial	67	67	67	67	67	67	67	67	67	67
Streets (centerline miles)-collector	29	29	29	29	29	29	29	29	29	29
Streets (centerline miles)-residential	242	242	242	242	242	242	242	242	242	242
Streets (centerline miles)-alleys	19	19	19	19	19	19	19	19	19	19
Traffic signals	130	130	130	130	130	130	130	130	130	130
Street lights	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,492	10,492	10,877
Airport hangars	341	341	341	341	341	341	341	341	341	341
Culture and recreation										
Parks acreage	276	276	276	276	279	279	279	279	279	279
Parks	33	33	33	33	33	33	33	33	33	33
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	11	11	11	11	11	11	11	11	11	11
Community centers	4	4	4	3	3	3	3	3	3	3
Public libraries	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	320	320	320	312	312	312	312	312	312	312
Fire hydrants	2,708	2,693	2,693	2,675	2,675	2,675	2,675	2,675	2,675	2,675
Maximum daily capacity (thousands of gallons)	50,400	50,400	50,400	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sewer										
Sanitary sewers (miles)	287	287	287	287	287	287	287	287	287	287
Storm sewers (miles)	59	59	59	59	59	59	59	59	59	59

Sources: City of Torrance various departments