

# Annual Comprehensive Financial Report



City of Laguna Woods  
California



**Fiscal Year Ended  
June 30, 2025**  
(Fiscal Year 2024-25)

**City of Laguna Woods  
California**



**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended June 30, 2025  
(Fiscal Year 2024-25)**

**Prepared by:**

**Administrative Services Department**

**Elizabeth Torres  
Administrative Services Director/City Treasurer**

**CITY OF LAGUNA WOODS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

**INTRODUCTORY SECTION**

<b>PRINCIPAL CITY OFFICIALS</b>	<b>X</b>
<b>ORGANIZATION CHART</b>	<b>XI</b>
<b>GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING</b>	<b>XII</b>

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>19</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>21</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>22</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES</b>	<b>25</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>26</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES</b>	<b>28</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>29</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)</b>	<b>62</b>
<b>SCHEDULE OF CONTRIBUTIONS – PENSION</b>	<b>63</b>
<b>SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (ASSET) AND RELATED RATIOS</b>	<b>64</b>
<b>SCHEDULE OF CONTRIBUTIONS – OPEB</b>	<b>66</b>
<b>SUMMARY OF MAJOR GOVERNMENTAL FUNDS</b>	<b>67</b>
<b>BUDGETARY COMPARISON SCHEDULE</b>	
<b>GENERAL FUND</b>	<b>68</b>
<b>FUEL TAX</b>	<b>69</b>

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

**CITY OF LAGUNA WOODS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

<b>BUDGETARY COMPARISON SCHEDULE</b>	
<b>MEASURE M</b>	<b>70</b>
<b>FEDERAL GRANTS</b>	<b>71</b>
<b>STATE OF CALIFORNIA GRANTS</b>	<b>72</b>
<b>NOTE TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>73</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>OTHER GOVERNMENTAL FUNDS</b>	
<b>SPECIAL REVENUE FUNDS</b>	<b>77</b>
<b>COMBINING BALANCE SHEET</b>	<b>78</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND             CHANGES IN FUND BALANCES</b>	<b>80</b>
<b>SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN             FUND BALANCE – BUDGET AND ACTUAL</b>	
<b>ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 SPECIAL                 REVENUE FUND</b>	<b>82</b>
<b>SERVICE AUTHORITY FOR ABANDONED VEHICLES SPECIAL                 REVENUE FUND</b>	<b>83</b>
<b>SUPPLEMENTAL LAW ENFORCEMENT PROGRAM SPECIAL                 REVENUE FUND</b>	<b>84</b>
<b>AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND</b>	<b>85</b>
<b>PEG/CABLE TELEVISION SPECIAL REVENUE FUND</b>	<b>86</b>
<b>SENIOR MOBILITY SPECIAL REVENUE FUND</b>	<b>87</b>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE                 FUND</b>	<b>88</b>
<b>CIVIC SUPPORT SPECIAL REVENUE FUND</b>	<b>89</b>
<b>MISCELLANEOUS SPECIAL REVENUE FUND</b>	<b>90</b>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
<b>DESCRIPTION OF STATISTICAL SECTION CONTENTS</b>	<b>93</b>
<b>FINANCIAL TRENDS</b>	
<b>NET POSITION BY COMPONENT</b>	<b>94</b>
<b>CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES</b>	<b>96</b>
<b>CHANGES IN NET POSITION – GENERAL REVENUES</b>	<b>98</b>
<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>100</b>
<b>CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>102</b>
<b>STATISTICAL SECTION (UNAUDITED) (CONTINUED)</b>	

**CITY OF LAGUNA WOODS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

**REVENUE CAPACITY**

<b>PROPERTY TAX DOLLAR BREAKDOWN</b>	<b>104</b>
<b>DIRECT AND OVERLAPPING PROPERTY TAX RATES</b>	<b>105</b>
<b>OVERLAPPING DEBT</b>	<b>106</b>
<b>TOP TEN PROPERTY TAXPAYERS</b>	<b>108</b>
<b>PROPERTY USE CATEGORY SUMMARY</b>	<b>110</b>
<b>PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>111</b>
<b>ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY</b>	<b>113</b>
<b>TOP 25 SALES TAX PRODUCERS</b>	<b>114</b>
<b>TAXABLE SALES BY CATEGORY</b>	<b>116</b>

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

<b>DEMOGRAPHIC AND ECONOMIC STATISTICS</b>	<b>118</b>
<b>PRINCIPAL EMPLOYERS</b>	<b>119</b>
<b>ASSESSED VALUE OF TAXABLE PROPERTY</b>	<b>120</b>
<b>SALES VALUE HISTORY – SINGLE FAMILY RESIDENTIAL FULL VALUE SALES</b>	<b>122</b>

**OPERATING INFORMATION**

<b>FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION</b>	<b>123</b>
<b>OPERATING INDICATORS BY FUNCTION</b>	<b>124</b>
<b>CAPITAL ASSET STATISTICS BY FUNCTION</b>	<b>125</b>

## **INTRODUCTORY SECTION**

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# City of Laguna Woods

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[cityoflagunawoods.org](http://cityoflagunawoods.org)

November 18, 2025

Honorable Mayor, Members of the City Council, and Citizens of the City of Laguna Woods:

It is our privilege to present the City of Laguna Woods' (City) Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2025 (Fiscal Year 2024-25). This ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and meets state law requirements for the annual publication of audited financial records.

This ACFR consists of management's representations concerning the finances of the City. As such, management assumes full responsibility for the completeness and reliability of all information presented. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, and misuse and to compile sufficient reliable information for the preparation of the City's financial statements. The internal control framework is a guide at any given time. As the City's business and operating environments may change over time, management periodically reassesses the internal control framework to identify opportunities to improve its effectiveness. The internal control framework is designed to provide reasonable, rather than absolute, assurance that the City's financial statements will be free of material misstatement. Management believes that, to the best of our knowledge, this ACFR is complete and reliable in all material respects.

The City's financial statements for Fiscal Year 2024-25 have been independently audited by CliftonLarsonAllen LLP. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is included as the first component of the financial section of this ACFR.

The City, as a recipient of federal financial assistance, including pass-through of federal funding by the State of California, County of Orange, and other agencies, is responsible for compliance with applicable laws and regulations related to those programs. The City's internal control framework, monitored by management, is designed to meet required compliance. The United States Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* establishes a threshold for a required annual audit (single audit) of those entities receiving federal funding. The City met that threshold and a single audit (or authorized alternative) was required for Fiscal Year 2024-25.

This transmittal letter is designed to supplement the components of this ACFR, which includes Management’s Discussion and Analysis (MD&A), summaries of all financial activity for all funds of the City, and government-wide financial statements. The MD&A provides analysis of trends, fluctuations, variances, and other events or decisions that affect the financial condition of the City. This transmittal letter complements and should be read in conjunction with the MD&A. The MD&A can be found immediately following the independent auditor’s report.

## **Government Profile**

### ***About the City of Laguna Woods***

The City occupies approximately three-square miles of land that was once a part of South Orange County’s expansive Moulton Ranch. Prior to the 1960s, dry farming and cattle grazing dominated the area, with a few scattered ranch dwellings and barns.

On March 24, 1999, the City was incorporated as Orange County’s 32<sup>nd</sup> city. It is a general law city with a council-manager form of government and 18.25 full-time equivalent employees. In addition to being one of California’s safest and fiscally healthiest cities, the City is unique in that the median age of its 17,644 residents is approximately 75.

The City is located just over one mile from Laguna Canyon and approximately five miles from the Pacific Ocean. It is bordered by the cities of Aliso Viejo, Laguna Beach, and Laguna Hills, as well as the Laguna Coast Wilderness Park and other protected open space areas.

Laguna Woods Village is the largest and most populous of the five private communities that residents of the City call home. Residents enjoy easy access to five local shopping centers and a short drive to the Irvine Spectrum and other shopping and entertainment destinations.

### ***About the City of Laguna Woods Government***

The City is a general law city with a council-manager form of government, meaning that it operates within the parameters of California municipal law with an elected City Council as its legislative body. The City Council appoints a City Manager who serves as the City’s chief executive officer and a City Attorney who serves as the City of Laguna Woods’ primary legal counsel.

The five members of the City Council are residents of Laguna Woods who are elected by registered voters to four-year terms. Elections occur “at-large” (citywide) in even-numbered years with two and then three members of the City Council elected at subsequent elections. All five offices are nonpartisan.

The City Council appoints a Mayor and Mayor Pro Tem from amongst its membership to preside over City Council meetings, execute certain legal instruments and authorizations, and attend to various representative and ceremonial matters. The Mayor Pro Tem serves as the Mayor in their absence.

City of Laguna Woods  
 Annual Comprehensive Financial Report  
 Year Ended June 30, 2025 (Fiscal Year 2024-25)  
 Transmittal Letter

The City operates as a “contract city,” meaning that its small staff leverage the resources of contract, franchise, and joint powers agencies to provide efficient, effective, and economical services. If the City were a “full-service city,” employees would provide those services, often at higher costs and with considerably greater liability. Key contract and franchise services providers for ongoing services in Fiscal Year 2024-25 included:

SERVICE	PROVIDER
Animal Control & Shelter Services	City of Laguna Beach
Building Services	Bureau Veritas North America Interwest Consulting Group
Engineering Services	Iteris NV5
Hazardous Waste Handling Services	WM Curbside
Landscape Maintenance Services	BrightView Landscape Services
Law Enforcement Services	Orange County Sheriff’s Department
Legal Services (City Attorney)	Rutan & Tucker, LLP
Senior Mobility Program Transportation Services	OCY Management, LLC
Solid Waste Handling Services	CR&R Incorporated
Street, Right-of-Way, & Infrastructure Maintenance Services	PV Maintenance
Traffic Signal & Lighting Maintenance Services	Bear Electrical Solutions

The City is a member of two joint powers authorities – the California Joint Powers Insurance Authority (CJPIA), which provides insurance and risk management services, and the Orange County Fire Authority (OCFA), which provides fire services. As a “structural fire fund city,” a fire tax is included in Laguna Woods’ 1% basic property tax levy. The County of Orange collects the fire tax, accumulates the proceeds in a structural fire fund, and makes payments to OCFA on the City’s behalf. Fire services are not accounted for in this ACFR because the City is not involved in the levy, collection, or disbursement of the fire tax.

**Budget Policies**

City Administrative Policy 2.9 provides a framework for the development of the City’s budget, with an emphasis on balance, transparency, fiscal responsibility, and long-term planning. The policy establishes numerous prudent and responsible standards related to budget development and implementation, including regular public reporting in the interest of financial transparency and accountability.

After the City Council adopts the budget, authorized appropriations become effective on July 1 of the applicable fiscal year and establish legal spending limits for City programs, projects, and services. The City Council may amend the adopted budget at a public meeting any time during the fiscal year.

The City Council adopts budgets at the fund level with the City Manager having the authority to make adjustments within and between departments in the same fund, provided that there are no increases in fund budgets. While the City Manager is authorized to decrease fund-level budget appropriations as a method of fiscal control, City Council action is required to increase fund-level budget appropriations, regardless of the amount.

### **Economic Considerations**

Economic analysis and the City's financial performance during Fiscal Year 2024-25 indicate that the cautious revenue estimates included in the City's Fiscal Years 2025-27 Budget & Work Plan for Fiscal Year 2025-26 are reasonable and will likely be met or exceeded.

Discussion of economic factors is included in the MD&A component of this ACFR

### **Financial Concerns**

#### ***Rising Law Enforcement Contract Costs***

Law enforcement contract costs have historically presented a budgetary challenge for the City primarily due to labor agreements negotiated by the County of Orange and approved by the Orange County Board of Supervisors. While cannabis business tax revenue has increased the City's ability to accommodate rising law enforcement contract costs, the reality continues to be that as long as decisionmakers who are not directly accountable to the citizens of Laguna Woods (i.e., the Orange County Board of Supervisors) control such a significant cost center for the City, financial pressure will continue to grow. State law and the contractual nature of the City's relationship with the Orange County Sheriff's Department preclude the City from exerting financial control over its operations.

The City's Fiscal Years 2025-27 Budget & Work Plan includes contingencies to offset potential future increases in law enforcement contract costs both as a routine safeguard and due to the expiration of existing County of Orange labor agreements in June 2026.

#### ***Dependance on a Small Number of Tax Generators***

Business-related tax revenue (cannabis business tax, sales tax, and transient occupancy tax) comprises approximately one-third of the City's estimated General Fund revenue for fiscal years 2025-26 and 2026-27. While business-related tax revenue has historically been a reliable performer, risk continues to exist due to the small number of businesses that generate the majority of revenue. For example, the top five sales tax producers generated 63% of all sales tax revenue in the 2024 calendar year. One business each generates all or most cannabis business tax and transient occupancy tax revenue. Business closures or changes in consumer behavior that adversely affect business tax generators have the potential to result in large and immediate impacts on General Fund operating revenue.

The City's Fiscal Years 2025-27 Budget & Work Plan funds several land use and zoning-related activities that could positively impact the local business environment while simultaneously furthering the City's goal of providing residents with access to high quality goods and services close to home.

### **Relevant Financial Policies**

The City has numerous financial policies to promote the prudent management and safeguarding of its assets, including investment, budgeting, reserves, reporting, payment, purchasing, and procurement policies. During Fiscal Year 2024-25, the City Council approved amendments to the Budgeting, Reserves, and Reporting policy. All other financial policies remained unchanged.

The Budgeting, Reserves, and Reporting policy is intended to “provide a framework for the development of the City’s budget, with an emphasis on balance, transparency, fiscal responsibility, and long-term planning, as well as related financial reporting.”

- On January 15, 2025, the Budgeting, Reserves, and Reporting policy was amended to (1) specify that the Self-Insurance Contingency Reserve Fund may be used to fund the payment of legal judgements not covered by insurance policies and (2) establish an initial goal of maintaining a minimum Pension Prefunding Trust Fund balance of \$670,000 (the sum of the five most recent lump sum payments made by the City to pay off the entirety of its then-current unfunded accrued liability for CalPERS pension plans) with suggested annual payments equal to 50% of the audited increase in the General Fund fund balance at the end of each fiscal year, beginning with Fiscal Year 2024-25.

### **Long-Term Financial Planning**

In recent years, the City has expanded its budget presentation; transitioned from single year to two-year budgets and work plans; improved the quality and transparency of its annual financial reporting by preparing ACFRs; updated policies and practices pertaining to investment, budgeting, reserves, reporting, purchasing, and procurement; and, undertaken longer-term strategic financial planning. Those efforts and more have resulted in the City receiving the Operating Budget Excellence Award for Fiscal Years 2023-24 and 2024-25 from the California Society of Municipal Finance Officers and the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for Fiscal Year 2023-24 from the Government Finance Officers Association.

### **Budgetary Reserves**

The overall target for assigned reserves is established in an amount equal to 50% of the adopted General Fund revenue budget at the beginning of each fiscal year (July 1), less any one-time revenues and non-operating revenues. The overall target amount is used to fund three assigned reserves:

- Paid Leave Contingency Reserve – The Paid Leave Contingency Reserve compensates for payments required to comply with the City’s paid leave policies and obligations, when such amounts exceed adopted budgets.
- Self-Insurance Contingency Reserve – The Self-Insurance Contingency Reserve compensates for legal judgements and liability and workers’ compensation claim settlements not covered by insurance policies.

- General Contingency Reserve – The General Contingency Reserve compensates for economic uncertainty, operating contingencies, and emergencies caused by calamitous events.

In addition to assigned reserves, unassigned General Fund balance (General Fund monies that are spendable and not classified as restricted, committed, or assigned for specific purposes) is available for any governmental purpose and can be appropriated by the City Council at a public meeting. Use of unassigned General Fund balance is generally limited to one-time projects, capital improvement projects, the payment of long-term liabilities for periods beyond the current fiscal year, and emergency expenditures.

At the conclusion of Fiscal Year 2024-25, the City had an unassigned General Fund balance of \$8,142,907, equivalent to approximately 99.1% of all General Fund operating expenses for that same fiscal year.

### **California Public Employees' Retirement System**

Like many local governments in California, the City contracts with the California Public Employees' Retirement System ("CalPERS") to provide defined pension benefits for employees.

Qualified employees hired prior to January 1, 2013, or otherwise eligible pursuant to the Public Employees' Pension Reform Act of 2013 ("PEPRA"), are considered "classic" pension plan members. Classic members are enrolled in a pension plan with a "2% at age 55" retirement formula. Though not required by law, classic members contribute 7% of their annual covered salary to their pension plan.

Qualified employees hired on or after January 1, 2013, and not otherwise eligible for "classic" pension plan enrollment, are considered "PEPRA" pension plan members. PEPRA members are enrolled in a pension plan with a "2% at age 62" retirement formula. PEPRA members contribute a variable percentage of their annual covered salary to their pension plan in an amount calculated in accordance with state law. The PEPRA employee contribution rate is 8.0% for Fiscal Year 2025-26 and may change for Fiscal Year 2026-27.

The City is required to make employer contributions to its pension plans that are based on a variety of assumptions including, but not limited to, rates of return on pooled investments managed by CalPERS. The difference between the sum of the City's accumulated pension plan assets and the total projected cost of earned pension benefits is referred to as "unfunded accrued liability."

### ***Paying Off Unfunded Accrued Liability***

City Administrative Policy 2.9 calls for the consideration of lump sum payments to reduce unfunded accrued liability for pension plans at least as frequently as each biennial budget development process. It also establishes a goal of maintaining an at least 80% funded level for all pension plans.

Since May 2017, the City Council has approved periodic lump sum payments to reduce the unfunded accrued liability of its pension plans. Those contributions additionally help to reduce future employer contributions and mitigate potential future impacts of reductions in or variances from CalPERS' discount rate (expected rate of return on pooled investments).

The City's Fiscal Years 2025-27 Budget & Work Plan does not include any additional lump sum payments. CalPERS' next valuation reports will be released in August 2026, after which the City Council may consider making such payments.

### ***Actuarial Valuations***

CalPERS produces an annual valuation report for the City's pension plans based on information available as of June 30 of the preceding year. The valuation reports include the annual required contributions from both the City and its employees for the next fiscal year, a projection of the annual required contributions for the following fiscal year, funding calculations, and related information.

On September 18, 2024, the City Council approved lump sum payments to pay off the total unfunded accrued liability of its pension plans as of CalPERS's valuation reports for fiscal year ended June 30, 2023. Those lump sum payments have caused the City's pension plans to be fully funded according to the most current actuarial valuations.

The City's expenditure appropriations for employer contributions to CalPERS are based on the information contained in the most current valuation reports. Current and prior valuation reports are available at or from City Hall and on the City's website.

### **Pension Prefunding Trust**

On April 7, 2021, the City Council adopted two resolutions (Resolution Nos. 21-13 and 23-14) that enabled the City's participation in the California Employers' Pension Prefunding Trust (CEPPT). The CEPPT is established in the State of California's Treasury for the purpose of allowing eligible public agencies to prefund required pension plan contributions.

Since January 2024, the City Council has approved periodic contributions to the CEPPT to prefund required pension contributions. Those contributions diversify the City's investment portfolio and are invested in a manner intended to generate earnings to offset future lump sum payments to reduce the unfunded accrued liability of the City's pension plans.

On January 15, 2025, the City Council amended City Administrative Policy 2.9 to establish an initial goal of maintaining a minimum balance in the CEPPT of \$670,000 (the sum of the five most recent lump sum payments made by the City to pay off the entirety of its then-current unfunded accrued liability for CalPERS pension plans) with suggested annual payments equal to 50% of the audited increase in the General Fund fund balance at the end of each fiscal year, beginning with Fiscal Year 2024-25. It is expected that the City Council will consider approving such payments after each annual audit is completed for fiscal years 2024-25 and 2025-26.

### **Other Post-Employment Benefits Trust**

As a member of the CalPERS health insurance program, the City is statutorily required to offset a portion of the cost of CalPERS health insurance premiums for qualified retired employees (other post-employment benefits or OPEB) at a minimum rate that is adjusted annually. Rates are established by state law with the monthly cost for calendar year 2025 totaling \$158 per qualified retired employee. Retired employees pay the remainder of their premium costs.

In Fiscal Year 2015-16, the City established an irrevocable OPEB Trust Fund to prefund OPEB liabilities. The OPEB Trust Fund was established with an initial prefunding level of \$60,511, equal to 80% of the then-current unfunded liability. While many employers use a “pay-as-you-go” formula to minimally fund OPEB liabilities, the establishment of an interest-bearing OPEB trust fund allows the City to proactively manage future costs and reduce unfunded liabilities.

An actuarial valuation completed in July 2024 calculated the City’s unfunded OPEB liability at \$7,450 as of June 30, 2023. The OPEB liability is 94.6% funded through the OPEB Trust Fund according to the most current actuarial valuation.

The City’s Fiscal Years 2025-27 Budget & Work Plan does not include any additional contributions to the OPEB Trust Fund. The next actuarial study will be completed in Fiscal Year 2025-26, after which the City Council may consider making such contributions.

### **Major Initiatives**

The City’s services and progress in implementing the City Council’s work plan and initiatives continued in Fiscal Year 2024-25.

As was the case in Fiscal Year 2023-24, the General Fund’s balance at fiscal-year-end increased from the same point the year prior (in the case of Fiscal Year 2024-25, by \$0.73 million from June 30, 2024 to June 30, 2025). An increase in the General Fund’s balance is a marker of the City’s ability to prudently manage its finances and outperform its adopted budget.

During Fiscal Year 2024-25, the City Council pursued the following priority focus areas, which provided guiding principles and goals for the City’s programs, projects, and services:

#### ***City Council’s Priority Focus Areas***

A City that is...



Healthy and safe

City of Laguna Woods  
Annual Comprehensive Financial Report  
Year Ended June 30, 2025 (Fiscal Year 2024-25)  
Transmittal Letter



High in quality of life



Environmentally conscious



Economically prosperous



Fiscally responsible



Professionally and efficiently served

The priority focus areas were first selected in Fiscal Year 2014-15 and are also being used to frame activities undertaken in Fiscal Year 2025-26.

**Acknowledgments**

The City appreciates the services and diligence of the independent auditors, CliftonLarsonAllen LLP.

The City Council's Ad Hoc Audit Committee (Councilmembers Conners and Lee) provided constructive input throughout their work with the independent auditors.

We also appreciate staff's continued efforts to help the City manage its financial future.

Respectfully,

Christopher Macon  
City Manager

Elizabeth Torres  
Administrative Services Director/City Treasurer



**PRINCIPAL CITY OFFICIALS  
JUNE 30, 2025**

Shari L. Horne  
Mayor

Annie McCary  
Mayor Pro Tem

Cynthia Conners  
Councilmember

Pearl Lee  
Councilmember

Carol Moore  
Councilmember

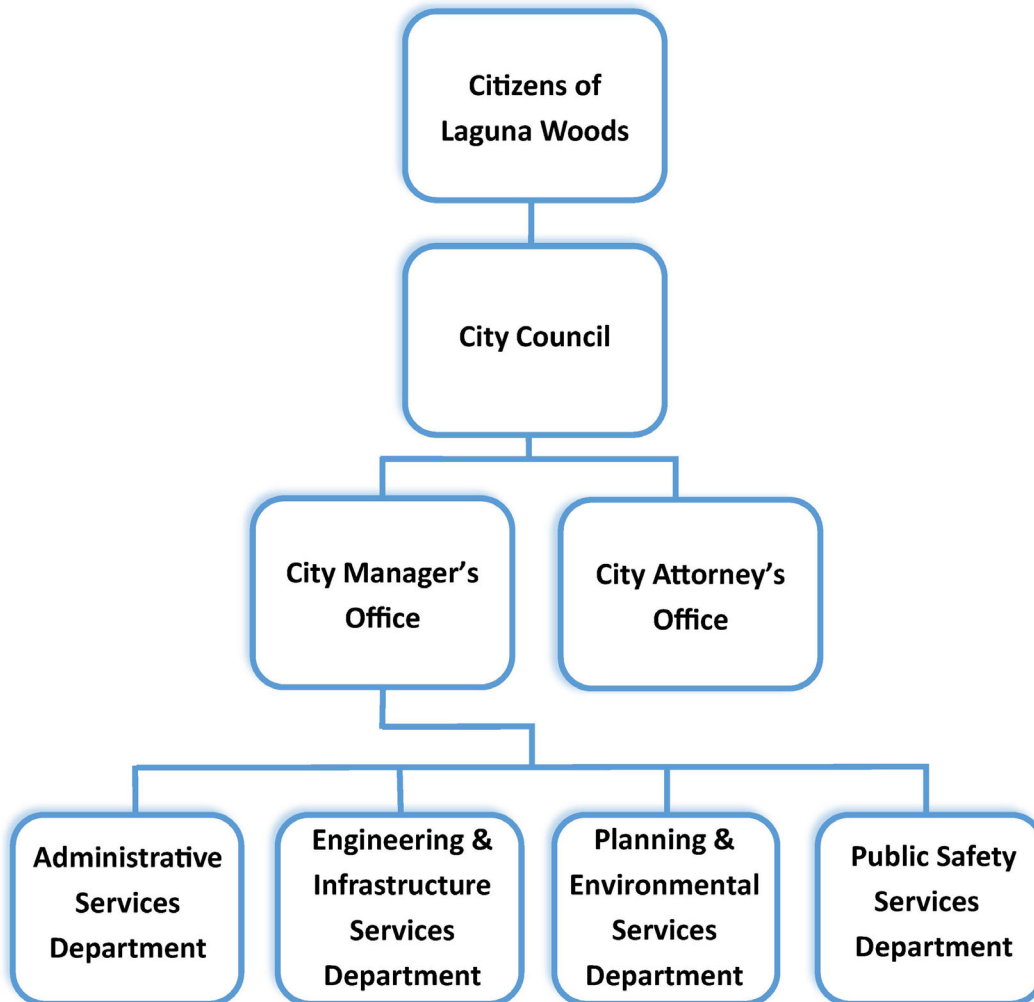
Christopher Macon  
City Manager

Alisha Patterson  
City Attorney

Elizabeth Torres  
Administrative Services Director/City Treasurer



**ORGANIZATION CHART  
JUNE 30, 2025**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Laguna Woods  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable City Council  
City of Laguna Woods  
Laguna Woods, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***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.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, schedule of proportionate share of net pension liability, schedule of contributions – pension, schedule of changes in the net other post-employment benefit (OPEB), schedule of contributions – OPEB, and budgetary comparison schedules for the General Fund, Fuel Tax, Measure M, Federal Grants, and State of California Grants special revenue funds 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 nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***


Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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.

Honorable City Council  
City of Laguna Woods

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
November 18, 2025

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

This discussion and analysis of the City of Laguna Woods' (the City) financial statements provide an overview of the City's financial activities for the fiscal year ended June 30, 2025 (FY 2024-25). This document should be read in conjunction with the basic financial statements and the accompanying notes to those statements.

**FINANCIAL HIGHLIGHTS**

- The City ended FY 2024-25 with total assets, including capital assets and deferred outflows of resources, exceeding total liabilities and deferred inflows of resources by \$44.2 million. This amount is referred to as the net position of the City. Of this amount, \$12.7 million is unrestricted net position and may be used to meet the City's ongoing obligations to constituents and creditors. Of the remainder, \$28.3 million represents net investment in capital assets and \$3.2 million is restricted for designated programs.
- The City's government-wide net position increased by \$1.2 million. This increase is primarily attributable to cannabis business tax revenue collected in the amount of \$1.2 million. Total revenues from all sources were \$12.4 million and total expenses for all functions and programs (including capital expenses) were \$11.2 million.
- The City's governmental funds reported combined ending fund balances of \$15.0 million, which is \$1.0 million higher than the prior fiscal year.
- The City's General Fund reported an ending fund balance of \$12.3 million, with revenues exceeding expenditures by \$0.7 million.
- The General Fund ending fund balance of \$12.3 million represents 149.7% of actual General Fund expenditures for FY 2024-25 (versus 158.8% for the prior fiscal year). The decrease is primarily due to an increase in public safety, community development, and capital outlay expenditures offset by a decrease in general government expenditures.
- There were General Fund budgetary savings of \$1.1 million as shown in the Required Supplementary Information, Budgetary Comparison Schedule, General Fund. Budgetary savings do not impact actual activity for reporting revenues, expenditures, and changes to fund balance, but do reflect the City's prudent management of financial resources. FY 2024-25 savings were primarily due to \$2.1 million in revenues received over budgeted amounts and \$1.0 million in expenditures lower than budgeted amounts.
- Increasing law enforcement service costs continue to impact funding, reducing amounts that would otherwise be available for general operations and programs. In FY 2015-16, law enforcement costs increased 63.0% due to modified cost sharing, including the addition of two deputies, related equipment, and one vehicle. 43.3% of the increase was due to a change in costing methodology by the Orange County Sheriff Department and the impact of prior fiscal year labor agreements approved by the Orange County Board of Supervisors (Board of Supervisors). Finally, there was an unplanned 1.28% net increase in April 2016 due to additional labor agreements approved by the Board of Supervisors. Law enforcement costs increased an additional 5.72% on July 1, 2016, 1.93% on July 1, 2017, 5.78% on July 1, 2018, 2.05% on July 1, 2019, 3.13% on July 1, 2020, 5.78% on July 1, 2021, 2.69% on July 1, 2022, (0.01%) on July 1, 2023, and 7.34% on July 1, 2024, primarily due to additional labor actions approved by the Board of Supervisors.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**OVERVIEW OF THIS REPORT AND THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The City's basic financial statements include three components: 1) Government-Wide Financial Statements, 2) Governmental Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains required supplementary information regarding historical pension information, other post-employment benefit (OPEB) plan information, and budgetary comparison schedules for major governmental funds.

Government-Wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public works, community development, and community services. Governmental activities are financed by property tax, sales tax, transient occupancy tax, cannabis business tax, franchise fees, vehicle code fines, fuel tax, funds allocated under the Road Repair and Accountability Act, Measure M tax revenues, and other state and federal funding and grants. The City has no business-type activities.

**Reporting the City as a Whole: The Government-Wide Financial Statements, Including the Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the City's finances is "Is the City as a whole better or worse off as a result of this fiscal year's activities?" The *Government-Wide Financial Statements* provide short-term and long-term information about the City's financial position, which assists in assessing the City's economic condition at the end of the fiscal year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which generally means that they take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The Government-Wide Financial Statements include two statements:

The *Statement of Net Position* presents all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in the City's net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues and expenses are reported in this statement for some items that will not result in cash flows or expenditures until future fiscal years (such as uncollected taxes and earned but unused leave balances). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

These statements report that the City's net position increased during FY 2024-25. The increase was primarily due to cannabis business tax revenue collected during the fiscal year.

**Reporting the City's Most Significant Funds: Governmental Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain accountability over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure compliance with finance related legal requirements, which could include grant, legal, or legislative restrictions, etc.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

Governmental Funds focus on how money flows into and out of funds for governmental activities and the balances left at fiscal year-end that are available for future appropriation. These funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current fiscal year, while expenditures are recognized in the accounting period in which the liability is incurred. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Currently, the City has only a general fund and special revenue funds (capital projects are accounted for in the General Fund and/or special revenue funds).

The Governmental Fund Financial Statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund Financial Statements to those in the Government-Wide Financial Statements are explained in the reconciliation schedule following each governmental fund financial statement.

The City maintains 15 individual governmental funds. The General Fund is the City's primary operating governmental fund. The City also identifies "major" governmental funds within the financial statements. The City's special revenue funds are reviewed annually to determine if any should be classified as a major fund (e.g., the fund has 10% or more of total assets, liabilities, or fund balance of total governmental funds). In FY 2024-25, the City determined and classified the Federal Grants Fund and the State of California Grants Fund as major funds. The City may also designate as a major fund any fund or a combination of funds that is considered particularly important to users. In FY 2024-25, the City designated the Fuel Tax Fund and Measure M Fund as major funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds. Data for other governmental funds (nonmajor) are reported collectively as Other Governmental Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements that follow the notes to the basic financial statements. Some funds are required to be established by state law; however, the City establishes additional funds to help control and manage money for specific purposes or to demonstrate compliance with legal requirements for using certain taxes, grants, and other monies. The City currently has only governmental funds.

The City added a special revenue fund in FY 2016-17 to account for the Laguna Woods Civic Support Fund, a blended component unit, formed March 16, 2016, as a nonprofit public benefit corporation, with the specific and primary purpose to raise and distribute funds to support programs, projects, and services of the City as well as to function as a "Friends of the Library" group in support of the Laguna Woods branch of the County of Orange public library system.

The City adopts an annual appropriated budget for the General Fund and the special revenue funds. A budgetary comparison schedule is provided for each of the funds to demonstrate compliance with the FY 2024-25 budget.

Management's discussion and analysis continues on the following page beginning with a comparative table summarizing net position.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**THE CITY AS A WHOLE**

The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental activities (the City as a whole).

**Table 1  
Net Position  
Governmental Activities**

	2025	2024
<b>Assets:</b>		
Cash and investments	\$ 15,523,854	\$ 15,078,519
Other receivables and assets	1,388,253	950,313
Net pension asset	125,657	-
Capital assets, net	28,756,471	28,751,654
<b>Total Assets</b>	<b>45,794,235</b>	<b>44,780,486</b>
<b>Deferred Outflows of Resources:</b>		
Deferred amount from pension plan	480,971	756,089
Deferred amount from OPEB plan	20,307	25,588
<b>Total Deferred Outflows of Resources</b>	<b>501,278</b>	<b>781,677</b>
<b>Liabilities:</b>		
Other liabilities	1,711,846	2,049,260
Long-term liabilities - net pension liability	-	215,628
Long-term liabilities - net OPEB liability	9,706	7,450
Long-term liabilities - compensated absences	147,189	136,394
<b>Total Liabilities</b>	<b>1,868,741</b>	<b>2,408,732</b>
<b>Deferred Inflows of Resources:</b>		
Deferred amount from pension plan	182,331	119,249
Deferred amount from OPEB plan	37,025	43,018
<b>Total Deferred Inflows of Resources</b>	<b>219,356</b>	<b>162,267</b>
<b>Net Position:</b>		
Net investment in capital assets	28,327,602	28,497,896
Restricted	3,172,500	2,555,587
Unrestricted	12,707,314	11,937,681
<b>Total Net Position</b>	<b>\$ 44,207,416</b>	<b>\$ 42,991,164</b>

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Table 2  
Changes in Net Position  
Governmental Activities**

	2025	2024
REVENUES:		
Program Revenues:		
Charges for services	\$ 898,940	\$ 885,158
Operating grants and contributions	467,200	370,981
Capital grants and contributions	1,811,892	2,047,932
General Revenues:		
Taxes:		
Property taxes	554,566	492,528
Property taxes in lieu of VLF	3,185,306	3,024,383
Sales taxes	1,266,887	1,103,571
Transient occupancy taxes	590,238	598,188
Franchise fees	891,662	813,821
Cannabis business taxes	1,186,960	37,380
Other taxes	505,883	492,475
Miscellaneous	270,996	394,377
Investment (loss)/income	757,619	700,656
	12,388,149	10,961,450
TOTAL REVENUES		
EXPENSES:		
Governmental Activities:		
General government	2,131,791	2,073,872
Public safety	3,520,446	3,243,811
Public works	2,725,507	2,932,824
Community development	1,882,791	1,748,293
Community services	911,362	431,792
	11,171,897	10,430,592
TOTAL EXPENSES		
Increase in Net Position	1,216,252	530,858
Net Position, Beginning of Year	42,991,164	42,460,306
Net Position, End of Year	\$ 44,207,416	\$ 42,991,164

The following summarizes key trends and variances related to Tables 1 and 2.

**Tables 1 and 2  
Summary of Key Trends and Variances  
Governmental Activities**

- Total assets and deferred outflows of resources in the government-wide financial statements were \$46.3 million as of year-end, an increase of \$0.7 million (1.61%) over the prior year, which was primarily due to an increase in cash and investments, other receivables and assets, and the net pension asset.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

- The City's total liabilities and deferred inflows of resources in the government-wide financial statements were \$2.1 million as of year-end, a decrease of \$0.5 million (18.78%) over the prior year, which was primarily due to a decrease in other liabilities and net pension liability.
- The net investment in capital assets (e.g., infrastructure, land, structures and improvements, and furniture and equipment) of \$28.3 million represents 64.1% of the City's total net position. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by any related outstanding debt used to acquire, construct, or improve those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending, nor are they sources of income for repayment of debt.
- The City's restricted net position of \$3.2 million, or 7.2% of the total net position, represents resources that are subject to external restriction for designated programs. Unrestricted net position, the part of net position that can be used to finance ongoing obligations, was \$12.7 million at fiscal year-end, an increase of 6.45% over the prior fiscal year.
- The City's total program and general revenues were \$3.2 million and \$9.2 million, respectively, totaling \$12.4 million, compared to the prior fiscal year total of \$11.0 million, an increase of approximately \$1.4 million (13.0%).
- Local property tax revenues and property taxes in lieu of State vehicle license fees (VLF) totaled \$3.7 million, and combined, they are the City's largest revenue source at 30.2% of total revenues. These revenues fund a significant portion of the City's basic services. This combined revenue source remained relatively level with receipts in FY 2023-24, increasing by \$0.2 million in FY 2024-25, or 6.3%.
- Sales taxes of \$1.3 million are the City's second largest revenue source at 10.2% of total revenues. This revenue source had an increase of \$0.2 million or 14.8% compared to the previous fiscal year.
- Cannabis business taxes of \$1.19 million are the City's third largest revenue source at 9.6% of total revenues. These revenues had a significant increase of \$1.15 million compared to the prior fiscal year. The first cannabis storefront retailer opened in May 2024, and FY 2024-25 marked the first full year of cannabis business tax revenues collected, resulting in an increase in revenue compared to the prior year.

**Governmental Activities**

Table 3 below presents the cost of each of the City's governmental activity programs: general government, public safety, public works, community development, and community services, as well as each program's net cost (total cost less revenues generated by the activities). The net cost reflects the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3  
Net Cost of Governmental Activities**

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 2,131,791	\$ (2,131,793)	\$ 2,073,872	\$ (2,073,872)
Public safety	3,520,446	(3,215,094)	3,243,811	(3,057,652)
Public works	2,725,507	(1,267,738)	2,932,824	(2,102,968)
Community development	1,882,791	(758,501)	1,748,293	(840,930)
Community services	911,362	(620,739)	431,792	948,901
	<u>\$ 11,171,897</u>	<u>\$ (7,993,865)</u>	<u>\$ 10,430,592</u>	<u>\$ (7,126,521)</u>

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

- The total cost of all programs and services was \$11.2 million, an increase from the prior fiscal year of approximately \$0.7 million (7.1%).
- General Government expenses of \$2.1 million comprise 19.1% of total cost of services compared to 19.9% in the prior fiscal year, and include City Council, City Manager, City Clerk, City Attorney, Administrative Services, Support Services, and Risk Management. General Government expenses also included annual depreciation expense on the City's capital assets of \$0.3 million.
- Public Safety expenses of \$3.5 million comprise 31.5% of the total cost of services compared to 31.1% in the prior fiscal year. There was an increase of \$0.3 million (8.5%) primarily attributable to increase in law enforcement costs due to additional labor agreements which took effect in FY 2023-24. Revenue from vehicle code fines, federal funds, and state grants, which were level with amounts received in the prior fiscal year, reduced the need for general revenues to support this program in FY 2024-25 by 0.3%. State-funded revenues fluctuate year-over-year based on growth trends in statewide sales tax collections.
- Public Works expenses (primarily for maintenance and operation of the City's roadway system) were \$2.7 million and comprise 24.4% of the total cost of services, compared to 28.1% in the prior fiscal year. Operating and capital grants and contributions were 53.5% of charges in the current fiscal year versus 50.8% in the prior fiscal year. FY 2024-25 expenses included annual depreciation expense on the City's infrastructure assets of \$1.7 million compared to \$1.9 million in the prior fiscal year. The decrease in depreciation expense contributed to the decrease in total cost of services in public works expenses.
- Community Development expenses of \$1.9 million comprise 16.9% of the total cost of services, compared to 16.8% in the prior fiscal year, with an increase of \$0.1 million (7.7%). This was the result of a combination of increased salaries and benefits and building services costs.
- Community Services expenses of \$0.9 million comprise 8.2% of total cost of services in FY 2024-25. These expenses increased by \$0.5 million due to the high demand of the City's Senior Mobility Program. Operating grants and contributions continue to offset a portion of community services program expenses in FY 2024-25.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At fiscal year-end, the City's Governmental Funds reported a total combined ending fund balance of \$14.9 million, an increase of \$1.0 million (7.31%) from the prior fiscal year. Of the total combined ending fund balance, \$0.03 million is non-spendable, \$3.2 million is for a variety of restricted purposes, \$0.06 million is committed, \$3.8 million is assigned to be used for specific purposes through the City Council budgetary actions, and \$7.9 million is unassigned and available for spending at the government's discretion.

The General Fund is the primary operating fund of the City. The General Fund comprises \$12.3 million, or 82.2%, of the total fund balance. The total fund balance of the City's General Fund equates to over 149.7% of actual General Fund expenditures. The City's General Fund unassigned fund balance of \$8.1 million equates to over 99.1% of annual General Fund expenditures. General Fund revenues exceeded expenditures by \$0.7 million primarily attributable to the new cannabis business tax revenue collected during the year.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

The City has four other major funds, the Fuel Tax Special Revenue Fund, the Measure M Special Revenue Fund, the Federal Grants Special Revenue Fund, and the State of California Grants Special Revenue Fund.

The Fuel Tax Special Revenue Fund is used to account for the City's share of an excise tax on fuel used to propel motor vehicles or aircraft pursuant to California Constitution Article XIX Section 1; Revenue and Tax Code sections 7301 – 8404 and 8601 – 9355; and, Streets and Highways Code sections 2100 et seq., which are legally restricted for the maintenance, operation, and construction of public streets and rights-of-way. This fund ended the year reporting a fund balance of \$713,948, an increase of \$141,211, or 24.7%, from FY 2023-24 due to receiving higher fuel tax revenues, 2.7%, and an increase in investment income, 59.8%, in FY 2024-25.

The Measure M Special Revenue Fund is used to account for the City's share of an additional one-half percent sales tax approved by the Orange County electorate to fund transportation projects and activities. At the end of the fiscal year, fund balance was \$398,567, an increase in net change in fund balance of \$43,424, or 74.3%, from FY 2023-24 primarily due to a decrease in expenditures. Expenditures decreased by \$41,977, or 15.8%, due to lower costs incurred for maintenance, operation, and construction of public roads and rights-of-way.

The Federal Grants Special Revenue Fund accounts for the receipts and expenditures of federal grants received. Revenues of \$668,025 matched expenses incurred during the fiscal year, resulting in a \$0 fund balance.

The State of California Grants Special Revenue Fund reported a deficit fund balance of \$(200,374), a decrease of \$198,350 from FY 2023-24. The decrease is a result of timing differences of grant reimbursements expected to be received in FY 2025-26 for expenses incurred during the fiscal year.

**General Fund Budgetary Highlights**

**Revenues:** Actual total revenues of \$9.6 million were \$2.1 million, or 27.7%, higher than budgeted, primarily because most revenues came in over budget estimates. Property taxes, property transfer taxes, sales taxes, franchise fees, charges for services, investment income, and miscellaneous income were all greater than expected. Actual revenues over budget was also attributable to the new collection of cannabis business tax revenue received during the fiscal year in the amount of \$1.2 million.

**Expenditures:** Actual expenditures of \$8.2 million were \$1.0 million, or 10.6%, lower than budgeted, primarily due to savings across all departments resulting from the continuation of budget management and changes in programmatic and project needs.

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation, totaled \$28,756,471 at fiscal year-end, primarily consisting of the City's land, buildings, and infrastructure assets. During FY 2024-25, the City added \$1,973,427 in value, including a \$1,441,863 increase in construction in progress, \$303,595 in furniture and equipment, and \$227,969 in infrastructure additions. The infrastructure additions relate to the Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase:8.

There was a transfer of completed construction projects in the amount of \$814,946 to infrastructure. The transfer relates to the completion of the Ridge Route Drive Drainage Repair Project in the amount of \$258,789 and the El Toro Road and Moulton Parkway Water Quality Treatment Project in the amount of \$56,157.

The City allocated \$1,968,610 of depreciation expense on capital assets, which increased accumulated depreciation to \$27,407,114 at fiscal year-end. Land and construction in progress are not depreciated.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

Table 4 below summarizes capital assets at fiscal year-end, net of depreciation.

**Table 4  
Capital Assets at Year-End  
(Net of Depreciation)**

	2025	2024
Land	\$ 6,914,741	\$ 6,914,741
Construction in progress	1,233,856	606,939
Buildings	5,994,211	5,994,211
Building improvements	1,744,948	1,744,948
Equipment and furniture	458,074	154,479
Infrastructure	39,817,755	38,774,840
Less accumulated depreciation	(27,407,114)	(25,438,504)
<b>Total</b>	<b>\$ 28,756,471</b>	<b>\$ 28,751,654</b>

Please refer to Note 1 (G) beginning on page 34 and Note 4 beginning on page 44 for additional discussion related to capital assets.

**DEBT ADMINISTRATION**

The City currently has no debt obligations.

**LONG-TERM LIABILITIES**

Compensated absences is classified as a long-term liability and totaled \$147,189 as of fiscal year-end. The City has assigned General Fund balance to address compensated absence liabilities. Please refer to Note 1 (H) on page 34 and Note 5 on page 45 for additional discussion related to compensated absences.

At June 30, 2025, the City's pension liability resulted in a net pension asset balance of \$125,657. The City's proportionate share of the net pension liability decreased due to the additional contributions the City made in prior fiscal years to pay off the unfunded accrued liability resulting in a net pension asset. The City established a Pension Prefunding Trust to prefund required pension contributions to the City's defined benefit pension plan with an initial contribution to the trust made in FY 2023-24. An additional contribution was made during FY 2024-25. The funding ratio does not consider contributions made after the measurement date.

At June 30, 2025, the City's OPEB obligation resulted in a net OPEB liability balance of \$9,706. The City's net OPEB liability increased by \$2,256 (30.3%) compared to FY 2023-24. The City established the OPEB Trust with a planned funding level of 80%, which is reviewed every two years. As of June 30, 2025, the net OPEB liability was fully funded through the OPEB Trust. The funding ratio does not consider contributions made after the measurement date.

Please refer to Notes 8 and 9 beginning on page 48 and required supplementary information on pages 63-67 for additional discussion related to pension liabilities and OPEB obligations.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**ECONOMIC FACTORS**

The City uses information from sources including the Federal Reserve, the California Legislative Analyst's Office ("LAO"), and California State University, Fullerton's Woods Center for Economic Analysis and Forecasting to provide national, state, and regional economic context for budget and work plan development. While budget and work plan development occurs every two years, economic conditions are revisited regularly, including while preparing management's discussion and analysis for each ACFR.

California State University, Fullerton's Woods Center for Economic Analysis and Forecasting's *2026 Spring Economic Forecast*<sup>1</sup> notes that "the U.S. economy has shown remarkable resilience over the course of this year, outperforming dire predictions, not just barely, but by a wide margin. Our view is that it will continue to do so over the forecast horizon..." Real discretionary spending is identified as one of several hopeful indicators with the Woods Center highlighting its growth "at above 3% rate in the first half of this year, compared with 2.7% in 2024. In more than 60 years, there has never been a recession without real discretionary spending declining on a year-over-year basis—and the current data are far from collapsing."

On September 18, 2024, the Federal Reserve began incrementally lowering its target range for the federal funds rate (the interest rate that banks and other depository institutions charge each other for short-term borrowing) as part of its efforts to reduce inflation to 2.00%. The target range is now 3.75 to 4.00%, after having remained at 5.25 to 5.50% since March 2020 shortly after the onset of COVID-19. In its most recent statement dated October 29, 2025, the Federal Reserve's Federal Open Market Committee lowered the target range by 0.25% and wrote that "available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up but remained low through August; more recent indicators are consistent with these developments. Inflation has moved up since earlier in the year and remains somewhat elevated."

Increases in the target range for the federal funds rate typically result in higher interest rates for pooled investment funds, certificates of deposit, and other types of investments commonly held by the City, while reductions in the target range lower those same interest rates. The City's Fiscal Years 2025-27 Budget & Work Plan assumes a decline in interest revenue due to lower interest rates and a smaller investable cash balance following the final expenditure of American Rescue Plan Act (Coronavirus Local Fiscal Recovery Funds) funds.

Economic analysis and the City's financial performance in recent fiscal years support the cautious revenue estimates included in the Fiscal Years 2025-27 Budget & Work Plan. At a minimum, a slowing economy is likely to cause some slowing of local business activity. Though the nature of the City's predominately property tax-fueled revenue base provides solid insulation from the dramatic revenue swings experienced by cities that rely more heavily on taxes generated from consumer spending, the City is not fully immune.

Total General Fund FY 2025-26 operating revenues (excluding transfers from other funds) are estimated at \$9,303,200. This represents a 1.1% decrease from FY 2024-25 actual revenues. General Fund operating expenditures are budgeted at \$7,988,276. After adding one-time nonoperating expenditures and transfers to other funds, total budgeted General Fund expenditures equal \$8,954,328. At the end of FY 2025-26, the General Fund unassigned fund balance is forecast to be at 103.1% of FY 2025-26 General Fund operating expenditures.

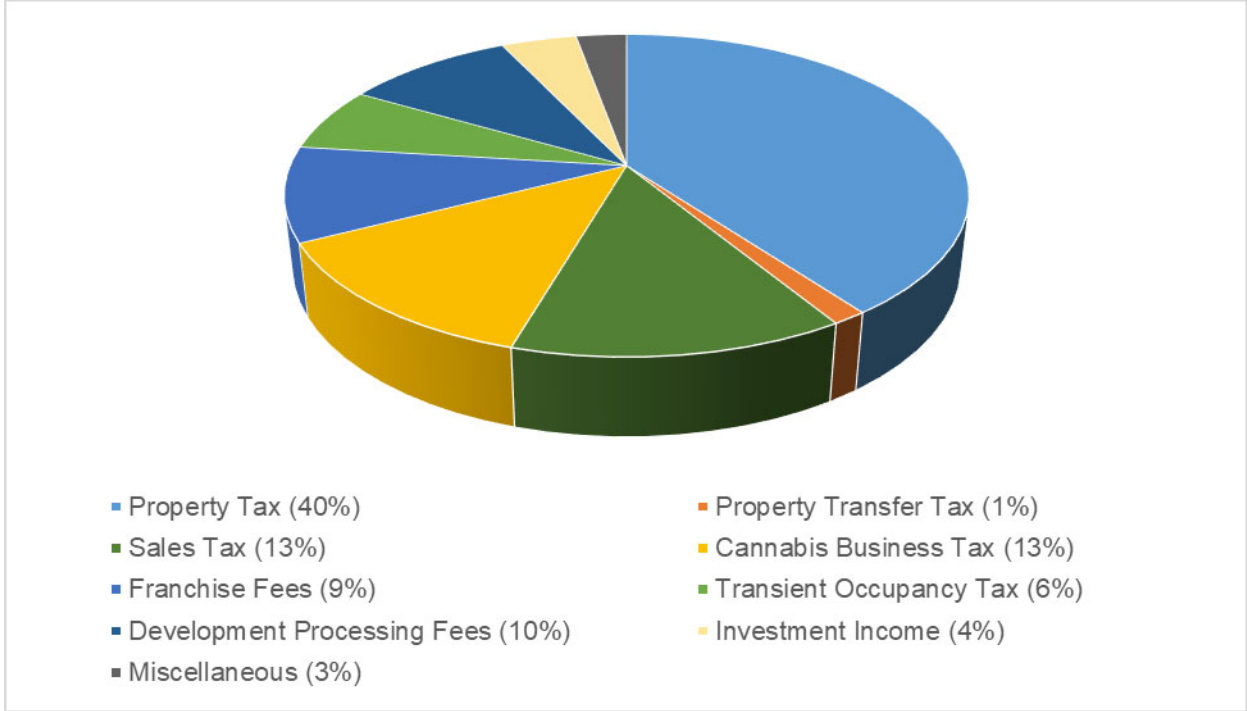
Budgeted FY 2025-26 General Fund revenues by source and operating expenditures by program are illustrated below:

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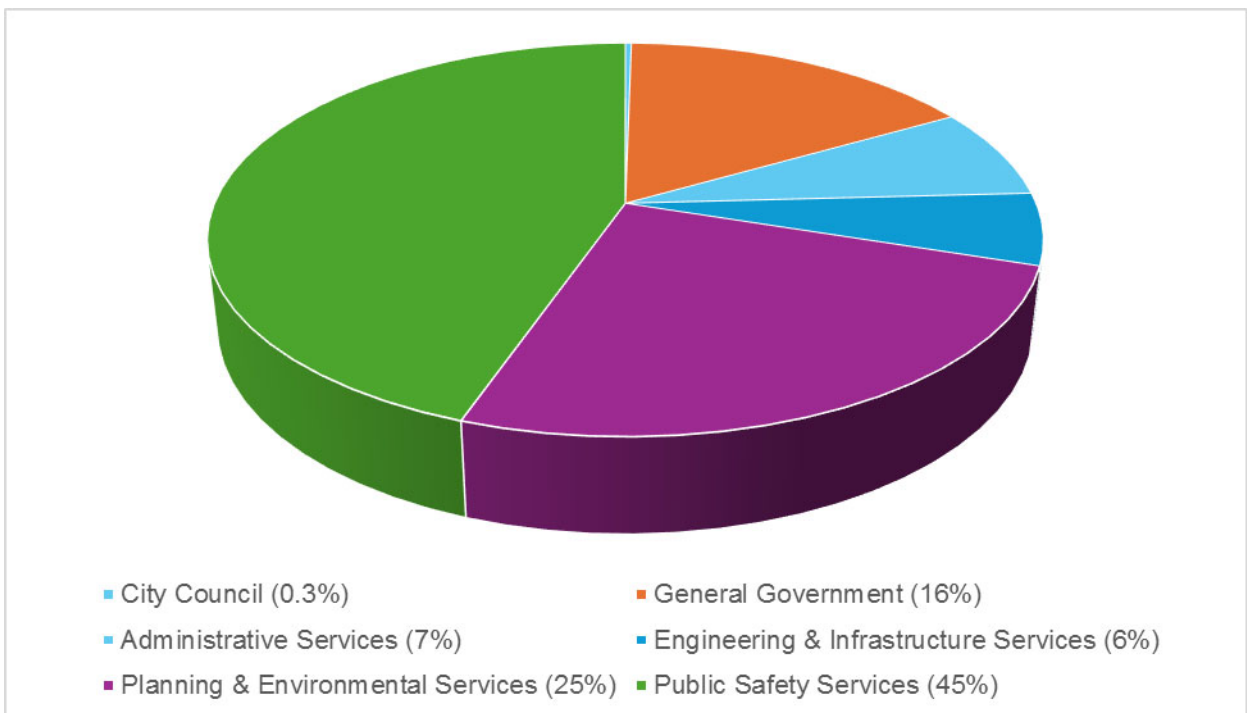
<sup>1</sup> Puri, Anil K., and Mira Farka. *Winds of Change: What Business Leaders Need to Know in the Current Environment*. California State University, Fullerton, Woods Center for Economic Analysis and Forecasting, 30 Oct. 2025.

**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

***General Fund Revenue Estimates by Source – Fiscal Year 2025-26***



***General Fund Operating Expenditures by Program – Fiscal Year 2025-26***



**CITY OF LAGUNA WOODS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the City's citizens, taxpayers, customers, 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, you may contact the City of Laguna Woods, Administrative Services Department, 24264 El Toro Road, Laguna Woods, California 92637, at (949) 639-0500 or [cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF LAGUNA WOODS  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 15,523,854
Restricted Cash and Investments	298,114
Accounts Receivable	323,807
Interest Receivable	110,713
Due from Other Governments	621,350
Prepaid Items	34,269
Net Pension Asset	125,657
Capital Assets:	
Not Being Depreciated	8,148,597
Being Depreciated (Net of Accumulated Depreciation)	<u>20,607,874</u>
Total Assets	<u>45,794,235</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Amount from Pension Plan	480,971
Deferred Amount from Other Postemployment Benefits (OPEB) Plan	<u>20,307</u>
Total Deferred Outflows of Resources	<u>501,278</u>
<b>LIABILITIES</b>	
Accounts Payable	1,272,247
Accrued Liabilities	65,687
Unearned Revenues	295,066
Deposits Payable	78,846
Noncurrent Liabilities:	
Due Within One Year:	
Compensated Absences	97,169
Due in More than One Year:	
Compensated Absences	50,020
Net OPEB Liability	<u>9,706</u>
Total Liabilities	<u>1,868,741</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Amount from Pension Plan	182,331
Deferred Amount from Other Postemployment Benefits (OPEB) Plan	<u>37,025</u>
Total Deferred Inflows of Resources	<u>219,356</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	28,327,602
Restricted for:	
Employee Benefits	298,114
Public Safety	98,881
Public Works	2,655,296
Community Development	7,970
Community Services	112,239
Unrestricted	<u>12,707,314</u>
Total Net Position	<u><u>\$ 44,207,416</u></u>

See accompanying Notes to Basic Financial Statements.

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**CITY OF LAGUNA WOODS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 2,131,793	\$ -	\$ -	\$ -	\$ (2,131,793)
Public Safety	3,520,444	-	305,350	-	(3,215,094)
Public Works	2,725,507	-	22,857	1,434,912	(1,267,738)
Community Development	1,882,791	898,940	25,350	200,000	(758,501)
Community Services	911,362	-	113,643	176,980	(620,739)
<b>Total Governmental Activities</b>	<b>\$ 11,171,897</b>	<b>\$ 898,940</b>	<b>\$ 467,200</b>	<b>\$ 1,811,892</b>	<b>(7,993,865)</b>
<b>GENERAL REVENUES</b>					
Taxes:					
					3,739,872
					1,266,887
					590,238
					891,662
					1,186,960
					505,883
					270,996
					757,619
					<u>9,210,117</u>
<b>CHANGE IN NET POSITION</b>					
					1,216,252
					<u>42,991,164</u>
<b>NET POSITION - END OF YEAR</b>					
					<u>\$ 44,207,416</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LAGUNA WOODS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Special Revenue Funds		
	General Fund	Fuel Tax	Measure M
<b>ASSETS</b>			
Cash and Investments	\$ 12,330,221	\$ 746,781	\$ 359,061
Restricted Cash and Investments	298,114	-	-
Receivables:			
Accounts	322,991	-	-
Interest	110,713	-	-
Prepaid Items	31,869	-	-
Due from Other Governments	210,970	42,912	54,986
	<u>\$ 13,304,878</u>	<u>\$ 789,693</u>	<u>\$ 414,047</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 829,607	\$ 75,745	\$ 15,480
Accrued Liabilities	65,687	-	-
Unearned Revenue	-	-	-
Deposits Payable	78,846	-	-
Total Liabilities	<u>974,140</u>	<u>75,745</u>	<u>15,480</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	36,202	-	-
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Items	31,869	-	-
Restricted for:			
Employee Benefits	298,114	-	-
Public Safety	-	-	-
Public Works	-	713,948	398,567
Community Development	4,863	-	-
Community Services	-	-	-
Committed to:			
Waste Diversion	63,083	-	-
Assigned to:			
Compensated Absences	147,189	-	-
Self-Insurance Contingencies	50,000	-	-
General Fund Contingencies	3,556,511	-	-
Unassigned	8,142,907	-	-
Total Fund Balances	<u>12,294,536</u>	<u>713,948</u>	<u>398,567</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,304,878</u>	<u>\$ 789,693</u>	<u>\$ 414,047</u>

**CITY OF LAGUNA WOODS  
BALANCE SHEET (CONTINUED)  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Special Revenue Funds				
<b>ASSETS</b>	Federal Grants	State of California Grants	Other Governmental Funds	Total Governmental Funds	
Cash and Investments	\$ 276,983	\$ 56,194	\$ 1,754,614	\$ 15,523,854	
Restricted Cash and Investments	-	-	-	298,114	
Receivables:					
Accounts	-	-	816	323,807	
Interest	-	-	-	110,713	
Prepaid Items	-	-	2,400	34,269	
Due from Other Governments	-	203,481	109,001	621,350	
Total Assets	\$ 276,983	\$ 259,675	\$ 1,866,831	\$ 16,912,107	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 43,750	\$ 201,206	\$ 106,459	\$ 1,272,247	
Accrued Liabilities	-	-	-	65,687	
Unearned Revenue	233,233	55,362	6,471	295,066	
Deposits Payable	-	-	-	78,846	
Total Liabilities	276,983	256,568	112,930	1,711,846	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	-	203,481	5,969	245,652	
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Items	-	-	2,400	34,269	
Restricted for:					
Employee Benefits	-	-	-	298,114	
Public Safety	-	-	98,881	98,881	
Public Works	-	-	1,536,812	2,649,327	
Community Development	-	-	-	4,863	
Community Services	-	-	109,839	109,839	
Committed to:					
Waste Diversion	-	-	-	63,083	
Assigned to:					
Compensated Absences	-	-	-	147,189	
Self-Insurance Contingencies	-	-	-	50,000	
General Fund Contingencies	-	-	-	3,556,511	
Unassigned	-	(200,374)	-	7,942,533	
Total Fund Balances	-	(200,374)	1,747,932	14,954,609	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 276,983	\$ 259,675	\$ 1,866,831	\$ 16,912,107	

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**CITY OF LAGUNA WOODS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
JUNE 30, 2025**

Fund Balances - Total Governmental Funds	\$ 14,954,609
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	125,657
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Capital Assets	56,163,585
Accumulated Depreciation	<u>(27,407,114)</u>
Total	28,756,471
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances as of June 30, 2025, are:	
Compensated Absences	(147,189)
Net OPEB Liability	<u>(9,706)</u>
Total	(156,895)
Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position as the changes in these amounts affect only the government-wide financial statements for governmental activities:	
Deferred Outflows of Resources	501,278
Deferred Inflows of Resources	<u>(219,356)</u>
Total	281,922
Receivables that are not available to pay for current period expenditures are reported as deferred inflows of resources in the governmental fund financial statements.	<u>245,652</u>
Net Position of Governmental Activities	<u><u>\$ 44,207,416</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LAGUNA WOODS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	<u>Special Revenue Funds</u>		
	<u>General Fund</u>	<u>Fuel Tax</u>	<u>Measure M</u>
<b>REVENUES</b>			
Taxes and Assessments	\$ 6,783,957	\$ -	\$ -
Intergovernmental	110,930	505,883	309,406
Franchise Fees	891,662	-	-
Charges for Services	898,940	-	-
Investment Income	634,592	31,293	15,649
Miscellaneous	269,226	-	-
Total Revenues	<u>9,589,307</u>	<u>537,176</u>	<u>325,055</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,857,744	-	-
Public Safety	3,233,657	-	-
Public Works	402,481	395,965	223,246
Community Development	1,856,732	-	-
Community Services	-	-	-
Capital Outlay	862,288	-	-
Total Expenditures	<u>8,212,902</u>	<u>395,965</u>	<u>223,246</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,376,405	141,211	101,809
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	(645,000)	-	-
Total Other Financing Sources (Uses)	<u>(645,000)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	731,405	141,211	101,809
Fund Balance - Beginning of Year, As Originally Reported	11,563,131	572,737	296,758
Change Within Financial Reporting Entity	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year, As Adjusted	<u>11,563,131</u>	<u>572,737</u>	<u>296,758</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,294,536</u>	<u>\$ 713,948</u>	<u>\$ 398,567</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LAGUNA WOODS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			Total Governmental Funds
	Federal Grants	State of California Grants	Other Governmental Funds	
<b>REVENUES</b>				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ 6,783,957
Intergovernmental	668,025	24,857	965,283	2,584,384
Franchise Fees	-	-	-	891,662
Charges for Services	-	-	-	898,940
Investment Income	-	2,852	73,235	757,621
Miscellaneous	-	-	-	269,226
Total Revenues	<u>668,025</u>	<u>27,709</u>	<u>1,038,518</u>	<u>12,185,790</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	1,857,744
Public Safety	110,687	-	176,100	3,520,444
Public Works	-	-	-	1,021,692
Community Development	-	26,059	-	1,882,791
Community Services	-	-	911,362	911,362
Capital Outlay	557,338	200,000	353,801	1,973,427
Total Expenditures	<u>668,025</u>	<u>226,059</u>	<u>1,441,263</u>	<u>11,167,460</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(198,350)	(402,745)	1,018,330
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	645,000	645,000
Transfers Out	-	-	-	(645,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>645,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(198,350)	242,255	1,018,330
Fund Balance - Beginning of Year, As Originally Reported	-	-	1,503,653	13,936,279
Change Within Financial Reporting Entity	<u>-</u>	<u>(2,024)</u>	<u>2,024</u>	<u>-</u>
Fund Balance - Beginning of Year, As Adjusted	<u>-</u>	<u>(2,024)</u>	<u>1,505,677</u>	<u>13,936,279</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (200,374)</u>	<u>\$ 1,747,932</u>	<u>\$ 14,954,609</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LAGUNA WOODS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ 1,018,330

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. The activity is reconciled as follows:

Capital Asset Purchases	1,973,427
Depreciation Expense	<u>(1,968,610)</u>
Total	4,817

Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

Compensated Absences	(10,795)
Pension Expense and Related Changes in Deferred Outflows/Inflows of Resources	3,085
OPEB Expense and Related Changes in Deferred Outflows/Inflows of Resources	<u>(1,544)</u>
Total	(9,254)

Certain revenues in the governmental funds are unavailable revenues because they are not collected within the prescribed time period after year-end. However, the revenues are included in the government-wide financial statements.

202,359

Change in Net Position of Governmental Activities \$ 1,216,252

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Laguna Woods (the City) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Description of the Reporting Entity**

The City was incorporated March 24, 1999, under the laws of the state of California and enjoys all rights and privileges pertaining to "General Law" cities. The City operates under the Council-Manager form of government and currently provides the following services as authorized by its general laws: public safety, public works, community development, community services, and general administrative services.

The Laguna Woods Civic Support Fund (the Fund), a blended component unit, was formed March 16, 2016, as a nonprofit public benefit corporation, with the specific and primary purpose to raise and distribute funds to support programs, projects, and services of the City as well as to function as a "Friends of the Library" group in support of the Laguna Woods branch of the County of Orange's public library system. The Fund is currently inactive.

Although the Fund is a legally separate entity from the City, it receives provision of operating space and administrative services from the City. In addition, the City Council has continuing accountability for the Fund including appointing all five members of the City Council to the Fund's Board of Directors, and approving all programs, projects, and services for which the Fund raises or distributes funds.

Since the City is able to impose its will on the Fund and to make decisions related to the Fund's activities, the City is considered to be the primary government and the Fund is a component unit of the City. As a component unit, the financial statements of the Fund and of the City are blended. For presentation within the statements of the City, the transactions between the City and the Fund are reported as interfund transactions. The Fund's financial data and activity are presented as a Special Revenue Fund. The Fund does not issue separate financial statements.

**B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation**

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

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

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

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation  
(Continued)**

Government-Wide Financial Statements

*Government-wide financial statements* display information about the City as a whole. These statements include a statement of net position and a statement of activities. They include a single column for the governmental activities of the primary government. The City has no business-type activities and no discretely presented component units. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The statement of activities demonstrates the degree to which the direct 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. Program revenues include charges for services, special assessments, and payments made by parties outside of the City's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not properly included among program revenue are reported instead as general revenues.

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

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation  
(Continued)**

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the City's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days. Sales taxes, property taxes, franchise taxes, gas taxes, transient occupancy taxes, cannabis business taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the City.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenditures, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, which requires that local governments defer grant revenue that is not received within their availability period of 60 days after the fiscal year ends to meet the "available" criteria of revenue recognition.

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (Continued)**

Governmental Funds (Continued)

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities, and deferred inflows of resources are generally included on the balance sheets. The reported fund balance is a measure of "available spendable resources."

The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. It presents a summary of sources and uses of "available spendable resources" during the fiscal year.

Governmental funds report amounts expended to acquire capital assets as expenditures in the fiscal year that resources were expended rather than as assets, proceeds of long-term debt as other financing sources rather than as liabilities, and amounts paid to reduce long-term indebtedness as expenditures in the fund financial statements

The City reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the City. The General Fund accounts for activities and services traditionally associated with governments and not required to be accounted for in another fund, such as police services, which are financed primarily through tax-generated revenues.

*Fuel Tax Special Revenue Fund* – The Fuel Tax Fund is used to account for the City's share of an excise tax on fuel used to propel motor vehicles or aircraft pursuant to California Constitution Article XIX Section 1; Revenue and Tax Code sections 7301 - 8404 and 8601 - 9355; and, Streets and Highways Code sections 2100 et seq., which are legally restricted for the maintenance, operation, and construction of public streets and rights-of-way.

*Measure M Special Revenue Fund* – The Measure M Fund is used to account for the City's share of an additional one-half percent sales tax approved by the Orange County electorate to fund transportation projects and activities.

*Federal Grants Special Revenue Fund* – The Federal Grants Fund is used to account for the receipts and expenditures of Federal grants.

*State of California Grants Special Revenue Fund* – The State of California Grants Fund is used to account for the receipts and expenditures from various State funded grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Inclusion of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Cash and Investments**

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings and changes in fair value. The City pools cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the General Fund, as provided by California Government Code Section 53647. See Note 3 for additional information related to Fair Value Measurements of Investments.

**D. Interfund Transactions**

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion) or "advances to/from other funds" (i.e., the noncurrent portion.)

**E. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

**F. Due from Other Governments**

The amounts recorded as due from other governments represent property taxes, sales taxes, gas taxes, motor vehicle in-lieu taxes, Measure M revenue, reimbursement grant revenues, and other revenues collected or provided by federal, state, and county governments that were not remitted to the City as of June 30, 2025.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets**

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000, or \$100,000 for infrastructure projects, are capitalized if they have an expected useful life of one year or more. Capital assets include public domain (infrastructure) general capital assets consisting of roads, streets, sidewalks, medians, and storm drains.

The City uses the straight-line method in the government-wide financial statements for depreciating buildings, building improvements, equipment and furniture, infrastructure, and intangibles. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position.

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

Building	40 Years
Building Improvements	10 to 40 Years
Equipment and Furniture	3 to 10 Years
Infrastructure	10 to 40 Years
Intangibles	3 to 10 Years

The costs of normal repair and maintenance that do not add to the value of the asset or extend the useful life of the asset are not capitalized.

**H. Compensated Absences**

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Based on the criteria listed, there is only one type of leave that qualify for liability recognition for compensated absences – paid time off (PTO). Full-time and part-time City employees earn 20 PTO days a year, however, part-time employees' PTO hours shall be pro-rated based on the number of hours regularly worked less than 40 hours per week. The PTO hours may be used for any type of leave including vacation and sick. The City's policy permits employees to accumulate earned but unused PTO benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Claims and Judgments**

The City records a liability for material litigation, judgments, and claims (including incurred but not reported losses) when it is probable that an asset has been significantly impaired, or a material liability has been incurred prior to fiscal year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and the governmental funds balance sheet reports 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 so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category: deferred amounts related to pensions and other postemployment benefits (OPEB) for employer contributions made after the measurement date of the net pension liability and net OPEB liability, for differences between expected and actual experience, for changes in actuarial assumptions, for changes in employer's contribution proportion, for differences between employer contributions and the proportionate share of contributions, and for differences in projected and actual earnings on investments of the OPEB plans' fiduciary net position.

In addition to liabilities, the statement of net position and the governmental funds balance sheet reports 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 so 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: (1) deferred amounts related to unavailable revenue from grants, which arises only under the modified accrual basis of accounting and is reported only in the governmental funds balance sheet (these amounts are recognized as an inflow of resources in the period that the amounts become available); (2) deferred amounts related to pensions and OPEB for differences between expected and actual experience, for changes in actuarial assumptions, for changes in employer's contribution proportion, for the differences between employer contributions and the proportionate share of contributions, and for differences in projected and actual earnings on investments of the pension plan's fiduciary net position.

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or OPEB expense for the fiscal year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are recognized in future pension and OPEB expense, respectively.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Deferred Outflows/Inflows of Resources (Continued)**

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

Net Difference Between Projected and Actual Earning on Pension or OPEB Plan Investments	5 Years	All Plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan:	8.1-10.0 Years 3.7-3.8 Years	OPEB Plan Pension Miscellaneous - Cost Sharing Plan

**K. Pension**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) pension plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for additional disclosures related to pensions.

**L. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan (OPEB Plan), the assets of which are held by the California Employers Retiree Benefit Trust Program (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for additional disclosures related to other post-employment benefits.

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance and Spending Policy**

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

*Nonspendable* – Items that cannot be spent because they are not in a spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

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

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body through council resolutions, etc., and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources that are neither restricted nor committed. Assignment of resources can be done by the highest level of decision making (City Council Resolution) or by a committee or official designated for that purpose. The City Council has authorized the City Manager to assign fund balance for specific departmental projects.

*Unassigned* – This category is for any balances that have no restrictions placed upon them. The General Fund is the only City fund that is able to report a positive unassigned fund balance amount.

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

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Net Position**

In the government-wide financial statements, net position is classified in the following categories: *Net Investment in Capital Assets*, which consists of capital assets net of accumulated depreciation and is reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets; *Restricted Net Position*, which is net position restricted by external creditors, grantors, contributors, or laws or regulations of other governments; and *Unrestricted Net Position*, which is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

**O. Net Position Flow Assumption**

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 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 policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**P. Property Taxes**

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City recognizes as revenue only those taxes which are received during the fiscal year and within 60 days after fiscal year-end.

The property tax calendar for the City is as follows:

Lien Date	January 1
Levy Date	July 1
Due Dates	First Installment - November 1 Second Installment - February 1
Delinquent Dates	First Installment - December 11 Second Installment - April 11

Taxes are collected by the County of Orange and are remitted to the City periodically. Dates and percentages are as follows:

December	30% Advance
January	Collection No. 1
April	10% Advance
May	Collection No. 2
July	Collection No. 3

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities 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.

**R. Implementation of Accounting Standard**

Effective July 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences. The implementation of this standard did not affect beginning net position.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Fund Balances**

At June 30, 2025, the State of California Grants Fund had a deficit fund balance of \$200,374 that will be eliminated by future collections on amounts due from other governments.

**NOTE 3 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	\$ 15,523,854
Restricted Cash and Investments	298,114
Total	\$ 15,821,968

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

Petty Cash	\$ 800
Demand Deposits	949,722
California Employers' Pension Prefunding Trust (CEPPT)	298,114
Local Agency Investment Fund (LAIF)	7,748,478
Money Market Mutual Fund	30,134
Non-Negotiable Certificates of Deposit	6,794,720
Total Cash and Investments Held by City	\$ 15,821,968

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits**

At June 30, 2025, the carrying amount of the City's deposits was \$949,722 and the bank balance was \$1,058,570. The \$108,848 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities with a value of 110% of a city's deposits. California law also allows financial institutions to secure a city's deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California, as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). Investment types authorized by the California Government Code, but not by the City's investment policy, are not presented. The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by the California Government Code and the City's Investment Policy (Continued)**

Type of Investment	Maximum Amount of Portfolio Investment*	Maximum Amount of Individual Investment	Maximum Maturity*
Federal Deposit Insurance Corporation (FDIC) Insured Accounts	100%	\$ -	N/A
Bankers' Acceptances	20% (No More than 5% with One Bank)	-	180 Days
Commercial Paper	15% (No More than 10% of a Single Issuer)	-	270 Days
Local Government Investment Pools	90%	-	N/A
Joint Powers Authority Pools	90%	-	N/A
Money Market Mutual Funds	10%	-	N/A
Certificates of Deposit (Negotiable)	30% (No More than 10% with One Bank or Single Issuer)	250,000	5 Years
Certificates of Deposit (Non-Negotiable)	90%	250,000	5 Years
Repurchase Agreements	10% (No More than 20% of a Single Issuer)	-	30 Days
United States Treasury Obligations	90% of Overall Portfolio for Any One Investment Type	-	5 Years
United States Agency Obligations		-	5 Years
State of California and Other States-Issued Obligations	20% of Overall Portfolio for Any One Investment Type (No More than 5% of a Single Issuer)	-	3 Years
California Local Government-Issued Municipal Obligations		-	3 Years
Medium-Term Notes	20%	-	5 Years

\* Based on State Law Requirements or Investment Policy Requirements, Whichever is More Restrictive

Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Government Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to these changes, excluding those changes that may be prohibited by the City's investment policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase.

**Investments Authorized by Debt Agreements**

As of June 30, 2025, the City had no investments from debt proceeds held by bond trustees.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1.

**Investment in CEPPT Section 115 Pension Trust**

The City established a trust fund with the California Employers' Pension Prefunding Trust Fund (CEPPT) to prefund required pension contributions to the City's defined benefit pension plan. Prefunding allows the City to reduce future costs by generating investment income which reduces future employer cash flow requirements necessary to offset annual costs.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of June 30, 2025 for each investment type:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Fiscal Year-End</u>	
			<u>AAA</u>	<u>Not Rated</u>
CEPPT	\$ 298,114		\$ -	\$ 298,114
LAIF	7,748,478	N/A	-	7,748,478
Money Market Mutual Fund	30,134	AAA	30,134	-
Nonnegotiable Certificates of Deposit	6,794,720	N/A	-	6,794,720
Total	<u>\$ 14,871,446</u>		<u>\$ 30,134</u>	<u>\$ 14,841,312</u>

**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.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. If the City has invested more than 5% of its investments in any one issuer, it is exposed to credit risk, except for investments guaranteed by the U.S. government and investments in mutual funds and external investment pools. The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. During the fiscal year ended June 30, 2025, the City did not hold any investments in any one issuer (other than external investment pools) that represents 5% or more of total City's investments.

**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.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee, if any) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

<u>Investment Type</u>	<u>Remaining Maturity</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	
CEPPT	\$ 298,114	\$ -	\$ -	\$ 298,114
LAIF	7,748,478	-	-	7,748,478
Money Market Mutual Fund	30,134	-	-	30,134
Nonnegotiable Certificates of Deposit	2,164,268	970,052	3,660,400	6,794,720
Total	<u>\$ 10,240,994</u>	<u>\$ 970,052</u>	<u>\$ 3,660,400</u>	<u>\$ 14,871,446</u>

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

During the fiscal year ended June 30, 2025, the City did not hold any investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

**Fair Value Measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

The City's investments in CEPPT and LAIF are not subject to the fair value measurement hierarchy. The City's investment in the money market mutual fund is categorized as Level 1 input in the fair value measurement hierarchy. The City's investments in the Non-Negotiable Certificates of Deposits are categorized as Level 2 inputs in the fair value measurement hierarchy. Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**NOTE 4 CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being					
Depreciated:					
Land	\$ 6,914,741	\$ -	\$ -	\$ -	\$ 6,914,741
Construction in Progress	606,939	1,441,863	-	(814,946)	1,233,856
Total Capital Assets					
Not Being Depreciated	7,521,680	1,441,863	-	(814,946)	8,148,597
Capital Assets Being					
Depreciated:					
Building	5,994,211	-	-	-	5,994,211
Building Improvements	1,744,948	-	-	-	1,744,948
Furniture and Equipment	154,479	303,595	-	-	458,074
Infrastructure	38,774,840	227,969	-	814,946	39,817,755
Total Capital Assets					
Being Depreciated	46,668,478	531,564	-	814,946	48,014,988
Less Accumulated					
Depreciation for:					
Building	940,023	149,855	-	-	1,089,878
Building Improvements	1,057,131	85,219	-	-	1,142,350
Furniture and					
Equipment	40,862	29,721	-	-	70,583
Infrastructure	23,400,488	1,703,815	-	-	25,104,303
Total Accumulated					
Depreciation	25,438,504	1,968,610	-	-	27,407,114
Net Total Capital Assets					
Being Depreciated	21,229,974	(1,437,046)	-	814,946	20,607,874
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 28,751,654</u>	<u>\$ 4,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,756,471</u>

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 264,795
Public Works	1,703,815
Total	\$ 1,968,610

The following construction commitments existed at June 30, 2025:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2025	Remaining Commitments	General Fund	Federal Grants Fund	Other Governmental Funds
City Hall Refurbishment & Safety Project: Phase 4	\$ 479,500	\$ 406,620	\$ 72,880	\$ 406,620	\$ -	\$ -
City Hall Refurbishment & Safety Project: Phase 4 (Elevator)	247,900	47,101	200,799	47,101	-	-
City Hall Refurbishment & Safety Project: Phase 5	77,450	43,055	34,395	43,055	-	-
Pavement Management Project FY24-25	362,000	243,750	118,250	-	43,750	200,000
Circulation Improvement Project	116,040	-	116,040	-	-	-
	\$ 1,282,890	\$ 740,526	\$ 542,364	\$ 496,776	\$ 43,750	\$ 200,000

**NOTE 5 COMPENSATED ABSENCES**

The City's policies relating to compensated absences are described in Note 1 of the Notes to the Basic Financial Statements. Changes in compensated absences for the fiscal year ended June 30, 2025, were as follows:

Type of Debt	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental Activities: Compensated Absences	\$ 136,394	\$ 10,795	\$ -	\$ 147,189	\$ 97,169

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

**NOTE 6 RISK MANAGEMENT**

**A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage.

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 RISK MANAGEMENT (CONTINUED)**

**B. Self-Insurance Programs of the Authority**

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

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

Primary Liability Program

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

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

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

**CITY OF LAGUNA WOODS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 RISK MANAGEMENT (CONTINUED)**

**C. Purchased Insurance**

For fiscal year 2024-25, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Pollution Legal Liability Insurance

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

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City property currently has all-risk property insurance protection in the amount of \$7,234,821. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

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

**D. Adequacy of Protection**

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

**NOTE 7 JOINT VENTURE**

Orange County Fire Authority

In 1999, the City entered into a joint powers agreement that now includes the Cities of Aliso Viejo, Buena Park, Cypress, Dana Point, Garden Grove, Irvine, La Palma, Laguna Hills, Laguna Niguel, Lake Forest, Los Alamitos, Mission Viejo, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, San Juan Capistrano, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and the County of Orange to create the Orange County Fire Authority (Fire Authority). The purpose of the Fire Authority is to provide for mutual fire protection, prevention, and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 JOINT VENTURE (CONTINUED)**

**Orange County Fire Authority**

The effective date of formation was March 1, 1995. The Fire Authority's governing board consists of one representative from each city and two from the County of Orange. The operations of the Fire Authority are funded with structural fire fees collected by the County of Orange through the property tax roll for the unincorporated area and on behalf of all member cities except for the cities of Stanton, Tustin, San Clemente, Westminster, Buena Park, Santa Ana, and Seal Beach. The County of Orange pays all structural fire fees it collects to the Fire Authority. The cities of Stanton, Tustin, San Clemente, Westminster, Buena Park, Santa Ana, and Seal Beach are considered "cash contract cities" and accordingly make cash contributions based on the Fire Authority's annual budget. The City does not have an equity interest in the assets of the Fire Authority.

Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, CA 92602.

**NOTE 8 DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Descriptions**

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

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments (COLAs), 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. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLAs for each plan are applied as specified by the Public Employees' Retirement Law.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

Benefits Provided (Continued)

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

	Miscellaneous Plan	
	Miscellaneous	Miscellaneous PEPRA
Hire Date	Prior to January 1, 2013*	On or After January 1, 2013
Benefit Formula	2.000% at 55	2.000 at 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 to 67	52 to 67
Monthly Benefits, as a Percentage of Eligible Compensation	1.426% to 2.418%	1.000% to 2.500%
Required Employee Contribution Rates	7.00%	8.00%
Required Employer Contribution Rates:		
Normal Cost Rate	13.02%	8.15%
Payment of Unfunded Liability	\$86,253	\$10,195

\* Closed to new entrants except as allowed under applicable laws.

Contributions

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

Employer contributions to the plan for the fiscal year ended June 30, 2025 totaled \$193,263.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. Pension Asset, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2025, the City reported a net pension asset of \$125,657 for its proportionate share of the net pension asset of the Plan. The City's General Fund is used to liquidate pension obligations.

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

The City's total proportionate share of the net pension liability (asset) for the Plan as of the measurement dates ended June 30, 2024 and 2023, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.00173 %
Proportion - June 30, 2024	<u>(0.00104)%</u>
Change - Increase	<u>0.00277 %</u>

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$190,178. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 193,263	\$ -
Differences Between Expected and Actual Experience	424	(10,864)
Changes in Assumptions	-	(3,230)
Change in Employer's Proportion	126,438	(103,539)
Differences Between Employer's Contributions and the Employer's Proportionate Share of Contributions	160,846	(57,464)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(7,234)
Total	<u>\$ 480,971</u>	<u>\$ (182,331)</u>

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. Pension Asset, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The \$193,263 reported as deferred outflows of resources represents contributions made after the measurement date of the net pension liability (asset) but before the end of the City's reporting period and will be recognized as an increase of the net pension asset in the year ending June 30, 2026. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Amount</u>
2026	\$ 86,768
2027	(80)
2028	16,211
2029	2,478
Total	<u>\$ 105,377</u>

Actuarial Assumptions

For the measurement period ended June 30, 2024 (the measurement date), the total pension asset was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension asset to June 30, 2024. The total pension asset was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation Rate	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	(1)
Postretirement Benefit Increase	(2)

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

(2) Contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. Pension Asset, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

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 all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10*</u>
Global Equity - Cap-Weighted	30.00 %	4.54 %
Global Equity - Non-Cap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

\* An expected inflation of 2.30% used for this period.

Discount Rate

The discount rate used to measure the total pension asset 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 asset.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. Pension Asset, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

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

The following presents the City's proportionate share of the net pension liability (asset) of the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% point lower (5.90%) or 1% point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability (Asset)	\$ 455,604	\$ (125,657)	\$ (604,119)

Pension Plan Fiduciary Net Position

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

**C. Payable to the Pension Plan**

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

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The City provides retiree medical benefits under the Public Employees Medical and Hospital Care Act (PEMHCA), which provides access to group health insurance to eligible retirees and their spouses in accordance with PEMHCA. The City's OPEB Plan does not issue a separate stand-alone report as the plan type is an agent multiple-employer plan managed by the California Employers' Retirement Benefit Trust (CERBT) Fund. There are no special funding situations and no nonemployer contributing entities.

**B. Eligibility**

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled), are eligible for a CalPERS pension, and who meet the applicable statutory and CalPERS contract requirements. The benefits are available only to employees who retire from the City.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**C. Contributions**

The contribution requirements of plan members and the City are established and may be amended by the City and the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The required contribution is based on projected pay-as-you-go financing requirements and makes additional contributions to the City's OPEB Trust. For the year ended June 30, 2025, the City paid \$6,486 in contributions for postemployment healthcare benefits.

**D. Employees Covered**

At the June 30, 2024, measurement date, the following number of participants were covered by the benefit terms under the OPEB Plan:

Active Employees	8
Inactive Employees Current Receiving Benefits*	3
Inactive Employees Entitled to but Not Yet Receiving Benefits	-
Total	11

\*Or Beneficiaries Currently Receiving Benefits

These amounts do not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the OPEB Plan at a later date.

**E. OPEB Trust**

The City established an OPEB Trust to prefund future OPEB costs with a goal of maintaining an 80% funding status. Prefunding allows the City to reduce future costs by generating investment income which reduces future employer cash flow requirements necessary to offset annual costs. The value of the trust as of the June 30, 2024, measurement date was \$138,557. The value of the trust as of June 30, 2025, fiscal year end was \$151,276.

Due to the establishment of the OPEB Trust, the funded status is above 80%.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**F. The Long-Term Expected Rate of Return and Discount Rate**

Long-Term Expected Rate of Return

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Trust's target asset allocation as of measurement date June 30, 2024, are summarized in the following table:

Asset Class:	Target Allocation CERBT- Strategy 3	Expected Real Rate of Return
Global Equity	23.00 %	4.56 %
Fixed Income	51.00	1.56
TIPS	9.00	(0.08)
Commodities	3.00	1.22
REITS	14.00	4.06
Assumed Long-Term Rate of Inflation		2.50
Expected Long-Term Rate of Return		5.25

Note: The long-term expected real rates of return are presented as geometric means.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.25%. This is the expected long-term rate of return on City assets using investment strategy 3 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**G. Change in the Net OPEB Liability (Asset)**

	Change in Net OPEB Liability (Asset)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance - June 30, 2024*	\$ 137,836	\$ 130,386	\$ 7,450
Changes for the Year:			
Service Cost	8,658	-	8,658
Interest	7,540	-	7,540
Actual Versus Expected Experience	-	-	-
Assumption Changes	-	-	-
Contributions - Employer***	-	5,875	(5,875)
Net Investment Income	-	8,213	(8,213)
Benefit Payments***	(5,771)	(5,771)	-
Administrative Expense	-	(146)	146
Net Changes	<u>10,427</u>	<u>8,171</u>	<u>2,256</u>
Balance - June 30, 2025**	<u>\$ 148,263</u>	<u>\$ 138,557</u>	<u>\$ 9,706</u>

\* Measurement Date June 30, 2023

\*\* Measurement Date June 30, 2024

\*\*\* Includes \$227 Implied Subsidy Benefit Payments

The City's net OPEB liability has been liquidated by funding from the General Fund.

**H. Sensitivity of the Net OPEB Liability (Asset) to Changes in Assumptions**

The following presents the net OPEB liability (asset) of the OPEB Plan as if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2024.

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net OPEB Liability (Asset)	<u>\$ 30,161</u>	<u>\$ 9,706</u>	<u>\$ (7,265)</u>

The following presents the net OPEB liability (asset) of the OPEB Plan if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2024.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Asset)	<u>\$ (12,013)</u>	<u>\$ 9,706</u>	<u>\$ 37,231</u>

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**I. Balances of Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2025, the City recognized OPEB expense of \$8,030. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions Made		
Subsequent to the Measurement Date (1)	\$ 6,486	\$ -
Differences Between Expected		
and Actual Experience	1,929	(23,191)
Changes of Assumptions	3,230	(13,834)
Net Difference Between Projected and Actual		
Earnings on OPEB Plan Investments	8,662	-
Total	\$ 20,307	\$ (37,025)

(1) Includes \$5,670 Cash Benefit Payments Plus \$735 Implied Subsidy Payment in 2024-25 and Administrative Expenses of \$81.

The \$6,486 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2026	\$ (1,304)
2027	696
2028	(4,600)
2029	(5,395)
2030	(5,021)
Thereafter	(7,580)
Total	\$ (23,204)

**J. Payable to the OPEB Plan**

At June 30, 2025, the City had no outstanding amount of contributions to the OPEB plan for the year ended June 30, 2025.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**K. Net OPEB Liability (Asset)**

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

<b>Actuarial Assumptions</b>	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Contribution Policy	Contribute to Maintain Plan at 80% Funded
Discount Rate and Long-Term Expected Rate of Return on Investments	5.25%
Inflation	2.50% Annually
Salary Increase	Aggregate - 2.75% Annually
Mortality, Disability, Termination, Retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality Projected Fully Generational with Scale MP-2021
Medical Trend	Non-Medicare - 8.50% for 2025, Medicare (Non-Kaiser) - 7.50% for 2025, Medicare (Kaiser) - 6.25% for 2025. All decreasing to 3.45% in 2076.
PEMHCA Minimum Increases	3.50% Annually
Healthcare Participation for Future Retirees	50%

**L. Changes Since June 30, 2023, Measurement Date**

There have been no changes of assumptions or changes of benefit terms.

**NOTE 10 CONTINGENCIES**

Financial assistance from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the City for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings, will not materially affect the City's financial position.

**CITY OF LAGUNA WOODS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 11 CHANGE WITHIN THE REPORTING ENTITY**

The State of California Grants Fund previously had not met the criteria to be reported as a major governmental fund. However, the Fund did meet the criteria to be reported as a major fund and is reported as a major governmental fund for the fiscal year ended June 30, 2025. The effect of that change to or within the financial reporting entity is shown in the table below.

	State of California Grants	Other Governmental Funds
June 30, 2024, As Previously Report	\$ -	\$ 1,503,653
Change in Fund Presentation from Nonmajor to Major	(2,024)	2,024
June 30, 2024, As Adjusted	\$ (2,024)	\$ 1,505,677

**NOTE 12 INTERFUND TRANSACTIONS**

During the year, the General Fund transferred \$645,000 to the Senior Mobility Nonmajor Special Revenue Fund in order to subsidize the senior mobility program.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LAGUNA WOODS  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
LAST TEN FISCAL YEARS**

Fiscal Year Ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's Proportion of the Net Pension Liability (Asset)	-0.00104%	0.00173%	0.00098%	-0.00957%	-0.00017%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (125,657)	\$ 215,628	\$ 113,760	\$ (517,735)	\$ (18,611)
City's Covered Payroll	\$ 760,009	\$ 776,765	\$ 737,293	\$ 744,400	\$ 622,969
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	-16.53%	27.76%	15.43%	-69.55%	-2.99%
City's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.08%	76.21%	76.68%	88.29%	75.10%
City's Proportionate Share of Aggregate Employer Contributions	\$ 169,215	\$ 156,225	\$ 184,246	\$ 152,912	\$ 147,670
Fiscal Year Ended	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's Proportion of the Net Pension Liability (Asset)	0.00015%	0.00100%	0.00113%	0.00653%	0.00581%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,529	\$ 96,450	\$ 112,334	\$ 565,179	\$ 398,688
City's Covered Payroll	\$ 662,081	\$ 707,254	\$ 729,196	\$ 716,484	\$ 825,725
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	2.35%	13.64%	15.41%	78.88%	48.28%
City's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	75.26%	73.31%	74.06%	78.40%
City's Proportionate Share of Aggregate Employer Contributions	\$ 125,816	\$ 104,868	\$ 95,620	\$ 87,255	\$ 74,766

**Notes to Schedule:**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

From fiscal year June 30, 2023 to June 30, 2025, there were no significant changes in assumptions.

*See accompanying Note to Required Supplementary Information.*

**CITY OF LAGUNA WOODS  
SCHEDULE OF CONTRIBUTIONS – PENSION  
LAST TEN FISCAL YEARS**

Fiscal Year Ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Contractually Required Contribution (Actuarially Determined)	\$ 96,815	\$ 80,581	\$ 80,089	\$ 71,127	\$ 72,897
Contributions in Relation to the Actuarially Determined Contributions	<u>(193,263)</u>	<u>(387,506)</u>	<u>(80,089)</u>	<u>(71,127)</u>	<u>(102,867)</u>
Contribution Deficiency (Excess)	<u>\$ (96,448)</u>	<u>\$ (306,925)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,970)</u>
Covered Payroll	\$ 957,404	\$ 760,009	\$ 776,765	\$ 737,293	\$ 744,400
Contributions As a Percentage of Covered Payroll	20.19%	50.99%	10.31%	9.65%	13.82%
Fiscal Year Ended	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 58,783	\$ 63,730	\$ 62,659	\$ 545,363	\$ 6,231
Contributions in Relation to the Actuarially Determined Contributions	<u>(159,875)</u>	<u>(201,185)</u>	<u>(62,659)</u>	<u>(545,363)</u>	<u>(6,231)</u>
Contribution Deficiency (Excess)	<u>\$ (101,092)</u>	<u>\$ (137,455)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 622,969	\$ 662,081	\$ 707,254	\$ 729,196	\$ 716,484
Contributions As a Percentage of Covered Payroll	25.66%	30.39%	8.86%	74.79%	0.87%

Notes to Schedule:

Valuation Date June 30, 2022

Methods and Assumptions Used to Determine  
Contribution Rates:

Actuarial Valuation Method	Entry Age Normal Cost Method
Amortization Method	Varies by Date Established and Source. May be Level Dollar or Level Percent of Pay and May Include Direct Rate Smoothing.
Asset Valuation Method	Market Value
Inflation	2.30%
Salary Increases	Varies by Category, Entry Age, and Service
Payroll Growth	2.80%
Investment Rate of Return	6.80%, Net of Administrative Expenses
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020.

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS**  
**SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT**  
**BENEFIT (OPEB) LIABILITY (ASSET) AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS<sup>2</sup>**

Fiscal Year Ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<b>Total OPEB Liability:</b>				
Service Cost	\$ 8,658	\$ 8,756	\$ 9,474	\$ 6,673
Interest on the Total OPEB Liability	7,540	7,925	7,149	8,669
Actual Versus Expected Experience	-	(10,938)	-	(25,763)
Assumption Changes	-	(7,236)	(9,927)	5,740
Benefit Payments (Includes Implied Subsidy)	<u>(5,771)</u>	<u>(5,718)</u>	<u>(5,323)</u>	<u>(5,193)</u>
Net Change in Total OPEB Liability	10,427	(7,211)	1,373	(9,874)
Total Beginning OPEB Liability	137,836	145,047	143,674	153,548
Total Ending OPEB Liability	<u>\$ 148,263</u>	<u>\$ 137,836</u>	<u>\$ 145,047</u>	<u>\$ 143,674</u>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 5,875	\$ 5,781	\$ 5,393	\$ 5,259
Net Investment Interest on the Total OPEB Liability	8,213	2,024	(15,482)	16,975
Benefit Payments (Includes Implied Subsidy)	(5,771)	(5,718)	(5,323)	(5,193)
Administrative Expense	<u>(146)</u>	<u>(99)</u>	<u>(107)</u>	<u>(111)</u>
Net Change in Plan Fiduciary Net Position	8,171	1,988	(15,519)	16,930
Total Beginning Plan Fiduciary Net Position	130,386	128,398	143,917	126,987
Total Ending Plan Fiduciary Net Position	<u>\$ 138,557</u>	<u>\$ 130,386</u>	<u>\$ 128,398</u>	<u>\$ 143,917</u>
Net OPEB Liability (Asset)	\$ 9,706	\$ 7,450	\$ 16,649	\$ (243)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	93.5 %	94.6 %	88.5 %	100.2 %
Covered Payroll	\$ 755,264	\$ 746,239	\$ 737,406	\$ 744,323
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	1.3 %	1.0 %	2.3 %	(0.0)%

Notes:

Note 1 - The discount rate used was 5.25% net of administrative expense for the measurement period ended June 30, 2024.

Note 2 - Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be 'displayed up to ten years when information becomes available.

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS**  
**SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT**  
**BENEFIT (OPEB) LIABILITY (ASSET) AND RELATED RATIOS (CONTINUED)**  
**LAST TEN FISCAL YEARS<sup>2</sup>**

Fiscal Year Ended	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability:</b>				
Service Cost	\$ 6,563	\$ 13,574	\$ 13,179	\$ 12,795
Interest on the Total OPEB Liability	8,433	7,705	6,877	6,056
Actual Versus Expected Experience	-	7,437	-	-
Assumption Changes	(2,829)	62	-	-
Benefit Payments (Includes Implied Subsidy)	<u>(10,740)</u>	<u>(6,338)</u>	<u>(4,470)</u>	<u>(4,115)</u>
Net Change in Total OPEB Liability	1,427	22,440	15,586	14,736
Total Beginning OPEB Liability	<u>152,121</u>	<u>129,681</u>	<u>114,095</u>	<u>99,359</u>
Total Ending OPEB Liability	<u>\$ 153,548</u>	<u>\$ 152,121</u>	<u>\$ 129,681</u>	<u>\$ 114,095</u>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 30,319	\$ 6,385	\$ 28,282	\$ 4,115
Net Investment Interest on the Total OPEB Liability	6,400	6,789	3,187	2,678
Benefit Payments (Includes Implied Subsidy)	(10,740)	(6,338)	(4,470)	(4,115)
Administrative Expense	<u>(100)</u>	<u>(67)</u>	<u>(124)</u>	<u>(34)</u>
Net Change in Plan Fiduciary Net Position	25,879	6,769	26,875	2,644
Total Beginning Plan Fiduciary Net Position	<u>101,108</u>	<u>94,339</u>	<u>67,464</u>	<u>64,820</u>
Total Ending Plan Fiduciary Net Position	<u>\$ 126,987</u>	<u>\$ 101,108</u>	<u>\$ 94,339</u>	<u>\$ 67,464</u>
Net OPEB Liability (Asset)	\$ 26,561	\$ 51,013	\$ 35,342	\$ 46,631
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	82.7 %	66.5 %	72.7 %	59.1 %
Covered Payroll	\$ 626,673	\$ 684,801	\$ 702,326	\$ 690,005
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	4.2 %	7.4 %	5.0 %	6.8 %

Notes:

Note 1 - The discount rate used was 5.25% net of administrative expense for the measurement period ended June 30, 2024.

Note 2 - Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be 'displayed up to ten years when information becomes available.

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS  
SCHEDULE OF CONTRIBUTIONS – OPEB  
LAST TEN FISCAL YEARS**

Note: This disclosure is not required. Funding is not based on actuarially determined contributions and contributions are neither statutorily nor contractually established.

**CITY OF LAGUNA WOODS  
SUMMARY OF MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

**GENERAL FUND**

The General Fund is the primary operating fund of the City. The General Fund accounts for activities and services traditionally associated with governments, such as law enforcement services. The General Fund is used to account for revenue sources that are not legally restricted to expenditures for specified purposes, which are financed primarily through tax-generated revenues, and not required to be accounted for in another fund.

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The following funds have been classified as major funds. The budget-actual comparisons for these funds have been presented in the accompanying financial statements as Required Supplementary Information:

*Fuel Tax Fund* – is used to account for the City's share of an excise tax on fuel used to propel motor vehicles or aircraft pursuant to California Constitution Article XIX Section 1; Revenue and Tax Code sections 7301 - 8404 and 8601 - 9355; and, Streets and Highways Code sections 2100 et seq., which are legally restricted for the maintenance, operation, and construction of public streets and rights-of-way.

*Measure M Fund* – is used to account for the City's share of an additional one-half percent sales tax approved by the Orange County electorate to fund transportation projects and activities.

*Federal Grants Fund* – is used to account for the receipts and expenditures of Federal grants.

*State of California Grants Fund* – is used to account for the receipts and expenditures from various State funded grants.

**CITY OF LAGUNA WOODS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Tax	\$ 3,405,200	\$ 3,405,200	\$ 3,567,666	\$ 162,466
Property Transfer Tax	114,900	114,900	172,206	57,306
Sales Tax	1,233,000	1,233,000	1,266,887	33,887
Transient Occupancy Tax	620,000	620,000	590,238	(29,762)
Cannabis Business Tax	-	-	1,186,960	1,186,960
Intergovernmental	-	-	110,930	110,930
Franchise Fee	753,100	753,100	891,662	138,562
Charges for Services	827,400	827,400	898,940	71,540
Investment Income	340,000	340,000	634,592	294,592
Miscellaneous	213,800	213,800	269,226	55,426
Total Revenues	7,507,400	7,507,400	9,589,307	2,081,907
<b>EXPENDITURES</b>				
Current:				
City Council	19,157	21,132	21,047	85
Administrative Services	532,395	559,921	558,878	1,043
General Government	1,177,789	1,407,700	1,277,819	129,881
Public Safety	3,393,549	3,269,959	3,233,657	36,302
Public Works	382,855	402,485	402,481	4
Community Development	1,781,766	1,884,199	1,856,732	27,467
Capital Outlay	-	1,644,668	862,288	782,380
Total Expenditures	7,287,511	9,190,064	8,212,902	977,162
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	219,889	(1,682,664)	1,376,405	1,104,745
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	(645,000)	(645,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 219,889</b>	<b>\$ (2,327,664)</b>	<b>731,405</b>	<b>\$ 1,104,745</b>
Fund Balance - Beginning of Year			11,563,131	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 12,294,536</b>	

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS  
BUDGETARY COMPARISON SCHEDULE  
FUEL TAX  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 498,700	\$ 498,700	\$ 505,883	\$ 7,183
Investment Income	5,000	5,000	31,293	26,293
Total Revenues	503,700	503,700	537,176	33,476
<b>EXPENDITURES</b>				
Current:				
Public Works	425,000	435,518	395,965	39,553
Total Expenditures	425,000	435,518	395,965	39,553
<b>NET CHANGE IN FUND BALANCE</b>	\$ 78,700	\$ 68,182	141,211	\$ 73,029
Fund Balance - Beginning of Year			572,737	
<b>FUND BALANCE - END OF YEAR</b>			\$ 713,948	

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS  
BUDGETARY COMPARISON SCHEDULE  
MEASURE M  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 347,600	\$ 347,600	\$ 309,406	\$ (38,194)
Investment Income	1,000	1,000	15,649	14,649
Total Revenues	348,600	348,600	325,055	(23,545)
<b>EXPENDITURES</b>				
Current:				
Public Works	290,700	290,700	223,246	67,454
Total Expenditures	290,700	290,700	223,246	67,454
<b>NET CHANGE IN FUND BALANCE</b>	\$ 57,900	\$ 57,900	101,809	\$ 43,909
Fund Balance - Beginning of Year			296,758	
<b>FUND BALANCE - END OF YEAR</b>			\$ 398,567	

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS  
BUDGETARY COMPARISON SCHEDULE  
FEDERAL GRANTS  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 782,869	\$ 782,869	\$ 668,025	\$ (114,844)
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	110,687	110,687	-
Capital Outlay	782,869	790,570	557,338	233,232
Total Expenditures	782,869	901,257	668,025	233,232
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ (118,388)	-	\$ 118,388
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			\$ -	

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS  
BUDGETARY COMPARISON SCHEDULE  
STATE OF CALIFORNIA GRANTS  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 193,972	\$ 24,857	\$ (169,115)
Investment Income	-	-	2,852	2,852
Total Revenues	-	193,972	27,709	(166,263)
<b>EXPENDITURES</b>				
Current:				
Public Works	-	188,048	-	188,048
Community Development	-	112,935	26,059	86,876
Capital Outlay	-	200,000	200,000	-
Total Expenditures	-	500,983	226,059	274,924
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (307,011)</b>	<b>(198,350)</b>	<b>\$ 108,661</b>
Fund Balance - Beginning of Year			(2,024)	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ (200,374)</b>	

See accompanying Note to Required Supplementary Information.

**CITY OF LAGUNA WOODS  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2025**

**NOTE 1 BUDGETARY POLICY**

The City Manager shall prepare and submit the proposed annual budget for all governmental funds to the City Council for its approval. The City Council reviews the proposed budget during a series of public meetings. The budget is legally enacted by means of a budget resolution passed by the City Council prior to July 1st of each fiscal year. Upon final adoption, the budget shall be in effect for the ensuing fiscal year.

The level of budgetary control (this is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. City Council approval is required for any budget revisions that increase total appropriations for a fund.

Appropriations lapse at the end of the fiscal year except (1) unexpended appropriations for projects completed or underway at the end of the fiscal year as recommended by the City Manager and approved by the City Council, and (2) unexpended appropriations for capital improvement projects and nonoperating projects.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year. During the fiscal year, there were fourteen supplemental appropriations approved by the City Council totaling \$2,215,705 and capital and other one-time projects budget carryovers totaling \$1,034,942.

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## **SUPPLEMENTARY INFORMATION**

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**CITY OF LAGUNA WOODS  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2025**

**SPECIAL REVENUE FUNDS**

The following Special Revenue Funds have been classified as nonmajor funds in the accompanying financial statements:

*Road Repair and Accountability Act of 2017 Fund* – is used to account for the City's share of the motor vehicle gas tax imposed under the provisions of Senate Bill 1 (SB 1), a California legislative bill that was passed and signed into law in April 2017 with expenditures restricted for improvement and maintenance of public streets, improving traffic safety, and expanding public transit systems.

*Service Authority for Abandoned Vehicles Fund* – is used to account for funds received through the now defunct Orange County Service Authority for Abandoned Vehicles and related expenditures.

*Supplemental Law Enforcement Program Fund* – is used to account for the receipts and expenditures from the State of California's Citizens Option for Public Safety (COPS) program.

*Air Quality Improvement Fund* – is used to account for funds received from the South Coast Air Quality Management District for enacting policies to improve air quality.

*PEG/Cable Television Fund* – is used to account for funds received and expenditures related to maintenance and the purchase of equipment necessary for the operation of public, educational, and governmental (PEG) access channels and cable access to PEG channels within the City's jurisdiction.

*Senior Mobility Fund* – is used to account for receipts from the Orange County Transportation Authority and expenditures for demand-responsive transportation services for seniors aged 60 and older.

*Community Development Block Grant (CDBG) Fund* – is used to account for the receipts and expenditures of the U.S. Housing and Urban Development – Community Development Block Grant Programs.

*Civic Support Fund* – is used to account for revenue, donor support, and expenditures of the Laguna Woods Civic Support Fund, a nonprofit public benefit corporation.

*State of California Grants Fund* – is used to account for revenues received from various State funded grants (*formerly a nonmajor fund*).

*Miscellaneous Special Revenue Fund* – is used to account for monies received from settlements and miscellaneous grants restricted for a specific use.

**CITY OF LAGUNA WOODS  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Special Revenue Funds				
	Road Repair and Accountability Act of 2017	Service Authority for Abandoned Vehicles	Supplemental Law Enforcement Program	Air Quality Improvement	PEG/Cable Television
<b>ASSETS</b>					
Cash and Investments	\$ 1,316,412	\$ 42,209	\$ 71,347	\$ 138,757	\$ 85,601
Receivables:					
Accounts	-	-	-	-	816
Prepaid Items	-	-	-	-	-
Due from Other Governments	85,329	-	-	5,969	-
	<u>1,401,741</u>	<u>42,209</u>	<u>71,347</u>	<u>144,726</u>	<u>86,417</u>
Total Assets	<u>\$ 1,401,741</u>	<u>\$ 42,209</u>	<u>\$ 71,347</u>	<u>\$ 144,726</u>	<u>\$ 86,417</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,686	\$ -	\$ 14,675	\$ -	\$ -
Unearned Revenue	-	-	-	-	-
Total Liabilities	<u>3,686</u>	<u>-</u>	<u>14,675</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	-	-	-	5,969	-
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Items	-	-	-	-	-
Restricted for:					
Public Safety	-	42,209	56,672	-	-
Public Works	1,398,055	-	-	138,757	-
Community Services	-	-	-	-	86,417
Total Fund Balances	<u>1,398,055</u>	<u>42,209</u>	<u>56,672</u>	<u>138,757</u>	<u>86,417</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,401,741</u>	<u>\$ 42,209</u>	<u>\$ 71,347</u>	<u>\$ 144,726</u>	<u>\$ 86,417</u>

**CITY OF LAGUNA WOODS  
COMBINING BALANCE SHEET (CONTINUED)  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Special Revenue Funds				Total Other Governmental Funds
	Senior Mobility	Community Development Block Grant	Civic Support	Miscellaneous Special Revenue	
<b>ASSETS</b>					
Cash and Investments	\$ 92,016	\$ -	\$ 1,439	\$ 6,833	\$ 1,754,614
Receivables:					
Accounts	-	-	-	-	816
Prepaid Items	2,400	-	-	-	2,400
Due from Other Governments	17,703	-	-	-	109,001
	<u>112,119</u>	<u>-</u>	<u>1,439</u>	<u>6,833</u>	<u>1,866,831</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 88,098	\$ -	\$ -	\$ -	\$ 106,459
Unearned Revenue	-	-	-	6,471	6,471
Total Liabilities	<u>88,098</u>	<u>-</u>	<u>-</u>	<u>6,471</u>	<u>112,930</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	-	-	-	-	5,969
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Items	2,400	-	-	-	2,400
Restricted for:					
Public Safety	-	-	-	-	98,881
Public Works	-	-	-	-	1,536,812
Community Services	21,621	-	1,439	362	109,839
Total Fund Balances	<u>24,021</u>	<u>-</u>	<u>1,439</u>	<u>362</u>	<u>1,747,932</u>
	<u>112,119</u>	<u>-</u>	<u>1,439</u>	<u>6,833</u>	<u>1,866,831</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 112,119</u>	<u>\$ -</u>	<u>\$ 1,439</u>	<u>\$ 6,833</u>	<u>\$ 1,866,831</u>

**CITY OF LAGUNA WOODS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds				
	Road Repair and Accountability Act of 2017	Service Authority for Abandoned Vehicles	Supplemental Law Enforcement Program	Air Quality Improvement	PEG/Cable Television
<b>REVENUES</b>					
Intergovernmental	\$ 484,218	\$ -	\$ 194,663	\$ 22,759	\$ 14,527
Investment Income	49,746	1,936	3,615	11,361	3,485
Total Revenues	<u>533,964</u>	<u>1,936</u>	<u>198,278</u>	<u>34,120</u>	<u>18,012</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	176,100	-	-
Community Services	-	-	-	-	-
Capital Outlay	49,007	-	-	154,794	-
Total Expenditures	<u>49,007</u>	<u>-</u>	<u>176,100</u>	<u>154,794</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	484,957	1,936	22,178	(120,674)	18,012
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	484,957	1,936	22,178	(120,674)	18,012
Fund Balances - Beginning of Year, As Originally Reported	913,098	40,273	34,494	259,431	68,405
Change Within Financial Reporting Entity	-	-	-	-	-
Fund Balance - Beginning of Year, As Adjusted	<u>913,098</u>	<u>40,273</u>	<u>34,494</u>	<u>259,431</u>	<u>68,405</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,398,055</u>	<u>\$ 42,209</u>	<u>\$ 56,672</u>	<u>\$ 138,757</u>	<u>\$ 86,417</u>

**CITY OF LAGUNA WOODS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
OTHER GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds					Total Other Governmental Funds
	Senior Mobility	Community Development Block Grant	Civic Support	<i>Formerly Nonmajor</i> State of California Grants	Miscellaneous Special Revenue	
<b>REVENUES</b>						
Intergovernmental	\$ 99,116	\$ 150,000	\$ -	\$ -	\$ -	\$ 965,283
Investment Income	2,821	-	-	-	271	73,235
Total Revenues	<u>101,937</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>1,038,518</u>
<b>EXPENDITURES</b>						
Current:						
Public Safety	-	-	-	-	-	176,100
Community Services	911,157	-	205	-	-	911,362
Capital Outlay	-	150,000	-	-	-	353,801
Total Expenditures	<u>911,157</u>	<u>150,000</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>1,441,263</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(809,220)	-	(205)	-	271	(402,745)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	<u>645,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(164,220)	-	(205)	-	271	242,255
Fund Balances - Beginning of Year, As Originally Reported	188,241	-	1,644	(2,024)	91	1,503,653
Change Within Financial Reporting Entity	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,024</u>	<u>-</u>	<u>2,024</u>
Fund Balance - Beginning of Year, As Adjusted	<u>188,241</u>	<u>-</u>	<u>1,644</u>	<u>-</u>	<u>91</u>	<u>1,505,677</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 24,021</u>	<u>\$ -</u>	<u>\$ 1,439</u>	<u>\$ -</u>	<u>\$ 362</u>	<u>\$ 1,747,932</u>

**CITY OF LAGUNA WOODS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 460,600	\$ 460,600	\$ 484,218	\$ 23,618
Investment Income	5,000	5,000	49,746	44,746
Total Revenues	465,600	465,600	533,964	68,364
 <b>EXPENDITURES</b>				
Current:				
Capital Outlay	195,795	64,000	49,007	14,993
 <b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 269,805</b>	<b>\$ 401,600</b>	484,957	<b>\$ 83,357</b>
 Fund Balance - Beginning of Year			913,098	
 <b>FUND BALANCE - END OF YEAR</b>			<b>\$ 1,398,055</b>	

**CITY OF LAGUNA WOODS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 SERVICE AUTHORITY FOR ABANDONED VEHICLES SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 1,936	\$ 1,936
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	1,936	<u>\$ 1,936</u>
Fund Balance - Beginning of Year			<u>40,273</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 42,209</u>	

**CITY OF LAGUNA WOODS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SUPPLEMENTAL LAW ENFORCEMENT PROGRAM SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 169,600	\$ 169,600	\$ 194,663	\$ 25,063
Investment Income	-	-	3,615	3,615
Total Revenues	<u>169,600</u>	<u>169,600</u>	<u>198,278</u>	<u>28,678</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	<u>176,100</u>	<u>176,100</u>	<u>176,100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (6,500)</u>	<u>\$ (6,500)</u>	22,178	<u>\$ 28,678</u>
Fund Balance - Beginning of Year			<u>34,494</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 56,672</u>	

**CITY OF LAGUNA WOODS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 22,759	\$ 2,759
Investment Income	2,000	2,000	11,361	9,361
Total Revenues	22,000	22,000	34,120	12,120
 <b>EXPENDITURES</b>				
Current:				
Capital Outlay	-	160,000	154,794	5,206
 <b>NET CHANGE IN FUND BALANCE</b>	\$ 22,000	\$ (138,000)	(120,674)	\$ 17,326
 Fund Balance - Beginning of Year			259,431	
 <b>FUND BALANCE - END OF YEAR</b>			\$ 138,757	

**CITY OF LAGUNA WOODS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PEG/CABLE TELEVISION SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 18,800	\$ 18,800	\$ 14,527	\$ (4,273)
Investment Income	-	-	3,485	3,485
Total Revenues	18,800	18,800	18,012	(788)
<b>EXPENDITURES</b>				
Current:				
Community Services	15,000	15,000	-	15,000
Total Expenditures	15,000	15,000	-	15,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 3,800</b>	<b>\$ 3,800</b>	18,012	<b>\$ 14,212</b>
Fund Balance - Beginning of Year			68,405	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 86,417</b>	

**CITY OF LAGUNA WOODS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SENIOR MOBILITY SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 137,700	\$ 137,700	\$ 99,116	\$ (38,584)
Charges for Services	8,000	8,000	-	(8,000)
Investment Income	-	-	2,821	2,821
Total Revenues	145,700	145,700	101,937	(43,763)
<b>EXPENDITURES</b>				
Current:				
Community Services	227,000	917,000	911,157	5,843
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(81,300)	(771,300)	(809,220)	(37,920)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	645,000	645,000	-
Total Other Financing Sources (Uses)	-	645,000	645,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (81,300)</u>	<u>\$ (126,300)</u>	<u>(164,220)</u>	<u>\$ (37,920)</u>
Fund Balance - Beginning of Year			188,241	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 24,021</u>	

**CITY OF LAGUNA WOODS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	150,000	150,000	150,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ -</b>	

**CITY OF LAGUNA WOODS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CIVIC SUPPORT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Community Services	300	300	205	95
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (300)</b>	<b>\$ (300)</b>	<b>(205)</b>	<b>\$ 95</b>
Fund Balance - Beginning of Year			1,644	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 1,439</b>	

**CITY OF LAGUNA WOODS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 MISCELLANEOUS SPECIAL REVENUE FUND  
 YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 271	\$ 271
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	271	<u>\$ 271</u>
Fund Balance - Beginning of Year			<u>91</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 362</u>	

## STATISTICAL SECTION

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**CITY OF LAGUNA WOODS  
DESCRIPTION OF STATISTICAL SECTION CONTENTS  
YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

This part of the City of Laguna Woods' (the City's) Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

<b>CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	94
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	104
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	118
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	123

**CITY OF LAGUNA WOODS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year Ended June 30			
	2016	2017 as restated	2018	2019 as restated
Governmental activities:				
Net investment in capital assets	\$ 33,783,628	\$ 32,095,973	\$ 31,748,757	\$ 30,950,071
Restricted	1,587,683	1,371,195	1,236,152	1,410,529
Unrestricted	8,898,481	9,734,782	9,936,816	10,032,809
Total governmental activities net position	<u>\$ 44,269,792</u>	<u>\$ 43,201,950</u>	<u>\$ 42,921,725</u>	<u>\$ 42,393,409</u>

**Note:**

The City has no business-type activities.

Business-type activities would impact government-wide activities and net position.

Source: City of Laguna Woods, Administrative Services Department

**CITY OF LAGUNA WOODS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year Ended June 30

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 29,989,812	\$ 28,888,636	\$ 28,816,105	\$ 29,195,965	\$ 28,497,896	\$ 28,327,602
1,412,618	1,500,199	1,660,570	2,104,483	2,555,587	3,172,500
<u>10,363,509</u>	<u>10,360,579</u>	<u>11,329,413</u>	<u>11,159,858</u>	<u>11,937,681</u>	<u>12,707,314</u>
<u>\$ 41,765,939</u>	<u>\$ 40,749,414</u>	<u>\$ 41,806,088</u>	<u>\$ 42,460,306</u>	<u>\$ 42,991,164</u>	<u>\$ 44,207,416</u>

**CITY OF LAGUNA WOODS**  
**CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year Ended June 30			
	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 1,503,279	\$ 1,433,890	\$ 1,331,112	\$ 1,418,877
Public safety	2,606,312	2,667,582	2,668,100	2,871,995
Public works	2,654,039	2,440,923	4,064,453	2,643,054
Community development	1,107,156	948,873	963,362	1,082,897
Community services	487,854	429,479	265,384	171,965
Total governmental activities expenses	<u>8,358,640</u>	<u>7,920,747</u>	<u>9,292,411</u>	<u>8,188,788</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	90,343	200,896	252,305	-
Public safety	5,851	-	-	-
Public works	730,203	694,316	647,008	-
Community development	-	-	-	759,261
Community services	-	-	110,898	76,814
Operating grants and contributions	1,176,753	782,456	694,918	243,617
Capital grants and contributions	205,231	209,447	2,552,084	787,767
Total governmental activities program revenues	<u>2,208,381</u>	<u>1,887,115</u>	<u>4,257,213</u>	<u>1,867,459</u>
Net revenues (expenses)	<u>\$ (6,150,259)</u>	<u>\$ (6,033,632)</u>	<u>\$ (5,035,198)</u>	<u>\$ (6,321,329)</u>

**Note:**

The City has no business-type activities.

Business-type activities would impact government-wide activities and net position.

Source: City of Laguna Woods, Administrative Services Department

**CITY OF LAGUNA WOODS**  
**CHANGES IN NET POSITION – EXPENSES AND PROGRAM REVENUES**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

Fiscal Year Ended June 30

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,545,011	\$ 1,494,081	\$ 1,571,631	\$ 2,225,468	\$ 2,073,872	\$ 2,131,791
2,939,686	3,285,021	3,111,571	3,032,788	3,243,811	3,520,446
2,721,017	2,702,402	3,029,400	2,806,116	2,932,824	2,725,507
999,614	1,279,526	1,426,588	1,506,228	1,748,293	1,882,791
<u>98,971</u>	<u>108,003</u>	<u>38,214</u>	<u>33,867</u>	<u>431,792</u>	<u>911,362</u>
<u>8,304,299</u>	<u>8,869,033</u>	<u>9,177,404</u>	<u>9,604,467</u>	<u>10,430,592</u>	<u>11,171,897</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
671,039	684,139	815,005	891,684	885,158	898,940
39,436	14,508	11,644	7,993	-	-
365,823	678,773	440,392	489,508	370,981	467,200
<u>453,524</u>	<u>441,547</u>	<u>1,801,285</u>	<u>1,700,585</u>	<u>2,047,932</u>	<u>1,811,892</u>
<u>1,529,822</u>	<u>1,818,967</u>	<u>3,068,326</u>	<u>3,089,770</u>	<u>3,304,071</u>	<u>3,178,032</u>
<u>\$ (6,774,477)</u>	<u>\$ (7,050,066)</u>	<u>\$ (6,109,078)</u>	<u>\$ (6,514,697)</u>	<u>\$ (7,126,521)</u>	<u>\$ (7,993,865)</u>

**CITY OF LAGUNA WOODS  
CHANGES IN NET POSITION – GENERAL REVENUES  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year Ended June 30			
	2016	2017	2018	2019
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 328,168	\$ 428,265	\$ 378,862	\$ 369,893
Property taxes in lieu of VLF	984,031	2,062,919	2,194,558	2,345,270
Sales taxes	475,926	888,817	896,503	901,697
Transient occupancy taxes	1,949,418	487,391	484,470	483,729
Franchise fees	626,027	662,027	672,266	701,646
Cannabis business taxes	-	-	-	-
Other taxes	-	-	-	457,347
Investment (loss)/income	44,394	73,727	128,314	291,825
Miscellaneous income	-	-	-	483,278
Total governmental activities	<u>4,407,964</u>	<u>4,603,146</u>	<u>4,754,973</u>	<u>6,034,685</u>
Net program revenues/(expenses)	<u>(6,150,259)</u>	<u>(6,033,632)</u>	<u>(5,035,198)</u>	<u>(6,321,329)</u>
Changes in net position:				
Governmental activities	<u>\$ (1,742,295)</u>	<u>\$ (1,430,486)</u>	<u>\$ (280,225)</u>	<u>\$ (286,644)</u>

**Note:**

The City has no business-type activities.

Business-type activities would impact government-wide activities and net position.

Source: City of Laguna Woods, Administrative Services Department

**CITY OF LAGUNA WOODS**  
**CHANGES IN NET POSITION – GENERAL REVENUES**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

Fiscal Year Ended June 30

2020	2021	2022	2023	2024	2025
\$ 391,860	\$ 441,865	\$ 463,648	\$ 456,118	\$ 492,528	\$ 554,566
2,461,271	2,731,915	2,723,038	2,826,902	3,024,383	3,185,306
957,549	1,010,418	1,156,470	1,189,614	1,103,571	1,266,887
349,660	254,371	465,867	581,921	598,188	590,238
699,250	667,091	675,107	707,653	813,821	891,662
-	-	-	-	37,380	1,186,960
654,199	662,104	725,811	847,881	492,475	505,883
264,171	45,062	(188,885)	246,154	700,656	757,619
369,047	220,715	1,144,696	312,672	394,377	270,996
<u>6,147,007</u>	<u>6,033,541</u>	<u>7,165,752</u>	<u>7,168,915</u>	<u>7,657,379</u>	<u>9,210,117</u>
<u>(6,774,477)</u>	<u>(7,050,066)</u>	<u>(6,109,078)</u>	<u>(6,514,697)</u>	<u>(7,126,521)</u>	<u>(7,993,865)</u>
<u>\$ (627,470)</u>	<u>\$ (1,016,525)</u>	<u>\$ 1,056,674</u>	<u>\$ 654,218</u>	<u>\$ 530,858</u>	<u>\$ 1,216,252</u>

**CITY OF LAGUNA WOODS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year Ended June 30			
	2016	2017	2018	2019
General fund:				
Nonspendable	\$ 66,466	\$ 75,761	\$ 57,001	\$ 74,655
Restricted	602	-	3,980	-
Committed	-	-	-	-
Assigned	679,260	285,734	1,010,054	419,823
Unassigned	8,861,873	9,293,180	8,868,233	9,358,299
Total general fund	\$ 9,608,201	\$ 9,654,675	\$ 9,939,268	\$ 9,852,777
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,746,561	1,371,195	1,232,172	1,410,529
Unassigned	(338,715)	(114,932)	(175,762)	-
Total all other governmental funds	\$ 1,407,846	\$ 1,256,263	\$ 1,056,410	\$ 1,410,529

**Notes:**

- (1) The City has no debt service or capital projects funds.
- (2) GASB Statement No. 75, which was implemented in 2018, eliminated reporting under GASB Statement No. 45 for other post-employment benefits. As such, years prior to 2018 are not directly comparable to 2018 and subsequent years.

Source: City of Laguna Woods, Administrative Services Department

**CITY OF LAGUNA WOODS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)**

Fiscal Year Ended June 30

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 12,412	\$ 10,019	\$ 15,597	\$ 20,510	\$ 22,210	\$ 31,869
2,431	2,687	3,310	3,832	173,580	302,977
-	-	-	-	58,333	63,083
3,023,550	3,128,900	3,128,900	3,206,250	3,667,800	3,753,700
<u>7,089,455</u>	<u>7,109,867</u>	<u>7,169,390</u>	<u>7,673,590</u>	<u>7,641,208</u>	<u>8,142,907</u>
<u>\$ 10,127,848</u>	<u>\$ 10,251,473</u>	<u>\$ 10,317,197</u>	<u>\$ 10,904,182</u>	<u>\$ 11,563,131</u>	<u>\$ 12,294,536</u>
\$ -	\$ 2,710	\$ 1,626	\$ 542	\$ -	\$ 2,400
1,410,187	1,497,512	1,657,260	2,100,651	2,375,172	2,858,047
-	(45,337)	(126,906)	(109,593)	(2,024)	(200,374)
<u>\$ 1,410,187</u>	<u>\$ 1,454,885</u>	<u>\$ 1,531,980</u>	<u>\$ 1,991,600</u>	<u>\$ 2,373,148</u>	<u>\$ 2,660,073</u>

**CITY OF LAGUNA WOODS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year Ended June 30			
	2016	2017	2018	2019
Revenues:				
Taxes and assessments	\$ 4,094,673	\$ 4,185,064	\$ 4,402,360	\$ 4,709,062
Intergovernmental	1,011,982	750,304	1,351,583	982,268
Franchise fees	539,107	748,947	672,266	701,646
Charges for services	730,203	694,316	647,008	836,075
Fines and forfeitures	5,851	-	-	-
Investment (loss)/income	46,905	73,728	128,314	291,825
Miscellaneous	192,950	186,300	251,566	510,730
Total revenues	<u>6,621,671</u>	<u>6,638,659</u>	<u>7,453,097</u>	<u>8,031,606</u>
Expenditures				
Current:				
General government	1,519,438	1,860,609	1,234,039	1,462,734
Public safety	2,621,018	2,667,582	2,668,100	2,871,995
Public works	899,623	785,903	2,184,451	880,889
Community development	1,107,156	948,873	1,016,383	1,082,897
Community services	489,051	429,479	265,384	171,965
Capital outlay	-	51,322	-	1,293,498
Total expenditures	<u>6,636,286</u>	<u>6,743,768</u>	<u>7,368,357</u>	<u>7,763,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,615)</u>	<u>(105,109)</u>	<u>84,740</u>	<u>267,628</u>
Other financing sources (uses):				
Transfers in	27,528	882,275	5,000	14,915
Transfers out	<u>(27,528)</u>	<u>(882,275)</u>	<u>(5,000)</u>	<u>(14,915)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (14,615)</u>	<u>\$ (105,109)</u>	<u>\$ 84,740</u>	<u>\$ 267,628</u>

Source: City of Laguna Woods, Administrative Services Department

**CITY OF LAGUNA WOODS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

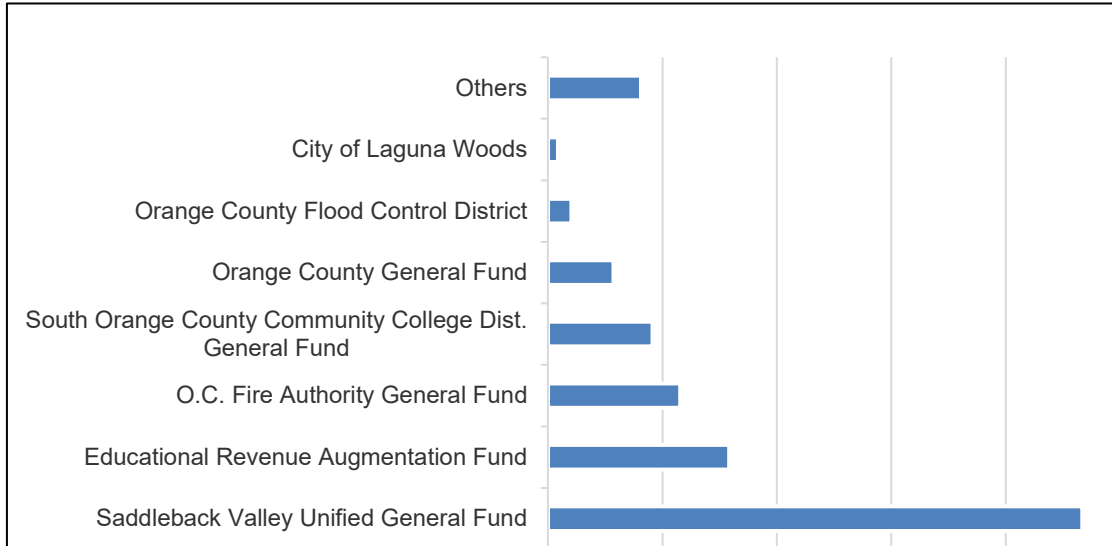
Fiscal Year Ended June 30

2020	2021	2022	2023	2024	2025
\$ 4,814,539	\$ 5,100,673	\$ 5,534,834	\$ 5,902,436	\$ 5,256,050	\$ 6,783,957
744,677	1,120,320	2,142,514	2,194,476	3,068,376	2,584,384
699,250	667,091	675,107	707,653	813,821	891,662
710,475	697,421	826,649	899,677	885,158	898,940
-	-	-	-	-	-
369,047	45,061	(188,885)	312,672	700,656	757,621
274,016	220,717	241,526	312,560	368,298	269,226
<u>7,612,004</u>	<u>7,851,283</u>	<u>9,231,745</u>	<u>10,329,474</u>	<u>11,092,359</u>	<u>12,185,790</u>
1,432,577	1,298,242	1,416,577	1,381,529	1,927,599	1,857,744
2,939,686	3,285,021	3,111,571	3,032,788	3,243,811	3,520,444
932,761	875,189	1,183,635	922,941	1,012,694	1,021,692
999,614	1,279,526	1,426,588	1,506,228	1,748,293	1,882,791
98,971	108,003	38,214	33,867	431,792	911,362
933,666	836,979	1,912,341	2,405,516	1,687,673	1,973,427
<u>7,337,275</u>	<u>7,682,960</u>	<u>9,088,926</u>	<u>9,282,869</u>	<u>10,051,862</u>	<u>11,167,460</u>
<u>274,729</u>	<u>168,323</u>	<u>142,819</u>	<u>1,046,605</u>	<u>1,040,497</u>	<u>1,018,330</u>
-	-	-	-	-	645,000
-	-	-	-	-	(645,000)
-	-	-	-	-	-
<u>\$ 274,729</u>	<u>\$ 168,323</u>	<u>\$ 142,819</u>	<u>\$ 1,046,605</u>	<u>\$ 1,040,497</u>	<u>\$ 1,018,330</u>

**CITY OF LAGUNA WOODS  
PROPERTY TAX DOLLAR BREAKDOWN  
YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

Tax Rate Area	Annual Tax Increment
Saddleback Valley Unified General Fund	\$0.4668
Educational Revenue Augmentation Fund	\$0.1584
O.C. Fire Authority General Fund	\$0.1157
South Orange County Community College Dist. General Fund	\$0.0912
Orange County General Fund	\$0.0573
Orange County Flood Control District	\$0.0204
Others:	
Orange County Public Library	\$0.0172
O.C. Dept. of Education General Fund	\$0.0168
Aliso Viejo City CSA #4 RO (in 99-06r)	\$0.0162
O.C. Harbors Beaches and Parks CSA 26	\$0.0157
El Toro Water District - General Fund	\$0.0110
<b>Laguna Woods General Fund</b>	<b>\$0.0088</b>
Orange County Transit Authority	\$0.0029
Orange County Vector Control District	\$0.0012
Orange County Cemetery Fund - General	\$0.0005
<b>Total Annual Tax Increment (ATI)</b>	<b>\$1.0000</b>

ATI Ratios for Tax Rate Area 32010, Excluding Redevelopment Factors and Additional Debt Service



Source: Orange County Assessor - FY 2024-25 Annual Tax Increment Tables  
HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF TAXABLE VALUE)  
(UNAUDITED)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Direct Rates										
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Tax Rates (2)										
Capistrano										
Union	0.00845	0.00843	0.00800	0.00786	0.00745	0.00756	0.00727	0.00691	0.00633	0.00446
Laguna Beach										
Unified	0.01396	0.01371	0.01287	0.01285	0.01266	0.01012	0.01018	0.00971	0.00883	0.00876
Metropolitan										
Water Dist.	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00700
Saddleback										
Valley										
Unified	<u>0.03008</u>	<u>0.02688</u>	<u>0.02365</u>	<u>0.02392</u>	<u>0.02295</u>	<u>0.02336</u>	<u>0.02200</u>	<u>0.02227</u>	<u>0.02037</u>	<u>0.02108</u>
Total Direct and Overlapping Tax Rates	<u>1.05599</u>	<u>1.05252</u>	<u>1.04802</u>	<u>1.04813</u>	<u>1.04656</u>	<u>1.04454</u>	<u>1.04295</u>	<u>1.04239</u>	<u>1.03903</u>	<u>1.04130</u>
City's Share of 1% Levy Per Prop 13 (3)	0.00879	0.00879	0.00879	0.00879	0.00879	0.00879	0.00879	0.00879	0.00879	0.00879
Total Direct Rate (4)	0.00879	0.00879	0.00879	0.00877	0.00877	0.00912	0.00879	0.00880	0.00880	0.00879

Redevelopment Rate (5)

**Notes:**

- (1) In 1978, California voters passed Proposition 13, which set the property tax rate at a 1.00% fixed amount. This 100% is shared by all taxing agencies within which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners within the City.
- (3) The City's share of the 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The Educational Revenue Augmentation Funds (ERAF) portion of the City's Levy has been subtracted where known.
- (4) Total Direct Rate is the weighted average of all individual direct rates applied to the City and excludes revenues derived from aircraft. Beginning in the fiscal year ended June 30, 2014, the Total Direct Rate no longer includes revenue generated from former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during the fiscal year ended June 30, 2013. For purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.
- (5) The City of Laguna Woods never established a redevelopment agency.

Source: Orange County Assessor - 2015-16 through 2024-25 Tax Rate Table  
HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
OVERLAPPING DEBT  
YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

	Total Debt 6/30/2016	Percent Applicable to City (1)	City's Share of Debt 6/30/16
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Metropolitan Water District	\$ 92,865,000	0.107%	\$ 99,366
Capistrano Unified School District School Facilities Improvement District No. 1	29,882,520	0.049%	14,642
Laguna Beach Unified School District	26,090,000	0.874%	228,027
Saddleback Valley Unified School District	117,270,000	7.042%	8,258,153
City of Laguna Woods	-	100%	-
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 8,600,188
<b>OVERLAPPING GENERAL FUND DEBT</b>			
Orange County General Fund Obligations	\$ 124,132,000	0.525%	\$ 651,693
Orange County Pension Obligation Bonds	353,417,858	0.525%	1,855,444
Orange County Board of Education Certificates of Participation	14,840,000	0.525%	77,910
Capistrano Unified School District General Fund Obligations	11,075,000	0.033%	3,655
Moulton-Niguel Water District General Fund Obligations	76,045,000	0.001%	760
Municipal Water District of Orange County Certificates of Participation	2,770,000	0.627%	17,368
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 2,606,830
<b>TOTAL DIRECT DEBT</b>			<b>\$ -</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 11,207,018</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 11,207,018 (2)</b>

Fiscal Year 2015-16 Assessed Valuation: \$2,620,217,130

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Direct and Overlapping Tax and Assessment Debt	0.33%
Combined Total Debt	0.43%

**Notes:**

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: Orange County Assessor and Auditor-Controller - Combined FY 2015-16 Lien Date Tax Rolls  
California Municipal Statistics, Inc.

**CITY OF LAGUNA WOODS  
OVERLAPPING DEBT  
YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

	Total Debt 6/30/2025	Percent Applicable to City (1)	City's Share of Debt 6/30/25
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Metropolitan Water District	\$ 17,155,000	0.104%	\$ 17,841
Capistrano Unified School District School Facilities Improvement District No. 1	3,327,455	0.054%	1,797
Laguna Beach Unified School District	7,690,000	0.802%	61,674
Saddleback Valley Unified School District	64,475,000	6.993%	4,508,737
City of Laguna Woods	-	100%	-
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 4,590,049
<b>OVERLAPPING GENERAL FUND DEBT</b>			
Orange County General Fund Obligations	\$ 429,065,000	0.523%	\$ 2,244,010
Orange County Board of Education Certificates of Participation	9,120,000	0.523%	47,698
Capistrano Unified School District General Fund Obligations	17,290,000	0.038%	6,570
Moulton-Niguel Water District General Fund Obligations	46,550,000	0.001%	466
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 2,298,744
<b>TOTAL DIRECT DEBT</b>			<b>\$ -</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 6,888,793</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 6,888,793 (2)</b>

Fiscal Year 2024-25 Assessed Valuation: \$4,243,772,452

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Direct and Overlapping Tax and Assessment Debt	0.11%
Combined Total Debt	0.16%

**Notes:**

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: Orange County Assessor and Auditor-Controller - Combined FY 2024-25 Lien Date Tax Rolls  
California Municipal Statistics, Inc.

**CITY OF LAGUNA WOODS  
TOP TEN PROPERTY TAXPAYERS  
PRINCIPAL PROPERTY OWNERS BASED ON NET VALUES  
YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Owner	Secured			Unsecured		
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV
1) United Laguna Hills Mutual*	72	\$409,704,533	15.77%	24	\$389,607	1.75%
2) Federal National Mortgage Association*	10	\$141,777,406	5.46%			
3) Michael J Incardone*	4	\$62,608,647	2.41%			
4) Dale K Lyle*	3	\$39,345,959	1.51%			
5) Peter C Battin Jr*	3	\$38,365,702	1.48%			
6) Avalon Regency LLC*	1	\$36,787,558	1.42%	1	\$626,889	2.82%
7) Behringer Harvard San Sebastian	134	\$36,681,809	1.41%			
8) Beverly J Wolofski	3	\$35,728,966	1.38%			
9) Elizabeth Ryan*	2	\$34,796,388	1.34%			
10) Julie L Myers*	1	\$32,265,865	1.24%			
<b>Top Ten Total</b>	<b>233</b>	<b>\$868,062,833</b>	<b>33.41%</b>	<b>25</b>	<b>\$1,016,496</b>	<b>4.56%</b>
<b>City Total</b>		<b>\$2,598,081,332</b>			<b>\$22,697,774</b>	

Owner	Combined		Primary Use and Primary Agency
	Value	% of Net AV	
1) United Laguna Hills Mutual*	\$410,094,140	15.65%	R
2) Federal National Mortgage Association*	\$141,777,406	5.41%	R
3) Michael J Incardone*	\$62,608,647	2.39%	R
4) Dale K Lyle*	\$39,345,959	1.50%	R
5) Peter C Battin Jr*	\$38,365,702	1.46%	R
6) Avalon Regency LLC*	\$37,414,447	1.43%	C
7) Behringer Harvard San Sebastian	\$36,681,809	1.40%	R
8) Beverly J Wolofski	\$35,728,966	1.36%	R
9) Elizabeth Ryan*	\$34,796,388	1.33%	R
10) Julie L Myers*	\$32,265,865	1.23%	R
<b>Top Ten Total</b>	<b>\$869,079,329</b>	<b>33.17%</b>	
<b>City Total</b>	<b>\$2,620,346,106</b>		

R = Residential

C = Commercial

I = Institutional

AV = Assessed Value

\*Pending Appeals on Parcels

All property tax collected on assessed value is paid to the Laguna Woods General Fund.

Source: Orange County Assessor - FY 2015-16 Combined Tax Rolls and the SBE Non Unitary Tax Roll  
HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
TOP TEN PROPERTY TAXPAYERS  
PRINCIPAL PROPERTY OWNERS BASED ON NET VALUES  
YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

Owner	Secured			Unsecured		
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV
1) United Laguna Hills Mutual*	100	\$1,294,366,328	30.83%	65	\$6,048,832	13.13%
2) Pfeifer Family Trust*	2	\$71,837,546	1.71%			
3) Behringer Harvard San Sebastian LP	134	\$66,930,712	1.59%			
4) Welltower Victory II Landlord LP*	2	\$51,577,805	1.23%			
5) Ronda Sevilla Trust	1	\$43,653,234	1.04%			
6) Paula Gayle Comstock	1	\$33,448,906	0.80%			
7) Raintree Realty LLC	3	\$31,188,429	0.74%			
8) Team Truiz Trust	1	\$27,533,450	0.66%			
9) Brian C Holmes	1	\$25,100,118	0.60%			
10) Marlene Michaeli	1	\$21,759,780	0.52%			
<b>Top Ten Total</b>	<b>246</b>	<b>\$1,667,396,308</b>	<b>39.72%</b>	<b>65</b>	<b>\$6,048,832</b>	<b>13.13%</b>
<b>City Total</b>		<b>\$4,197,931,957</b>			<b>\$46,053,373</b>	

Owner	Combined		Primary Use and Primary Agency
	Value	% of Net AV	
1) United Laguna Hills Mutual*	\$1,300,415,160	30.64%	R
2) Pfeifer Family Trust*	\$71,837,546	1.69%	C
3) Behringer Harvard San Sebastian LP	\$66,930,712	1.58%	R
4) Welltower Victory II Landlord LP*	\$51,577,805	1.22%	C
5) Ronda Sevilla Trust	\$43,653,234	1.03%	R
6) Paula Gayle Comstock	\$33,448,906	0.79%	R
7) Raintree Realty LLC	\$31,188,429	0.73%	C
8) Team Truiz Trust	\$27,533,450	0.65%	R
9) Brian C Holmes	\$25,100,118	0.59%	R
10) Marlene Michaeli	\$21,759,780	0.51%	R
<b>Top Ten Total</b>	<b>\$1,673,445,140</b>	<b>39.43%</b>	
<b>City Total</b>	<b>\$4,243,985,330</b>		

R = Residential

C = Commercial

I = Institutional

AV = Assessed Value

\*Pending Appeals on Parcels

All property tax collected on assessed value is paid to the Laguna Woods General Fund.

Source: Orange County Assessor - FY 2024-25 Combined Tax Rolls and the SBE Non Unitary Tax Roll  
HdL, Coren & Cone

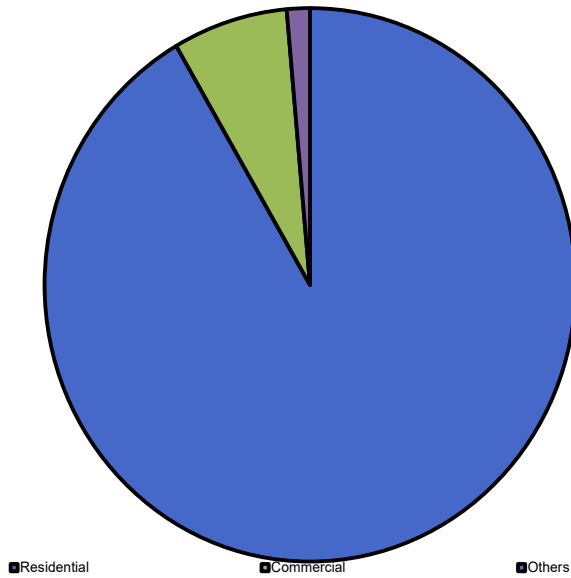
**CITY OF LAGUNA WOODS  
PROPERTY USE CATEGORY SUMMARY  
BASIC PROPERTY VALUE TABLE  
YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

Category	Secured				
	Parcels	Assessed Value	% of AV	Net Taxable Value	% of Net AV
Residential	6,613	\$3,887,199,235	90.9%	\$3,882,521,983	91.5%
Commercial	43	\$311,973,357	7.3%	\$298,268,096	7.0%
Industrial	3	\$13,860,888	0.3%	\$13,860,888	0.3%
Agricultural	1	\$91,958	0.0%	\$91,958	0.0%
Vacant	4	\$1,410,180	0.0%	\$1,410,180	0.0%
Exempt	252	\$9,236,329	0.2%	\$0	0.0%
Cross Reference (1)	[36]	\$7,328,180	0.2%	\$1,778,852	0.0%
Unsecured (1)	[268]	\$47,498,252	1.1%	\$46,053,373	1.1%
<b>Totals</b>	<b>6,916</b>	<b>\$4,278,598,379</b>	<b>100.0%</b>	<b>\$4,243,985,330</b>	<b>99.9%</b>

**Note:**

(1) Cross Reference and Unsecured parcels counts are not included in parcels totals.

**NET TAXABLE VALUE**



Source: Orange County Assessor - FY 2024-25 Combined Tax Rolls  
HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30,	Taxes Levied Excluding VLF Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percent of Levy		Amount (1) & (2)	Percent of Levy
2016	295,957	231,501	78.22%	1,870	233,371	78.85%
2017	253,757	243,608	96.00%	2,309	245,917	96.91%
2018	269,934	260,584	96.54%	2,142	262,726	97.33%
2019	286,443	278,728	97.31%	2,147	280,875	98.06%
2020	298,789	291,321	97.50%	2,327	293,648	98.28%
2021	330,529	325,269	98.41%	3,168	328,437	99.37%
2022	331,676	326,411	98.41%	3,306	329,717	99.41%
2023	350,568	345,763	98.63%	2,865	348,628	99.45%
2024	368,040	362,518	98.50%	3,543	366,061	99.46%
2025	386,362	379,705	98.28%	3,882	383,587	99.28%

**Notes:**

(1) "Collections in Subsequent Years" includes the total amount of delinquent taxes collected in each fiscal year. The Orange County Auditor-Controller does not provide detailed information regarding the levy year to which delinquent tax collections pertain.

(2) Total collections in any year may exceed 100% due to collection reporting per Note 1 above and the fact that delinquent tax penalties collected are included in total reported collections.

Source: Orange County Auditor-Controller, "Tax Ledger - Detail" Report as of fiscal year-end.  
 FY 2016-17 and prior, compiled by the Orange County Auditor-Controller  
 FY 2017-18 and subsequent, compiled by Administrative Services from reports by the Orange County Auditor-Controller

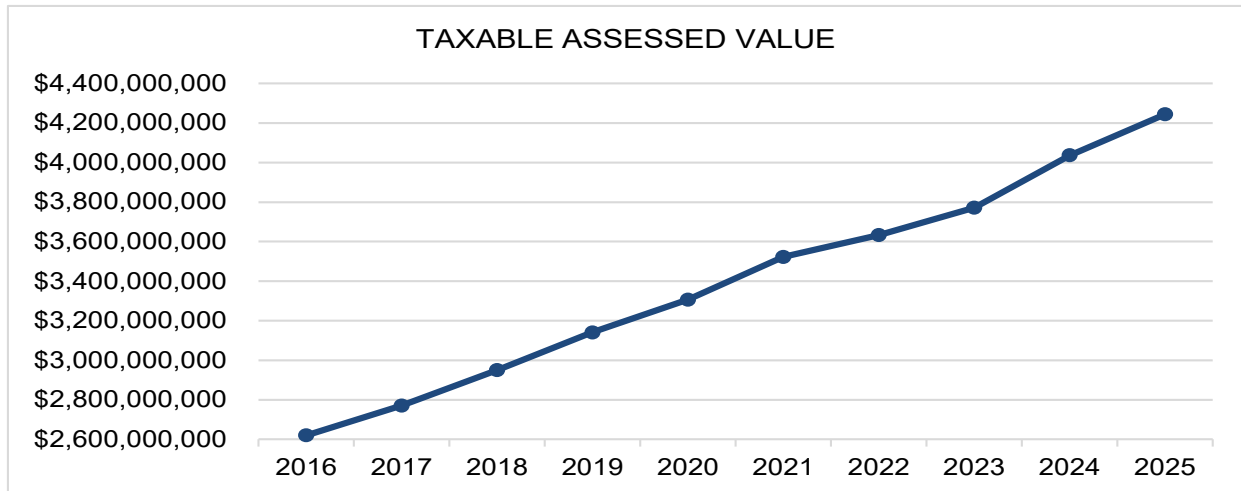
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**CITY OF LAGUNA WOODS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

Fiscal Year Ended June 30,	Secured	Unsecured	Taxable Assessed Value	Percentage Change
2016	2,598,081,332	22,267,774	2,620,349,106	8.04%
2017	2,746,863,438	24,143,207	2,771,006,645	5.75%
2018	2,918,362,456	31,733,582	2,950,096,038	6.46%
2019	3,109,429,786	31,988,341	3,141,418,127	6.49%
2020	3,279,488,113	27,619,975	3,307,108,088	5.27%
2021	3,492,306,467	30,854,929	3,523,161,396	6.53%
2022	3,606,612,896	26,892,871	3,633,505,767	3.13%
2023	3,742,834,567	29,059,852	3,771,894,419	3.81%
2024	3,992,084,700	44,289,511	4,036,374,211	7.01%
2025	4,197,931,957	46,053,373	4,243,985,330	5.14%

**Note:**

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.



Source: Orange County Assessor - 2015-16 through 2024-25 Combined Tax Rolls  
 HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
TOP 25 SALES TAX PRODUCERS  
CALENDAR YEAR 2015  
(UNAUDITED)**

<u>Business Name*</u>	<u>Business Category</u>
19 Restaurant & Lounge	Casual Dining
Adapt 2 It	Medical/Biotech
Carls Jr	Quick-Service Restaurants
CVS Pharmacy	Drug Stores
Firehouse Subs	Quick-Service Restaurants
Golden Rain Foundation	Government/Social Org.
Home Depot	Building Materials
Hometown Buffet	Casual Dining
Jack in the Box	Quick-Service Restaurants
Mobil	Service Stations
Mothers Market	Grocery Stores
Moulton Mini Market	Service Stations
Officemax	Office Supplies/Furniture
Okon Dental Lab	Medical/Biotech
Olive Garden	Casual Dining
Papa John's	Quick-Service Restaurants
Rite Aid	Drug Stores
Saddleback Golf Cars	Boats/Motorcycles
Stage 21 Bikes	Sporting Goods/Bike Stores
Starbucks	Quick-Service Restaurants
Stater Bros	Grocery Stores
Thaitanium Restaurant & Lounge	Casual Dining
Tomo Sushi	Casual Dining
Valvoline Instant Oil Change	Auto Repair Shops
Vons	Grocery Stores

Percent of Calendar Year Total Paid by Top 25 Accounts = 96.34%

\* Firms Listed Alphabetically

(Period: January 2015 through December 2015)

Source: State of California Board of Equalization, California Department of Taxes and Fees  
Administration, State Controller's Office  
The HdL Companies

**CITY OF LAGUNA WOODS  
TOP 25 SALES TAX PRODUCERS  
CALENDAR YEAR 2024  
(UNAUDITED)**

<u>Business Name*</u>	<u>Business Category</u>
19 Restaurant & Lounge	Casual Dining
Adapt 2 It	Medical/Biotech
Aldi	Grocery Stores
Arco	Service Stations
Artist Tree	Cannabis Related
Cart Mart	Boats/Motorcycles
Charminar LW	Casual Dining
CVS Pharmacy	Drug Stores
Dollar Tree	Variety Stores
Flowerful	Florist Shops
Golden Rain Foundation	Government/Social Org.
Home Depot	Building Materials
McCormick & Son Mortuaries	Morticians and Undertakers
Mobil	Service Stations
Mother's Market & Kitchen	Grocery Stores
Moulton Parkway Auto Spa	Service Stations
Olive Garden	Casual Dining
Pizza Guys	Quick-Service Restaurants
PrestineHydro	Medical/Biotech
Rite Aid	Drug Stores
Sabrosada	Quick-Service Restaurants
Saddleback Golf Cars	Boats/Motorcycles
Starbucks	Quick-Service Restaurants
Stater Bros	Grocery Stores
Tomo Sushi	Casual Dining

Percent of Calendar Year Total Paid by Top 25 Accounts = 95.07%

\* Firms Listed Alphabetically

(Period: January 2024 thru December 2024)

Source: State of California Board of Equalization, California Department of Taxes and Fees  
Administration, State Controller's Office  
The HdL Companies

**CITY OF LAGUNA WOODS  
TAXABLE SALES BY CATEGORY  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS OF DOLLARS)  
(UNAUDITED)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Food Stores	\$ 17,679	\$ 15,967	\$ 15,952	\$ 17,092
Eating and Drinking Places	12,449	11,416	11,450	12,224
Other Retail Stores	47,739	46,990	45,826	49,227
All Other Outlets	<u>14,701</u>	<u>16,230</u>	<u>15,466</u>	<u>16,282</u>
 Total sales	 <u>\$ 92,568</u>	 <u>\$ 90,603</u>	 <u>\$ 88,694</u>	 <u>\$ 94,825</u>

**Notes:**

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: State Board of Equalization, California Department of Taxes and Fees Administration,  
State Controller's Office, The HdL Companies

**CITY OF LAGUNA WOODS  
TAXABLE SALES BY CATEGORY  
LAST TEN CALENDAR YEARS  
(IN THOUSANDS OF DOLLARS)  
(UNAUDITED)**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 16,755	\$ 16,324	\$ 14,585	\$ 15,058	\$ 15,212	\$ 15,392
12,192	10,125	14,034	14,824	13,950	15,646
47,175	47,125	55,818	61,823	60,684	63,935
<u>19,057</u>	<u>23,805</u>	<u>25,768</u>	<u>26,417</u>	<u>23,428</u>	<u>23,629</u>
<u>\$ 95,179</u>	<u>\$ 97,379</u>	<u>\$ 110,205</u>	<u>\$ 118,122</u>	<u>\$ 113,274</u>	<u>\$ 118,602</u>

**CITY OF LAGUNA WOODS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(UNAUDITED)**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>	<u>Median Age (2)</u>
2015	16,213	610,005	37,624	4.50%	74.5
2016	16,319	631,062	38,670	4.10%	74.9
2017	16,597	643,075	38,746	2.60%	75.5
2018	16,518	657,531	39,806	2.20%	75.3
2019	16,243	663,431	40,844	1.80%	75.4
2020	16,036	687,979	42,902	6.80%	75.6
2021	17,514	720,986	41,166	5.70%	75.3
2022	17,450	852,761	48,868	4.00%	74.5
2023	17,148	922,818	53,814	4.50%	75.1
2024	17,183	936,607	54,507	5.20%	75.0

**Notes:**

(1) Population: California State Department of Finance

(2) Income and Age Data: US Census Bureau, most recent American Community Survey

(3) Unemployment: California Employment Development Department

Sources: Data compiled from agencies as listed in the notes section above by HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
PRINCIPAL EMPLOYERS  
CALENDAR YEAR 2024, AND 2015  
(UNAUDITED)**

2024		
Employer	Estimated Number of Employees	Percent of Total Employment
Laguna Woods Village	1,000	27.03%
Gmri, Inc.	181	4.89%
Gate Three Healthcare LLC	172	4.65%
Professional Community Management	108	2.92%
Village Management Services, Inc.	100	2.70%

2015		
Employer	Estimated Number of Employees	Percent of Total Employment
Laguna Woods Village	1,000	26.32%
Professional Community Management	134	3.53%
State Bros. Markets, Inc.	80	2.11%
Rainbow Realty Corporation	55	1.45%
OCB Restaurant Company, LLC	49	1.29%

**Notes:**

Calendar year 2024 represents the current completed calendar year.

"Total Employment" as used above represents the total employment of all employers located within City limits per the State of California Employment Development Department.

Sources: Center for Demographic Research - 2015 and 2025 Orange County Progress Report  
 Buzzfile Media, 2024  
 California Employment Development Dept.  
 Center for Demographic Research, CSUF  
 Hoovers Business Information Database, 2014

**CITY OF LAGUNA WOODS  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)**

Category	Fiscal Year Ended June 30			
	2016	2017	2018	2019
Residential	\$ 2,364,906,778	\$ 2,504,594,671	\$ 2,646,289,901	\$ 2,828,785,756
Commercial	219,510,257	228,050,908	257,688,478	265,232,204
Industrial	11,418,127	11,592,252	11,824,096	12,425,513
Agricultural	78,048	79,238	80,822	-
Vacant	1,509,945	1,216,836	1,241,171	1,348,431
Cross Reference	658,177	1,329,533	1,237,988	1,637,882
Unsecured	22,267,774	24,143,207	31,733,582	31,988,341
Exempt (1)	[7,609,792]	[7,725,834]	[7,882,362]	[8,039,999]
<b>Totals</b>	<b>\$ 2,620,349,106</b>	<b>\$ 2,771,006,645</b>	<b>\$ 2,950,096,038</b>	<b>\$ 3,141,418,127</b>
<b>Total Direct Rate</b>	<b>0.00879</b>	<b>0.00879</b>	<b>0.00879</b>	<b>0.00877</b>

**Notes:**

- (1) Exempt values are not included in totals.
- (2) 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.

Source: Orange County Assessor - FY 2015/16 through FY 2024/25 Combined Tax Rolls  
 HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)**

Fiscal Year Ended June 30

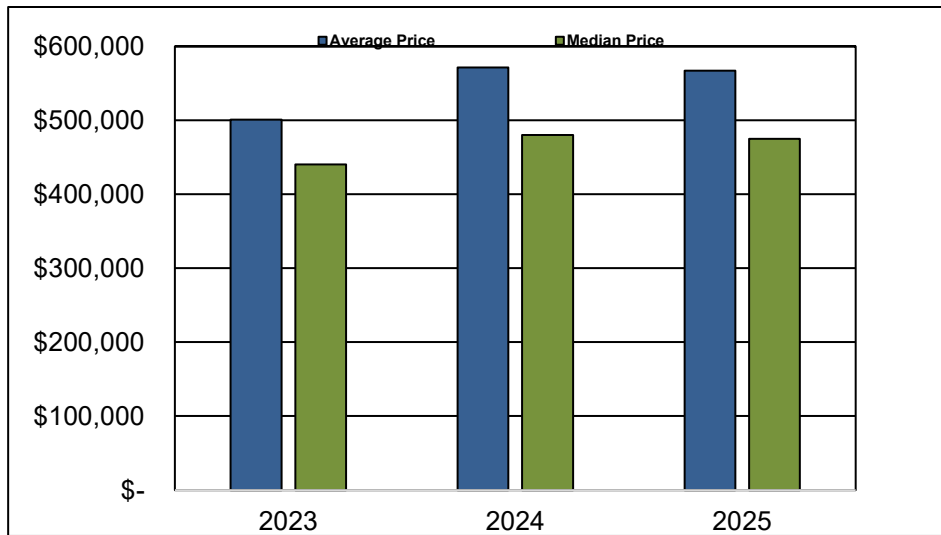
2020	2021	2022	2023	2024	2025
\$ 2,996,653,316	\$ 3,203,193,602	\$ 3,305,163,263	\$ 3,439,798,810	\$ 3,683,222,632	\$ 3,882,521,983
266,841,745	272,452,847	284,383,434	285,921,900	291,636,107	298,268,096
12,674,022	12,927,501	13,061,428	13,322,655	13,589,107	13,860,888
-	-	86,655	88,388	90,155	91,958
1,375,397	1,402,902	1,328,848	1,355,423	1,534,761	1,410,180
1,943,633	2,329,615	2,589,268	2,347,391	2,011,938	1,778,852
27,619,975	30,854,929	26,892,871	29,059,852	44,289,511	46,053,373
[8,198,736]	[8,362,701]	[8,449,331]	[8,628,749]	[8,966,315]	[9,236,329]
<u>\$ 3,307,108,088</u>	<u>\$ 3,523,161,396</u>	<u>\$ 3,633,505,767</u>	<u>\$ 3,711,894,419</u>	<u>\$ 4,036,374,211</u>	<u>\$ 4,243,985,330</u>
<u>0.00877</u>	<u>0.00912</u>	<u>0.00879</u>	<u>0.00880</u>	<u>0.00880</u>	<u>0.00879</u>

**CITY OF LAGUNA WOODS**  
**SALES VALUE HISTORY – SINGLE FAMILY RESIDENTIAL FULL VALUE SALES**  
**JANUARY 1, 2023, THROUGH AUGUST 31, 2025**  
**(UNAUDITED)**

Calendar Year	Full Value Sales	Average Price	Median Price	Median % Change
2023	427	\$ 500,674	\$ 440,000	
2024	411	\$ 571,073	\$ 480,000	9.09%
2025	286	\$ 567,052	\$ 475,000	-1.04%

**Note:**

Sales not included in the analysis are multiparcel transfers, quitclaim deeds, trust transfers, timeshares, and partial sales.



Source: County of Orange Clerk-Recorder as of August 31, 2025  
HdL, Coren & Cone

**CITY OF LAGUNA WOODS  
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Function	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government (1)	2.19	2.45	2.45	2.45	3.00	3.00	3.00	3.67	4.33	5.00
Administrative services	4.00	3.95	4.00	4.00	2.60	2.60	2.60	2.60	2.60	2.60
Community services (2)	0.42	-	-	-	-	-	-	-	-	-
Community development	0.38	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.33	1.92
Public safety (3)	-	-	-	-	-	-	-	-	-	-
Public works	0.63	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00
Total	7.62	8.40	8.45	8.45	8.60	8.60	8.60	9.27	9.26	10.52

**Notes:**

- (1) The City Manager provides staff support to multiple functions, but is reported in general government.
- (2) Beginning January 2016, personnel accounted for in the general government and administrative services section are responsible for coordinating community services and events.
- (3) The City contracts out for law enforcement services and is served by a joint power authority for fire services. Personnel accounted for in the general government section are responsible for coordinating with public safety partners.

Source: City of Laguna Woods, Administrative Services Department

**CITY OF LAGUNA WOODS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Function	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police: (4)										
Activity initiated by:										
Assigned	2,835	2,682	2,525	2,587	2,421	2,300	2,080	2,175	-	-
Observed	683	957	636	723	1,158	1,790	1,855	1,561	-	-
Total Calls Handled	<u>3,239</u>	<u>3,518</u>	<u>3,639</u>	<u>3,161</u>	<u>3,310</u>	<u>3,579</u>	<u>4,090</u>	<u>3,935</u>	<u>-</u>	<u>-</u>
Calls for Service:										
Not Dispatched	-	-	-	-	-	-	-	-	2,671	2,692
Dispatched	-	-	-	-	-	-	-	-	1,701	2,349
Other	-	-	-	-	-	-	-	-	480	363
Total Calls Handled	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,852</u>	<u>5,404</u>
Arrests:										
Part 1 Crimes	160	146	125	131	160	150	106	136	-	-
Part 2 Crimes	78	86	109	132	213	180	177	125	-	-
Arrests:										
Felony	-	-	-	-	-	-	-	-	13	18
Misdemeanor	-	-	-	-	-	-	-	-	25	32
Fire: (1)										
Number of calls answered	5,321	5,636	5,333	5,342	5,390	3,868	5,548	5,706	5,918	5,990
Community Development: (2)										
Building permits issued	-	-	-	-	-	-	2,938	2,355	2,455	2,438
Inspections conducted	-	-	-	-	-	-	5,938	6,696	8,416	8,690
Public works: (3)										
Street resurfacing (miles)	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (1) The number of fire calls answered included incidents dispatched by the Orange County Fire Authority with ambulance response only. In fiscal year 2023-24 there were 381 such responses and in fiscal year 2024-25 there were 413. A new reporting system was implemented in fiscal year 2020-21 causing a decrease in the number of calls. This also caused a change in the policies and procedures around how incidents are "closed out".
- (2) Fiscal year 2022 was the first year information was presented, therefore only four years are shown.
- (3) The City currently tracks resurfaced areas in total, and not by year. As of June 30, 2025, there were 0.377 total square miles of streets that had been resurfaced.
- (4) In fiscal year 2023-24, the FBI Uniform Crime Reporting (UCR) stats changed to the National Incident Based Reporting System (NIBRS). Unlike the UCR stats the data collected would be pertaining to one offense, NIBRS captures details on each single crime incident as well as separate offenses within the same incident. NIBRS also does not categorize crimes as Part 1 or Part 2 crimes.

Sources: Orange County Sheriff's Department, Orange County Fire Authority,  
City of Laguna Woods, Planning & Environmental Services Department, and  
City of Laguna Woods, Engineering & Infrastructure Services Department

**CITY OF LAGUNA WOODS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Function	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police: (1)	-	-	-	-	-	-	-	-	-	-
Fire: (2)	-	-	-	-	-	-	-	-	-	-
Public works:										
Street (miles) (4)	5	5	5	5	5	5	5	5	5	5
Streetlights	221	221	221	221	221	221	221	224	224	224
Traffic signals	14	14	14	14	14	14	14	14	14	14
Parks and recreation:										
Parks	3	3	3	3	3	3	3	3	3	3
Water: (3)	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (1) The City contracts with the Orange County Sheriff's Department for law enforcement services.
- (2) The City is a member of the Orange County Fire Authority.
- (3) The City does not provide water services.
- (4) All years have been updated to adjust total miles.

Source: City of Laguna Woods, Administrative Services Department



**CITY OF LAGUNA WOODS**  
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**Laguna Woods, CA 92637**  
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