PUENTE HILLS
HABITAT PRESERVATION AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2025

PUENTE HILLS HABITAT PRESERVATION AUTHORITY
JUNE 30, 2025

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Independent Auditor's Report

To the Honorable Board of Directors
Puente Hills Habitat Preservation Authority
Whittier, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying basic financial statements of the Puente Hills Habitat Preservation Authority (the Authority) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority, as of June 30, 2025, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Authority'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

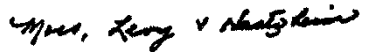
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2026, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Authority's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP
Culver City, California
August 19, 2026

PUENTE HILLS HABITAT PRESERVATION AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Management's discussion and analysis (MD&A) of the Puente Hills Habitat Preservation Authority (the Authority) provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the accompanying financial statements, footnotes, and supplementary information.

Financial Highlights

- During the current fiscal year, the Authority's net position decreased by $1.07 million to $67.37 million.

- The Authority has investments of $21.97 million in various government securities that have interest rates ranging from 2.00% to 2.50%.

- Operating revenues decreased by $5.23 million to $0.60 million and operating expenses increased by $0.44 million to $3.21 million.

Overview of Financial Statements

This MD&A serves as an introduction to the Authority's basic financial statements. The basic financial statements include four components: 1) Statement of Net Position; 2) Statement of Revenues, Expenses, and Changes in Net Position; 3) Statement of Cash Flows; and 4) Notes to the Financial Statements.

- The Statement of Net Position presents all the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator to determine whether the financial position of the Authority is improving or deteriorating.

- The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g. accrued but unpaid contract and professional service fees).

- The Statement of Cash Flows presents information regarding the Authority's use of cash during the fiscal year and is an indicator of whether or not sufficient cash flow is being generated during the fiscal year to meet the operating needs of the Authority.

- The notes provide additional information that is essential for a full understanding of the data provided in the financial statements.

Financial Statement Analysis

Since its formation, Net Position of the Authority has gradually grown from $1.8 million to about $67.37 million. Most of the growth in Net Position has been attributable to the Authority's acquisition of land and related capital assets. Operating revenues decreased from $5.83 million as of June 30, 2024, to $0.60 million as of June 30, 2025. The operating revenues consisted primarily of oil revenues, state grants, and citations. The overall decrease was primarily due to the lack of Site Mitigation funding in 2025, which was $3.61 million in 2024, and a reduction in State grant funding, from $1.92 million in 2024 to $0.55 million in 2025. Operating expenses increased from $2.77 million as of June 30, 2024, to $3.21 million as of June 30, 2025. Operating expenses consisted primarily of contract and professional service fees, salaries and benefits, and administrative expenses.

The Authority's Net Position was $67.37 million as of June 30, 2025, compared to $68.44 million as of June 30, 2024. Net Investments in Capital Assets accounted for $35.81 million of the total Net Position. Liabilities were $0.54 million as of June 30, 2025, compared to $0.37 million as of June 30, 2024.

Capital Assets

As of June 30, 2025, the Authority's capital assets consisted of $35.76 million in land, $0.43 million in buildings, $0.07 million in equipment, and $0.45 million in accumulated depreciation.

Debt Administration

As of June 30, 2025, the Authority had no outstanding debt.

Economic Factors

The majority of the Authority's current specific portfolio investments are in stable long-term instruments, but do not generate enough to meet the needs of the agency. Consequently, the operating budget of the Authority had been decreased over the past many years to partially mitigate the shortfall of overall revenue, and the increase of inflation. The Authority routinely explores additional revenue streams such as environmental mitigation fees from regional projects, grants, and short-term portfolio investments. Additionally, on November 5, 2024, the Los Angeles County Registrar of Voters certified the election results, confirming that the Authority's Measure PH Special Tax received approval from over two-thirds of the votes cast, meeting the legal requirement for passage. Measure PH is a special tax within Community Facilities District No. 2024-01 at the rate of one cent per building square footage per parcel with annual adjustments limited to 3% on all taxable developed real property. The measure is to prevent Puente Hills Preserve wildfires/emergencies; clear brush from first responder emergency access roads; protect natural wildlife habitats; prevent homeless encampments; clean up illegal dumping; and for other open space purposes. The revenue generated by the Measure PH will begin in the second half of fiscal year 2025-26 and can be adjusted annually to account for inflation. The measure is anticipated to generate approximately $1.1 million for fiscal year 2025-26.

In fiscal year 2024-25, the Authority relied on funding from the Rivers and Mountains Conservancy (RMC), CalFire, and Caltrans to help to mitigate partial revenue shortfalls. In June 2025, the Authority was awarded another grant from the RMC in the amount of $4.9 million.

The Authority is adjusting to the grant guideline amendments made by Los Angeles County Regional Parks and Open Space District regarding Measure A Maintenance and Services (M&S) funding. Measure A grant guideline amendments made over the years prohibit the Authority from using its annually allocated M&S funds on Proposition A purchased property that it manages (City of Whittier-owned property). Additionally, the Proposition A grant used to acquire Sycamore Canyon decades earlier needed to be closed by the Santa Monica Mountains Conservancy (grantor of the Proposition A funds), City of Whittier, and Authority before the Authority can claim M&S reimbursement costs on Sycamore Canyon property. (The grant was eventually closed in the fall of 2025.) These M&S issues further strained the operating budget of the Authority.

The budget, investments, other revenue sources, and expenditures will continue to be closely monitored by the Authority moving forward to maintain solvency.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street Room 525, Los Angeles, CA 90012.

Puente Hills Habitat Preservation Authority
Statement of Net Position
June 30, 2025

Assets		
Cash on deposit with the County Treasurer (Note 2)	$	9,195,156
Restricted cash on deposit with County Treasurer (Note 2)		263,179
Cash on deposit with outside bank (Note 2)		580
Investments (Note 2)		21,968,126
Receivables:		
Accrued interest		236,724
Accounts		361,979
Prepaid expense		75,761
Capital Assets: (Note 4)		
Land - nondepreciable		35,759,977
Buildings and improvements		428,480
Equipment		74,577
Accumulated depreciation		(452,103)
Total Assets		67,912,436
Liabilities		
Accrued liabilities		538,464
Total Liabilities		538,464
Net Position (Note 3)		
Net investment in capital assets		35,810,931
Restricted		263,179
Unrestricted		31,299,862
Total Net Position	$	67,373,972

See accompanying notes to the basic financial statements

Puente Hills Habitat Preservation Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

Operating Revenues:	
Oil Revenue	$ 34,679
State Grants	548,766
Miscellaneous	15,144
Total Operating Revenues	598,589
Operating Expenses:	
Contract and Professional Service Fees	2,516,112
Salaries and Benefits	448,876
Insurance	90,605
Rent (Note 5)	1
Taxes and Assessments	5,836
Treasurer and Tax Collector - Management Fees	16,793
Auditor-Controller Services	32,000
Utilities, Supplies, and Other Charges	88,633
Depreciation	12,428
Total Operating Expenses	3,211,284
Operating Income (loss)	(2,612,695)
Non-Operating Revenues (Expenses):	
Interest on Deposited Funds	483,673
Investment Income	1,004,155
Total Non-Operating Revenues (Expenses)	1,487,828
Change in Net Position	(1,124,867)
Net Position, beginning of the fiscal year	68,438,611
Prior Period Adjustments (Note 1)	60,228
Net Position, beginning of the fiscal year, as restated	68,498,839
Net Position, end of the fiscal year (Note 3)	$ 67,373,972

See accompanying notes to the basic financial statements

Puente Hills Habitat Preservation Authority
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

Cash Flows from Operating Activities:	
Cash received from State of California	$ 911,368
Cash received from other agencies	80,663
Cash paid to employees for services	(400,250)
Cash paid to suppliers for goods and services	(2,613,548)
Net Cash (Used) by Operating Activities	(2,021,767)
Cash Flows from Investing Activities:	
Investment sales	3,993,459
Investment income	863,416
Interest received	485,309
Net Cash Provided by Investing Activities	5,342,184
Net Increase in Cash and Cash Equivalents	3,320,417
Cash and Cash Equivalents, Beginning of Fiscal Year	6,138,498
Cash and Cash Equivalents, End of Fiscal Year	$ 9,458,915
Reconciliation of Cash and Cash Equivalents to amounts reported on the statement of net position	
Cash on deposit with County Treasurer (Note 2)	$ 9,195,156
Cash on deposit with outside bank (Note 2)	580
Restricted cash on deposit with County Treasurer (Note 2)	263,179
Cash and Cash Equivalents, End of Fiscal Year	$ 9,458,915
Reconciliation of Operating Income (Loss) to Net Cash (Used) by Operating Activities:	
Operating Income (loss)	$ (2,612,695)
Adjustments to reconcile change in operating income (loss) to net cash (used) by operating activities:	
Depreciation	12,428
Change in assets and liabilities	
Decrease in accounts receivable	544,312
(Increase) in interest receivable	(147,716)
Decrease in prepaid expense	16,462
Increase in accrued liabilities	165,442
Net Cash (Used) by Operating Activities	$ (2,021,767)

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Puente Hills Habitat Preservation Authority (Authority) was formed on February 15, 1994, as a joint powers authority by the County of Los Angeles (County), certain County Sanitation Districts, and the City of Whittier. The Authority was established for the purpose of acquiring, restoring, and/or maintaining additional open space lands in the La Puente/Whittier Hills area in order to create or preserve native habitat areas. Additionally, the Authority will give special consideration to land acquisitions, habitat restoration, trailhead construction, and recreational and/or educational amenities on open space lands within and for the benefit of the community of Hacienda Heights. It serves as a condition of approval to address impacts on oak tree resources and natural open space resulting from the operation of the Puente Hills Landfill. The term of the Authority will continue indefinitely unless cancelled by the County, certain County Sanitation Districts, and the City of Whittier. The Authority is governed by a Board of Directors composed of four appointed directors: one by the Board of Directors of the Sanitation Districts, one by the County, one by the supervisor representing the Supervisorial District which geographically includes the Puente Hills Landfill, and one by the City of Whittier. The Authority is legally separate and fiscally independent from each of the member entities. This means it can incur debt, set, and modify its own budget and fees, enter into contracts, and sue and be sued in its own name.

The accompanying financial statements reflect the financial activities of the Authority. The Authority has no component units.

B. Significant Accounting Policies

The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting and Measurement Focus

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the Authority are contributions from state grants and citations. Operating expenses include administrative expenses and contract and professional service fees. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Authority's financial statements are presented in accordance with the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* Statement No. 34 established standards for external financial reporting for all state and local governmental entities and Statement No. 63 established standards for reporting deferred outflows of resources, deferred inflow of resources, and net position in a statement of financial position. The net position is required to be classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at fiscal year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position – This component of net position represents restricted assets net of liabilities that relate to those specific restricted assets. A restricted asset is an asset for which constraints have been placed on the asset's use by creditors, contributors, laws, or regulations of other governments, or as a governing body at the time a particular fee, charge, levy, or assessment was approved. These restrictions must be narrower than the general purposes for which the reporting government can use its resources.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

See note 3 for additional disclosures regarding net position.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Revenue Recognition

Revenue is recognized on the accrual basis of accounting and donation revenue is recognized according to the conditions of the promise.

D. Land

Acquisition of land and buildings and improvements are recorded at cost or, if donated, at fair value at date of donation. Land basically consists of open space acquired in accordance with the joint powers agreement that created the Authority. Buildings and improvements consist of houses and improvements that were located on the land at the time of purchase or donation. When land and buildings and improvements are sold or otherwise disposed of, related costs are removed from the accounts and any gain or loss is reported in the Statement of Revenues, Expenses, and Changes in Net Position.

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. New Accounting Pronouncements

Governmental Accounting Standards Statement No. 101, "*Compensated Absences*", provides an updated framework to meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for reporting periods beginning after December 15, 2023. This statement did not have an impact on the financial statements.

Governmental Accounting Standards Statement No 102, "Certain Risk Disclosures" enhances financial reporting by requiring state and local governments to disclose risk stemming from certain concentrations and constraints that may make them vulnerable to substantial financial impacts. This statement is effective for reporting periods after June 15, 2024. This statement did not have an impact on the financial statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

H. Lease Liability

As a lessee, a lease is defined as a contractual agreement that conveys control of the right-to-use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Authority has no lease liabilities that meet the criteria to be recognized at June 30, 2025.

I. Prior Period Adjustments

The Authority restated their opening equity of $68,438,611 by $60,228 to $68,498,839 resulting from a decrease in equity of $3,154 for cash that was overstated in the prior fiscal year, an increase in equity of $74,577 for two lawnmowers that were expensed in the prior fiscal year instead of capitalized, and a decrease in equity of $11,195 for depreciation that should have been expensed in the prior year.

NOTE 2 CASH AND INVESTMENTS

In accordance with the California Government Code, cash balances of the Authority are deposited with and pooled and invested by the County Treasurer and Tax Collector (TTC) for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to participating funds based upon each fund's average daily balance during the allocation period. The Authority maintains a deposit account for donations with Wells Fargo Bank which at June 30, 2025, had a balance of $580.

California Government Code Sections 53601 and 53635 authorize the Treasurer to invest the External Investment Pool (Pool) and Specific Purpose Investment (SPI) funds in obligations of the United States Treasury, federal agencies, municipalities, asset-backed securities, bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, forwards, futures, options, shares of beneficial interest of a Joint Powers Authority that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds registered with the Securities and Exchange Commission, securities lending agreements, the State of California's Local Agency Investment Fund

NOTE 2 CASH AND INVESTMENTS (Continued)

and supranational institutions. California Government Code Section 53534 authorizes the Treasurer to enter into interest rate swap agreements. However, these agreements should only be used in conjunction with the sale of the bonds approved by the Board of Supervisors. As permitted by the California Government Code, the Treasurer developed, and the Board of Supervisors adopted, an Investment Policy that further defines and restricts the limits within which the Treasurer may invest. The investments are managed by the Treasurer, which reports investment activity to the Board of Supervisors on a monthly basis. In addition, the Treasurer's investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting by the County. The Treasurer also maintains Other Specific Investments, which are invested pursuant to Section 1300.76.1, Title 28, California Code of Regulations. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2025, to support the value of shares in the Pool.

Also, the Authority's Memorandum of Understanding (MOU) with the Treasurer, executed in May 2011, enables the County to make investments for the Authority using the SPI program that is within the guidelines of the County's investment policy. Section III of that MOU instructs the Authority to create its own investment policy or adopt that of the County, either of which shall be approved by the Authority on an annual basis. The investment policy needs to comply with the California Government Code and Education Code and may not be less restrictive than the Treasurer's investment policy.

The Authority's Board annually adopts the County's investment policy. The investments are managed by the Treasurer, which reports investment activity to the Authority's Board on a monthly basis.

Disclosures Relating to Interest Rate Risk

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

Statement of Net Position:		
Cash on deposit	$	9,195,736
Restricted cash on deposit with County Treasurer		263,179
Investments		21,968,126
Total cash and investments	$	31,427,041

NOTE 2 CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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

Demand deposits - outside bank	$ 580
Total demand deposits	580
Cash and investments with County Treasurer	9,195,156
Restricted cash and investments on deposit with County Treasurer	263,179
Investments	21,968,126
Total Investments	31,426,461
Total cash and investments	$ 31,427,041

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

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

		Remaining Maturity (in Months)		
Investment Type	Fair Value	12 Months or Less	13 - 60 Months	More than 60 Months
Cash and Investments with County Treasurer	$ 9,458,335	$ 9,458,335	$ -	$ -
Federal Agency Securities	21,968,126	-	-	21,968,126
Total	$ 31,426,461	$ 9,458,335	$ -	$ 21,968,126

Disclosures Relating to Credit Risk

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

NOTE 2 CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk (Continued)

Investment Type	Fair Value	Minimum Legal Rating	Ratings as of Fiscal Year End		
			AA+	Exempt	Not Rated
Cash and Investments with County Treasurer	$ 9,458,335	N / A	$ -	$ -	$ 9,458,335
Federal Agency Securities	21,968,126	N / A	21,968,126	-	-
Total	$ 31,426,461		$ 21,968,126	$ -	$ 9,458,335

Concentration of Credit Risk

The investment policy of the Authority contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments (other than external investment pools and U.S. Treasuries) in any one issuer that represent 5% or more of total Authority's investments are as follows:

Issuer	Investment Type	Reported Amount	Maturity	Interest Rate
Federal Farm Credit Bank	Federal Agency Securities	$ 16,131,071	2042	2.50%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	5,837,055	2044	2.00%

Investments are stated at fair value and are valued daily. The Treasurer categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix pricing is used to value securities based on securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flow techniques. Investments in an external government investment pool are not subject to reporting within the level hierarchy.

See the County's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related interest rate risk, credit rate risk, custodial risk, and concentration risk.

Funds deposited in the County Treasury Pool amounted to $9,458,335 as of June 30, 2025; however, this external pool is not measured under Level 1, 2, or 3. This represents less than 0.02% of the total Treasury Pool.

NOTE 2 CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The Authority categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and
- Level 3: Investments reflect prices based on unobservable sources.

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

		Fair Value Measurement Using		
Investments by Fair Value	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Securities	$ 21,968,126	$ -	$ 21,968,126	$ -
Total investments measured at fair value	$ 21,968,126	$ -	$ 21,968,126	$ -

The investment activity of the Authority with the County Treasurer occurs separately from the County's investment pool and is reported as a Specific Purpose Investment on behalf of the Authority.

NOTE 3 NET POSITION

Net position at June 30, 2025 consisted of the following:

Net Investment in Capital Assets	$ 35,810,931
Restricted Net Position *	263,179
Unrestricted Net Position	31,299,862
Total Net Position	$ 67,373,972

*Under the purchase agreement for the Brearley/Malkenhorst/Turnbull Property, the Authority agreed to pledge $263,179 of the funds on deposit with the County Treasurer as security for obligations, including street improvements that would need to be made in the event that the property ceases to be used for open space, habitat restoration, or other biological preservation activities consistent with open space management, and passive recreational use.

NOTE 4 CAPITAL ASSETS

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

	Balance at June 30, 2024	Additions	Deletions	Prior Period Adjustment	Balance at June 30, 2025
Capital Assets, Non-depreciable:					
Land (Acquired by the Authority)	$ 34,520,585	$ -	$ -	$ -	$ 34,520,585
Land (Donated to the Authority)	1,239,392	-	-	-	1,239,392
Total Capital Assets, Non-depreciable	35,759,977	-	-	-	35,759,977
Capital Assets, Depreciable:					
Buildings and improvements	428,480	-	-	-	428,480
Equipment	-	-	-	74,577	74,577
Accumulated depreciation	(428,480)	(12,428)	-	(11,195)	(452,103)
Total Capital Assets, Depreciable	-	(12,428)	-	63,382	50,954
Total Capital Assets, net	$ 35,759,977	$ (12,428)	$ -	$ 63,382	$ 35,810,931

NOTE 4 CAPITAL ASSETS (Continued)

Capital assets, at cost, or fair value at the time of donation, for the fiscal year ended June 30, 2025, consist of the following:

Property Name		Land Amount	Building Amount	Equipment
Assets Acquired by the Authority				
a.	Powder Canyon	$ 2,398,188	$ -	$ -
b.	Hacienda Hills Property	790,467		
c.	Unocal Properties	46,524		
d.	Davies Property	726,100		
e.	Weisel/Sanders Property	352,363	300,000	
f.	Old Coach Property	3,616,020		
g.	Pellkofer Properties	236,699		
h.	Lim Property	450,875		
i.	Roberts/Pellkofer Property	769,550		
j.	Fan/Huang/Chen Property	481,921		
k.	Newbre II Property	501,868		
l.	Shuey Property	75,877		
m.	Canlas Property	396,151		
n.	Rose Hills Foundation Property	14,213,405		
o.	Kou Property	650,854		
p.	Javaid Property	2,204,100		
q.	Viola Berg Property	355,737		
r.	Public Works Property - La Habra Heights	320,302		
s.	Gibson Property	790,440		
t.	Ranney Property	2,729		
u.	Brearley/Malkenhorst	2,124,500		
v.	Corona Property	438,175		
w.	Maico Property	601,200		
x.	Sycamore Canyon Property	1,505,032	128,480	
y.	Seirafi Parcel No. 8239-045-903	3,987		
z.	Housely Parcel No. 8239-045-904	21,026		
aa.	Easement on Parcel No. 8126-024-004	2,800		
bb.	Moravek APN 8221-026-010	22,156		
cc.	Johns APN 8221-004-013, 014, 015	421,539		
dd.	2023 Tractor with Flailmower			60,658
ee.	2023 Trailer			13,919
	Total Assets Acquired by the Authority	34,520,585	428,480	74,577
Assets donated to the Authority				
a.	Benson Ford Donation	104,000		
b.	J. Grimont Donation	100,000		
c.	Newbre Property	316,394		
d.	Gale Property	708,667		
e.	OCWR Project easement	9,401		
f.	Ridgewood/BroadrockBrea/ Power II easement	930		
	Total Assets Donated to the Authority	1,239,392		
Total Capital Assets as of June 30, 2025		$ 35,759,977	$ 428,480	$ 74,577

NOTE 5 COMMITMENTS AND CONTINGENCIES

The Authority leases its office space from the City of Whittier (City). In August 2021, the Authority signed a lease renewal for the office space in the City, effective from August 1, 2021 through July 31, 2026, with an option to renew for two consecutive five year terms. According to the lease agreement, the base rent will start at $471.68 per month and will be adjusted annually, based on the Authority's proportionate share of the operating expenses incurred by the City. On August 23, 2022, the lease agreement was amended to change the base rent to $1 annually, commencing August 23, 2022. The lease does not meet the criteria for being recorded under Governmental Accounting Standards Board Statement No. 87 "Leases".

The Authority's personnel are employees of the City. Their CalPERS benefits and related pension liabilities are disclosed in the City's financial statements.

NOTE 6 CONTINGENT LIABILITIES

Claims and suits have been filed against the Authority in the normal course of business. The outcome of these matters is not presently determinable. However, in the opinion of management, the resolution of these matters is not expected to have a significant impact on the financial condition of the Authority.