

Penny Lilburn, Mayor
District 3

Larry McCallon, Mayor Pro Tem
District 5

Gregory Hogan, Councilmember
District 1

Jimmy Saldana, Councilmember
District 2

John P. Timmer, Councilmember
District 4



City of Highland

City Council Regular Meeting Agenda

December 9, 2025 at 6:00 PM

City Hall Donahue Council Chambers
27215 Base Line, Highland CA 92346

Staff

Carlos Zamano, City Manager
Lawrence Mainez, Community Development Director
Leticia Nava-Cruz, Director of Administrative Services/City Treasurer
Octavio Duran Jr., Public Works Director/City Engineer
Maricela Marroquin, City Attorney
Alondra Muñoz, City Clerk

Mission Statement

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

In compliance with the Brown Act, any writings or documents provided to a majority of the legislative body regarding any item on this agenda, that are not exempt from disclosure under the California Public Records Act, will be made available for public inspection at City Hall, 27215 Base Line Highland, CA 92346, during normal business hours. Such documents will also be made available on the City's website at www.cityofhighland.org.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance, please contact the City Clerk's office at (909) 864-6861, ext. 226, at least 72 hours prior to the meeting for any requests for reasonable accommodations, including interpreters.

Levine Act: Pursuant to Government Code Section 84308, any party to a City proceeding must disclose on the record any campaign contributions made to a member of the City Council (or commission) in excess of \$500 in the past 12 months. This disclosure requirement includes contributions by the party's agent and aggregated contributions from persons or entities related to the party. Please make the disclosure as soon as possible, but no later than the beginning of the proceeding.

Call to Order

Invocation

Pledge of Allegiance

Roll Call

Report From Closed Session

Special Presentations

Michael Burrows - Executive Director of the San Bernardino International Airport Authority

Public Comment

To address the City Council, please complete a speaker form located at the entrance and give it to the City Clerk prior to the beginning of the meeting. Your name will be called when it is your turn to speak. State Law prohibits the City Council from acting on any item not on the agenda. Individual speakers are limited to three (3) minutes each. For those wishing to make public comments by email, please submit your comments by 5:00 p.m. on December 9, 2025 to publiccomment@cityofhighland.org. If you are submitting a public comment pertaining to an item on the agenda, please identify the agenda item number. Members of the public may submit comments on public hearing items at any time before the meeting, as well as during the meeting up until the close of the public hearing for the respective item.

City Council Business

1. Appointment of Mayor and Mayor Pro Tem for 2025/2026

Choose one of its members as Mayor and another of its members as Mayor Pro Tem.

2. Membership on Various Council Subcommittees, Ad Hoc, and Agency Organizations

Review and revise as appropriate current membership on various Council Subcommittees, Ad Hoc and Agency Appointments.

City Council Consent Calendar

3. Waive the Reading of All Ordinances

Waive the reading of all ordinances in their entirety and read by title only.

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4. Minutes - November 12, 2025 City Council Regular Meeting
Approve the Minutes as submitted.
 5. Minutes - November 20, 2025 City Council Closed Session
Approve the Minutes as submitted.
 6. Minutes - November 20, 2025 City Council Special Meeting
Approve the Minutes as submitted.
 7. Warrant Register No. 784
Approve Warrant Register #784; Warrants in the amount of \$3,526,948.53 and Payroll in the amount of \$257,214.78.
 8. Treasurer's Report for October 2025
Receive and file the Treasurer's Report for October 2025.
 9. Records Destruction Authorization
That the City Council approve the destruction of certain records.
 10. Developer In-Lieu Fee Annual Report for Fiscal Year 2024-2025
The Finance/Personnel Subcommittee recommends the City Council receive and file the Developer In-Lieu Fee Annual Report for Fiscal Year 2024-2025.
 11. AB1600 Development Impact Fee Annual Report for Fiscal Year 2024-2025 per Government Code Section 66006
The Finance/Personnel Subcommittee recommends the City Council receive and file the AB1600 Development Impact Fee Annual Report for Fiscal Year 2024-2025.
 12. The Annual Comprehensive Financial Report (ACFR), the Independent Auditor's Report on Internal Controls, the Audit Conclusion Letter, and the Gann Limit (Appropriations Limit) Letter; All Reports are for Fiscal Year Ended June 30, 2025
The Finance/Personnel Subcommittee recommends the City Council receive and file the Annual Comprehensive Financial Report (ACFR), the Independent Auditor's Report on Internal Controls, the Audit Conclusion letter, and the Gann Limit (Appropriations Limit) letter. All reports are for Fiscal Year Ended June 30, 2025.
 13. Notice of Completion: Bid No. 2024-07, "9th Street Transit Stops, Sidewalk and Bikeway Improvements Project" (Project No. swk19001)
 1. Accept Bid No.2024-07, "9th Street Transit Stops, Sidewalk and Bikeway Improvements Project" (Project No. swk19001) as complete;
 2. Authorize the Mayor to sign the Notice of Completion; and
 3. Direct the City Clerk to file the Notice of Completion.

14. Amendment to (1) an Agreement between the San Bernardino County Flood Control District and the City Pertaining to the Purchase and Sale of 8.61 Acres of Vacant San Bernardino County Flood Control District Property Located Generally North of Greenspot Road and East of the SR 210 Freeway to Effectuate a 12-month Escrow Extension, and (2) an Agreement between the City and TREH Partners XV, LLC to Effectuate a 12-Month Escrow Extension as to the Same Property

Authorize the City Manager to execute the necessary agreements and escrow documents to effectuate the subject escrow extension, including an amendment to the First Amended and Restated Purchase and Sales Agreement and Joint Escrow Instructions between the City and the San Bernardino County Flood Control District, and the Purchase and Sale Agreement between the City and TREH Partners XV, LLC, once the agreements are approved as to form by the City Attorney.

City Council Legislative

15. 2025-06 Highland City Hall Fence and Gates Contract Amendment
1. Approve a contract amendment to the 2025-06 “Highland City Hall Fence and Gates Project” construction contract with Golden West Fence in the amount of \$118,731 to provide additional fence and gate work at City Hall, Highland Police Department, and Lillian Lane at Hibiscus Street;
 2. Authorize the City Manager to approve additional contract amendments up to 10% of the revised contract amount of \$312,355 (\$193,624+\$118,731);
 3. Approve a budget adjustment of \$73,538 from 023-2505 Unreserved Designated Public Improvement account to 023-3890-6030 for the portion of work at the Highland Police Station: and
 4. Approve a budget adjustment of \$45,193 from the Unreserved/Undesignated Development Impact Fee (DIF) fund balance (Acct # 007.2100) to be expended from Facility Construction (Acct # 007-8330-6803) for City Hall and Lillian Lane at Hibiscus Street work.
16. Second Contract Amendment to the Professional Services Agreement with HDR Engineering, Inc. for the Victoria Avenue Drainage and Street Improvements Project (Project No. str17002)
1. Approve the second contract amendment to the Professional Services Agreement with HDR Engineering, Inc. to provide additional engineering and right-of-way services for the Victoria Avenue Drainage and Street Improvements Project in the amount of \$272,924; and
 2. Authorize the City Manager to approve additional contract amendments up to 10% of the revised contract amount of \$901,919.
17. City Manager Report and Comments (Work Program, Regional/Legislative/ Development Issues, Subcommittees, etc.)

Discussion and possible action.

18. Councilmember Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)

Discussion and possible action.

Announcements

Closed Session

Adjourn

Regular Meetings

Effective March 1, 2022, pursuant to Resolution No. 2022-001, the regular City Council meetings will be held once a month on the second Tuesday of each month. The next regular meeting of the City Council is scheduled for January 13, 2026.

Certification

I, Alondra Muñoz, City Clerk, or my designee, hereby certify that the foregoing agenda was posted on our website at www.cityofhighland.org and in the following designated areas: Highland Branch Library (7863 Central Avenue), Fire Station No. 1 (26974 Base Line), and City Hall (27215 Base Line) at least seventy-two (72) hours prior to the meeting per Government Code Section 54954.2.



A handwritten signature in black ink, appearing to read 'Alondra Muñoz', is written over a horizontal line.



Staff Report

to the City Council

**Agenda
Item
No.1.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Alondra Muñoz, City Clerk
Subject: Appointment of Mayor and Mayor Pro Tem for 2025/2026

Recommendation:

Choose one of its members as Mayor and another of its members as Mayor Pro Tem.

Fiscal Impact:

None.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

In accordance with Resolution No. 2022-001, Section 3.1(b), the City Council will annually meet to appoint a Mayor and Mayor Pro Tem for the coming year. The Mayor will turn the meeting over to the City Clerk who will take nominations and the vote for Mayor. After the appointment of the Mayor, the City Clerk will turn the meeting over to the newly appointed Mayor who will then take nominations and the vote for Mayor Pro Tem.

Attachments:

None



Staff Report

to the City Council

**Agenda
Item
No.2.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Alondra Muñoz, City Clerk
Subject: Membership on Various Council Subcommittees, Ad Hoc, and Agency Organizations

Recommendation:

Review and revise as appropriate current membership on various Council Subcommittees, Ad Hoc and Agency Appointments.

Fiscal Impact:

None.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Traditionally, the Council has reviewed the appointments to the Subcommittees, Ad Hoc, and Agencies annually in December. The Subcommittee and Agency appointments are done with the approval of a majority of the Council however, only the Mayor may establish or delete an Ad Hoc Committee.

Attachments:

1. Subcommittee AdHoc Appointments

CITY OF HIGHLAND CITY COUNCIL ASSIGNMENTS

SUBCOMMITTEES	MEMBERS	ESTABLISHED
Community Day of Service	Hogan, Timmer	12/08/2015
Finance/Personnel	McCallon, Timmer	12/18/2017
Legislative	Lilburn, McCallon	08/23/1988
Public Facilities	Saldana, Lilburn	05/10/1988
Public Safety	Saldana, Lilburn	05/10/1988
Public Works	McCallon, Timmer	05/10/1988

AGENCY APPOINTMENTS

Omnitrans	Lilburn, Alt-McCallon
SBCTA	McCallon, Alt-Lilburn
SBIAA	Lilburn, Alt-McCallon
SCAG	McCallon, No Alternate
Santa Ana River Wash Area Coordinated Planning Activities Committee	Hogan, Alt-Timmer
Solid Waste Task Force	Lilburn, Alt-Morgan

STAFF AGENCY APPOINTMENTS

Gangs & Drugs Task Force	Chief of Police
California Intergovernmental Risk Authority (CIRA)	Nava-Cruz, Alt-Zamano

CITY OF HIGHLAND AD HOC APPOINTMENTS

An ad hoc committee is composed solely of less than a quorum of the legislative body and is exempted from the Brown Act. Ad Hoc Committees are created by the Mayor to serve a limited or single purpose, are not perpetual, and are to be dissolved once their specific task is completed. The City Clerk shall be notified of the creation of an Ad Hoc Committee and the members appointed.

AD HOC

Airport

Sales Tax

MEMBERS

Lilburn, McCallon

Lilburn, McCallon

ESTABLISHED

July 22, 2025

November 17, 2025



Staff Report

to the City Council

**Agenda
Item
No.3.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Alondra Muñoz, City Clerk
Subject: Waive the Reading of All Ordinances

Recommendation:

Waive the reading of all ordinances in their entirety and read by title only.

Fiscal Impact:

None.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Under California Government Code Section 36934, before adopting an ordinance, the title of the ordinance must be read in full or by title only. Government Code Section 36933 further allows the legislative body to waive the reading of the ordinance in full, provided that the ordinance has been made available to the public and the Council by title and in writing. Copies of all proposed ordinances are included in the City Council agenda packet, made available to the public in advance, and posted on the City's website.

Attachments:

None



Staff Report

to the City Council

**Agenda
Item
No.4.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Lissette Nock, Deputy City Clerk
Subject: Minutes - November 12, 2025 City Council Regular Meeting

Recommendation:

Approve the Minutes as submitted.

Fiscal Impact:

None.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The City Council is required to maintain an official record of its proceedings. Minutes serve as the permanent record of actions taken by the City Council and provide transparency to the public regarding the business conducted at each meeting. In accordance with standard practice, the draft minutes from the November 12, 2025 City Council meeting have been prepared and are submitted for the City Council's review and approval.

Attachments:

1. Minutes - November 12, 2025 City Council Regular Meeting

Call to Order

The regular meeting of the City Council of the City of Highland was called to order at 6:03 p.m. by Mayor Lilburn at the Donahue Council Chambers, 27215 Base Line, Highland, California.

Invocation

The invocation was given by Pastor Willie Hicks, Harvest Care Church.

Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Lilburn.

Roll Call

Present: Hogan, Lilburn, McCallon, Saldana, Timmer

Absent: None

Report From Closed Session

None

Special Presentations

Mayor Lilburn presented the Community Spirit Award to Miko Flores, Firefighter Lee Fonseca, Firefighter Michael Watanable, and Firefighter Jesus Feria for their heroic actions in saving a Highland resident's life.

Public Comment

Jane Bouch and Chris Nielsen representing the Highland Chamber of Commerce spoke regarding upcoming events.

Stephanie Young representing Light the World Giving Machines spoke regarding donations.

City Council Consent Calendar

A MOTION was made by Councilmember Timmer, seconded by Councilmember Saldana, to approve the consent calendar. Motion carried on a roll call vote, 5-0.

1. Waive the Reading of All Ordinances

Waived the reading of all Ordinances in their entirety and read by title only.

2. Minutes - October 14, 2025 Joint City Council Regular Meeting & Housing Authority Special Meeting

Approved the minutes as submitted.

3. Warrant Register No. 783

Approved Warrant Register No. 783; warrants in the amount of \$2,057,933.73 and Payroll in the amount of \$272,756.58.

4. Treasurer's Report for September 2025

Received and filed the Treasurer's Report for September 2025.

5. Claim Considerations

Rejected claims.

6. Proposed City of Highland Community Development Block Grant (CDBG) Applications for Fiscal Year 2026-2027 Including One for Enhanced Code Enforcement and One for Pavement Rehabilitation and Ancillary Work on Cole Avenue and 14th Street

1. Approved the City's Application for Enhanced Code Enforcement that supports a portion of the salary and benefits of a Code Compliance Officer, Administrative Assistant, and Community Development Director; and
2. Approved the City's Application to construct pavement rehabilitation and ancillary work on two streets within the CDBG Low-Mod Income eligible block area on Cole Avenue from Base Line to 14th Street and 14th Street from Cole Avenue to Central Avenue.

7. Approval of Amendment to Agreement between the City and San Bernardino County Sheriff's Department Contract for FY 2025-2026 & Amendment No. 5 to the Reimbursement Agreement Between the City of Highland & East Valley Water District (EVWD) for Law Enforcement Services for FY 2025-2026 Due to MOU Negotiated Salary Increases

1. Authorized the Mayor to execute the amended contract (FY 2025-2026) for Law Enforcement Services with the San Bernardino County Sheriff's Department (Sheriff's Department) to update the salaries in Schedule A; and
2. Approved Amendment No. 5 to the Reimbursement Agreement between the City of Highland & East Valley Water District (EVWD) for Law Enforcement Services (FY 2025-2026).

8. Bid Award - Bid No. 2025-07, "City of Highland Recycle and Refuse Dumpster Enclosure Project"

1. Awarded the bid for Bid No. 2025-07 "City of Highland Recycle and Refuse Dumpster Enclosure Project" Contract to the lowest responsive bidder, Gentry General Engineering, Inc. in the amount of \$117,154.00; and
2. Approved a budget adjustment of \$48,000 from the Unreserved/Undesignated Development Impact Fee (DIF) fund balance (Acct# 007-2100) to be expended from Facility Construction (Acct# 007-8330-6803).

9. Grant Funding Agreement between the City of Highland and San Bernardino County Transportation Authority (SBCTA) for the Base Line/Greenspot Road Smart Corridor Project

1. Approved the Agreement between the City of Highland and San Bernardino County Transportation Authority (SBCTA) for the Base Line/Greenspot Rd Smart Corridor Project; and
2. Authorized the Mayor to sign the agreement.

10. Declare Three (3) Seats Vacant on the Community Trails Committee

1. Declared three (3) seats vacant on the Community Trails Committee; and
2. Directed the City Clerk to advertise the vacancies on the Community Trails Committee.

11. Notice of Completion - Bid No. 2025-05, "2025 Arterial Resurfacing Project", (Project No. ola23002)

1. Accepted Bid No. 2025-05, "2025 Arterial Resurfacing Project", (Project No. ola23002) as complete;
2. Authorized the Mayor to sign the Notice of Completion; and
3. Directed the City Clerk to file the Notice of Completion.

City Council Public Hearing

12. A Public Hearing to Confirm the Costs of Abatement and Establish a Special Assessment Against the Respective Parcel of Land Described as Tax Assessor's Parcel Number 0273-261-06, Generally Located at 25646 Base Line, San Bernardino, CA 92410 (Within the Corporate Boundaries of the City of Highland)

Mayor Lilburn opened the public hearing.

Code Enforcement Officer Chambers stated this item is related to the abatement of substandard nuisance conditions on the property located at 25646 Base Line which was declared a public nuisance by the Planning Commission Appeals Board on March 18, 2025. Due to the continued lack of response by the property owner, the city obtained a court-approved abatement warrant on September 3, 2025, authorizing the city to abate the nuisance conditions. On September 11, 2025, the city's contractor commenced and completed the cleanup on the subject property. The total estimated cost to abate the nuisance conditions is \$75,353.55. Staff recommends the City Council confirm the cost and expenses related to the abatement, approve the special assessment, and direct staff to effectuate the recordation of the lien.

Mayor Lilburn asked if a representative of the property was present? (No one was present.)

Mayor Lilburn asked if there were any questions from the public? Seeing none, she closed the public hearing and brought it back to City Council for deliberation.

A MOTION was made by Councilmember Saldana, seconded by Councilmember Timmer to:

1. Conduct a public hearing and adopt Resolution No. 2025-051, confirming the costs and expenses in the amount of \$75,353.55 that have been expended by the City to abate the Public Nuisance on the above property, as itemized in the attached invoices;
2. Approve a Special Assessment against the above property which will be collected at the same time and in the same manner as ordinary municipal taxes and shall be subject to the same procedure for foreclosure and sale in case of delinquency; and

3. Direct staff to effectuate the recordation of the subject Notice of Lien for Abatement of Public Nuisance in the office of the San Bernardino County Recorder; a copy of the Special Assessment Lien shall also be filed with the Assessor and Tax Collector of San Bernardino County. Motion carried, 5-0.

RESOLUTION NO. 2025-051

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, CONFIRMING AND APPROVING CERTAIN COSTS AND EXPENSES OF ABATEMENT OF A DECLARED PUBLIC NUISANCE ON THE PARCEL IDENTIFIED AS APN: 0273-261-06, GENERALLY LOCATED AT 25646 BASE LINE ST., SAN BERNARDINO, CA 92410, AND ESTABLISHING A SPECIAL ASSESSMENT AGAINST SAID PARCEL OF LAND FOR THOSE COSTS AND EXPENSES

13. Ordinance No. 477, an Ordinance of the City Council of the City of Highland, Amending Title 15 of the Highland Municipal Code Adopting by Reference, the California Code of Regulations Title 24, Comprising Part 1 the 2025 California Administrative Code; Part 2 the 2025 California Building Code, Volumes 1 and 2, with Appendices F, G, H, I, J, N, and Chapter 1, Division II; Part 2.5 the 2025 California Residential Code, with Appendices AB, BF, CI; Part 3 the 2025 California Electrical Code; Part 4 the 2025 California Mechanical Code; Part 5 the 2025 California Plumbing Code, with Appendix H; Part 6 the 2025 California Energy Code; Part 7 the 2025 California Wildlife-Urban Interface Code; Part 8 the 2025 California Historical Building Code; Part 9 the 2025 California Fire Code, with Appendices Chapter 4, B, BB, C, CC, D, E, F, G, H, I, K, N, O, P and Q; Part 10 the 2025 California Existing Building Code; Part 11 the 2025 California Green Building Standards Code; and Part 12 the 2025 California Referenced Standards Code; Together With Certain Amendments Thereto, and Making a Finding of Exemption Under the California Environmental Quality Act; and Resolution No. 2025-052, a Resolution of the City Council of the City of Highland Making Express Findings and Determinations that Modifications to the 2025 California Building Code, 2025 California Residential Code, 2025 Wildland-Urban Interface Code, and the 2025 California Fire Code as Adopted by the City of Highland, are Reasonably Necessary because of Local Climatic, Geological and/or Topographical Conditions

Mayor Lilburn opened the public hearing.

Building Official Wirz stated the State of California adopts, amends, and publishes the model building codes every three (3) years. This year, the state approved the 2025 California Building Code standards, which take effect on January 1, 2026. The city may adopt these codes and concurrently amend them, provided the amendments are more restrictive and supportive with findings unique within our community based on climactic, geological, or topographical conditions. Staff's recommendation is to open and conduct a public hearing, conduct a second reading of Ordinance No. 477 and adopt a resolution making express findings for modifications to the 2025 California Residential Code, the 2025 California Building Code, the 2025 California Wildland Urban Interface Code, and the 2025 California Fire Code.

Mayor Lilburn asked if there were any questions from the public? Seeing none, she closed the public hearing and brought it back to City Council for deliberation.

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilmember Saldana to:

1. Open and conduct a public hearing and conduct a second reading of Ordinance No. 477; and
2. Adopt Resolution No. 2025-052, making express findings for modifications to the 2025 California Residential Building Code, 2025 California Building Code, 2025 California Wildland-Urban Interface Code and the 2025 California Fire Code.

ORDINANCE NO. 477

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, AMENDING TITLE 15 OF THE HIGHLAND MUNICIPAL CODE ADOPTING BY REFERENCE, THE CALIFORNIA CODE OF REGULATIONS TITLE 24, COMPRISING PART 1 THE 2025 CALIFORNIA ADMINISTRATIVE CODE; PART 2 THE 2025 CALIFORNIA BUILDING CODE, VOLUMES 1 AND 2, WITH APPENDICES, F, G, H, I, J, N AND CHAPTER 1, DIVISION 11; PART 2.5 THE 2025 CALIFORNIA RESIDENTIAL CODE, WITH APPENDICES AB, BF, CI; PART 3 THE 2025 CALIFORNIA ELECTRICAL CODE; PART 4 THE 2025 CALIFORNIA MECHANICAL CODE; PART 5 THE 2025 CALIFORNIA PLUMBING CODE, WITH APPENDIX H; PART 6 THE 2025 CALIFORNIA ENERGY CODE; PART 7 THE 2025 CALIFORNIA WILDLAND-URBAN INTERFACE CODE; PART 8 THE 2025 CALIFORNIA HISTORICAL BUILDING CODE; PART 9 THE 2025 CALIFORNIA FIRE CODE, WITH APPENDICES CHAPTER 4, APPENDICES B, BB, C, CC, D, E, F, G, H, I, K, N, O, P AND Q; PART 10 THE 2025 CALIFORNIA EXISTING BUILDING CODE; PART 11 THE 2025 CALIFORNIA GREEN BUILDING STANDARDS CODE; PART 12 THE 2025 CALIFORNIA REFERENCED STANDARDS CODE; TOGETHER WITH CERTAIN AMENDMENTS THERETO, AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RESOLUTION NO. 2025-052

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND MAKING EXPRESS FINDINGS AND DETERMINATIONS THAT MODIFICATIONS TO THE 2025 CALIFORNIA BUILDING CODE, 2025 CALIFORNIA RESIDENTIAL CODE, 2025 CALIFORNIA PLUMBING CODE (APPENDIX ONLY), 2025 WILDLAND-URBAN INTERFACE CODE AND THE 2025 CALIFORNIA FIRE CODE AS ADOPTED BY THE CITY OF HIGHLAND, ARE REASONABLY NECESSARY BECAUSE OF LOCAL CLIMATIC, GEOLOGICAL AND/OR TOPOGRAPHICAL CONDITIONS

14. Conduct a Public Hearing and Adopt Resolution No. 2025-053 Amending the Fee Schedule for Storage Impound Release Processing Fees

Mayor Lilburn opened the public hearing.

Assistant Director of Administrative Services Gomez stated after receiving feedback from the San Bernardino County Sheriff's Department, staff worked with the city's fee study consultant to review the current charges of the storage impound release processing fee and ensure they comply with the California Vehicle Code. The analysis showed that the existing flat fee of \$400 per vehicle does not accurately reflect the actual staff time and resources required. The prior fee included the Deputy's time versus the Service Specialist that is allowed in the vehicle code. The proposed change introduces a tiered fee structure, \$145 per vehicle during regular business hours, or \$203 per vehicle for after-hour releases.

These updated fees are designed to recover the true cost of the service while maintaining fairness and competitiveness. Public notice was properly given, and no objections have been received. The Finance/Personnel Subcommittee recommends the City Council adopt the resolution which updates the city's fee schedule for storage and impound release processing fees.

Mayor Lilburn asked if there were any questions from the public? Seeing none, she closed the public hearing and brought it back to City Council for deliberation.

Councilmember Saldana stated transitioning from a flat fee of \$400.00 to a tiered system is a significantly reduced amount. Does it align more with what surrounding cities are charging?

Assistant Director of Administrative Services Gomez confirmed that's correct. In the previous study, a Deputy was calculated on the rate, and this time it is an Office Specialist.

Mayor Lilburn asked to confirm whether the last review of this fee occurred in 2005, when it was adjusted to the \$400 tier.

Assistant Director of Administrative Services Gomez stated that the fee was last reviewed in June and July 2025 as part of the fee study, which was presented to the City Council.

Mayor Lilburn asked what was the fee amount prior to \$400?

Assistant Director of Administrative Services Gomez stated it was \$280.

A MOTION was made by Mayor Pro Tem McCallon, seconded by Councilmember Saldana to adopt Resolution No. 2025-053, amending the Fee Schedule for storage impound release processing fees. Motion carried, 5-0.

RESOLUTION NO. 2025-053

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, AMENDING THE SCHEDULE OF FEES FOR STORAGE IMPOUND RELEASE PROCESSING FEES

City Council Legislative

15. City Manager Report and Comments (Work Program, Regional/Legislative/ Development Issues, Subcommittees, etc.)

City Manager Zamano stated the Highland Sheriff's Department for the month of October received 3,301 calls for service, made 361 reports, 149 arrests, issued 61 citations, conducted 227 traffic enforcement stops, responded to 70 traffic collisions, 41 transient calls, and 21 towed vehicles.

The Highland Fire Department for the month of October received 697 calls for service, some of which included: 542 medical aids, 45 traffic collisions, 10 structure fires, 5 vegetation fires, 18 other fires, 2 vehicle fires and 26 public service assistance.

The Administrative Services/Finance Department for the month of October issued 47 business licenses, renewed 236 business licenses, issued 99 dog licenses, 78 yard sale permits, and 189 account payable checks.

Human Resources is currently recruiting a Maintenance Worker I and an Assistant Engineer/Associate Engineer/Senior Civil Engineer depending on the applicant who applies. Jay Tuttle, Assistant Engineer, is retiring May of next year, prompting the hiring for his position. He was recognized as the 2025 City Employee of the Year.

Beginning January 2026, the City will transition to a .gov domain, adopting the address highlandca.gov. This change aligns with Assembly Bill 1637, which mandates all public-facing websites and employee email addresses utilize a .gov domain. During the transition, the current .org website and email addresses will remain operational and will automatically redirect users to the new .gov addresses to ensure uninterrupted service. The City begun informing residents through social media channels, the Highland newsletter, and the official City website.

As part of the city's adopted Work Program, the City Clerk's Office will commence passport photo services starting November 17, 2025. This new service will complete the city's existing passport acceptance operations, providing added convenience for visitors to be a "one-stop shop".

Public Works announced the fuel system upgrade project at the Highland Police Department has been successfully completed. This initiative was a designated Work Program item.

On November 7, 2025, the South Coast AQMD Board approved an allocation of \$3 million in MSRC funding to support the Highland/Redlands Regional Connector Gap Bikeway Project. The project is currently managed by the San Bernardino County Transportation Authority (SBCTA) on behalf of the cities of Highland and Redlands. The environmental and construction permits will be obtained by the end of the year following permit acquisition. The project will proceed with final design, bidding and construction activities in 2026.

On Monday, November 24, from 12:00 p.m. to 5:00 p.m., a Blood Drive will be held at the Highland Police Station.

On Saturday, December 6, from 8:00 a.m. to 12:00 p.m. the Highland Improvement Team (HIT) will conduct a cleanup event.

Operation Santa Claus is scheduled to begin at Fire Station No. 2 on December 10, located at 29507 Base Line and at Fire Station No. 3 on December 11, located at 7649 Sterling Avenue. Each event will be held from 6:00 p.m. to 8:00 p.m.
For the month of October, Burrtec completed 229 illegal dumping work orders.

The Community Development Department announced Extra Space Storage is now open. They are located on Greenspot Road next to In-N-Out. They have obtained the temporary occupancy permit contingent upon the final certification of the elevators. Until the elevators receive full certification, only units on the first floor will be available for occupancy.

The Broadstone Multi-family Housing Development has scheduled its Groundbreaking Ceremony for November 18 at 10:00 a.m., due to the forecast potential rain, they would like to consider rescheduling the event to either Thursday, November 20 or Friday, November 21, or alternatively, during the week of November 24. (City Council's consensus was to re-schedule to November 20).

East Valley Water District (EVWD) offered to collaborate with the City of Highland to promote the Citrus Harvest Festival by including an article in their utility bill ahead of the event. This initiative will support citywide promotion. A banner will also be placed at their Sterling Natural Resource Center. Burrtec will also include an insert in their utility bill.

The Community Trails Committee will convene Thursday, November 13, 2025, to review and approve seven (7) new interpretive signs scheduled for installation along the City's Natural Parkland Trail system. This trail system is located at the east end of Base Line. The existing ten (10) interpretive signs have been refreshed due to fading and graffiti damage. Additionally, Yuhaaviatam of San Manuel Nation has expressed interest in contributing content for an interpretive sign panel highlighting their history and connection to the area. A representative from the tribe visited the trails with staff last Thursday to gain a better understanding of the site. The tribe is expected to provide content for their interpretive sign panel by December.

Councilmember Timmer inquired whether the signs will be made of non-flammable materials, given that the current signs tend to deteriorate or become unusable every few years.

City Manager Zamano confirmed the signs will be non-flammable.

Mayor Pro Tem McCallon inquired about the expected completion date of the project.

Public Works Director/City Engineer Duran stated the project is expected to be completed by the end of 2025.

Mayor Pro Tem McCallon inquired an update on the San Carlos Apartment project traffic signal and median repairs.

City Manager Zamano stated staff met with Patrick Tritz, the developer of the site, and expressed the city's dissatisfaction with the signal at Calhoun Rd. and Greenspot Road not being completed yet and also the median. They are taking steps and measures to get this done. We mentioned the City would help facilitate this effort by getting involved with Edison, because according to them, was the entity holding up the final design. Their contractor, Sierra Pacific, is on board. They have been prepaid for the work and are ready to go. They've ordered the dual meter pedestal and is ready to be installed.

The city has been working with them on the restoration of the median. They're going to be working on putting together a plan for us to review to make sure that what they put back is something that we review and agree with so that it's consistent with the rest of the landscape in the area. They will also take care of some of the delineators that have been knocked down because there is a gap in that area right now.

16. Councilmember Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)
Councilmember Hogan expressed he has been unable to attend some of the recent city events but is looking forward to participating in upcoming events.

Councilmember Saldana stated the trunk-or-treat was a success. There were over 350 children in attendance. We anticipate an even greater participation next year. A special thanks to all the sponsors for stepping up and supporting this event, including Yuhaviamat of San Manuel Nation, Burrtec Inc., Downtown Collision Center, Caliber Collision, Champion Plumbing, East Valley Water District (EVWD), and Captain Dean from the Sheriff's Department. Their support helped us create a safe, family-friendly event for the kids, and are grateful for their partnership. I extend my gratitude to everyone who donated candy, Mayor Lilburn, City Manager Zamano and Public Services Manager Morgan. Your generosity ensured that all children who attended had an enjoyable and memorable experience. Thank you again to all the volunteers, staff, and community members who helped to bring this event together. This kind of teamwork is what makes Highland a strong, united community.

Councilmember Timmer stated November 12, 2025, was Veterans Day and wanted to reach out as a city to all the veterans, thanking them for their services. A special thanks to their families for supporting them while they were performing their duties.

Mayor Lilburn stated what a great job the city did in putting on the Volunteer Recognition Dinner and recognizing the great volunteers in Highland. Next month, Mike Burrows from the San Bernardino International Airport will make a presentation to provide updates on what is going on at the airport. She attended a town hall meeting for East Highlands Ranch. Councilmember Jimmy and herself had the opportunity to be principal for a day a couple weeks ago at San Geronimo High School. They also went to San Andreas and Indian Springs High Schools. The following week, they attended the Ribbon Cutting event hosted by the San Bernardino City Unified School District for the Paxam Paxam Welcome Center. Friday, she will be the speaker for the Highland Women's Club.

Announcements

None

Closed Session

None

Adjourn

Mayor Lilburn adjourned the meeting at 6:59 p.m. in memory of Charlie Kirk and Don Clay.

Submitted By:

Approved By:

Alondra Muñoz
City Clerk

Penny Lilburn
Mayor



Staff Report

to the City Council

**Agenda
Item
No.5.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Lissette Nock, Deputy City Clerk
Subject: Minutes - November 20, 2025 City Council Closed Session

Recommendation:

Approve the Minutes as submitted.

Fiscal Impact:

None

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The City Council is required to maintain an official record of its proceedings. Minutes serve as the permanent record of actions taken by the City Council and provide transparency to the public regarding the business conducted at each meeting. In accordance with standard practice, the draft minutes from the November 20, 2025 City Council meeting have been prepared and are submitted for the City Council's review and approval.

Attachments:

1. Minutes - November 20, 2025 City Council Closed Session

Call to Order

The special meeting of the City Council of the City of Highland was called to order at 5:31 p.m. by Mayor Lilburn at the Donahue Council Chambers, 27215 Base Line, Highland, California.

Roll Call

Present: Hogan, Lilburn, McCallon, Saldana, Timmer

Absent: None

Public Comment (Limited to Items on this Agenda Only)

None

Closed Session

At 5:31 p.m. the City Council convened into closed session, regarding the following:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Government Code Section 54956.9(d)(2): (One potential case)

A point has been reached where, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Government Code Section 54956.9(d)(4): (One potential case)

Adjourn

There being no further business, Mayor Lilburn adjourned the meeting at 6:48 p.m.

Submitted By:

Approved By:

Alondra Muñoz, CMC
City Clerk

Penny Lilburn
Mayor



Staff Report

to the City Council

**Agenda
Item
No.6.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Lissette Nock, Deputy City Clerk
Subject: Minutes - November 20, 2025 City Council Special Meeting

Recommendation:

Approve the Minutes as submitted.

Fiscal Impact:

None

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The City Council is required to maintain an official record of its proceedings. Minutes serve as the permanent record of actions taken by the City Council and provide transparency to the public regarding the business conducted at each meeting. In accordance with standard practice, the draft minutes from the November 20, 2025 City Council meeting have been prepared and are submitted for the City Council's review and approval.

Attachments:

1. Minutes - November 20, 2025 City Council Special Meeting

Call to Order

The special meeting of the City Council of the City of Highland was called to order at 6:49 p.m. by Mayor Lilburn at the Donahue Council Chambers, 27215 Base Line, Highland, California.

Roll Call

Present: Hogan, Lilburn, McCallon, Saldana, Timmer
Absent: None

Report From Closed Session

City Attorney Marroquin stated the City Council met in closed session regarding Conference with Legal Counsel Government Code Section 54956.9(d)(2): (One potential case), a point has been reached where, based on existing facts and circumstances, there is a significant exposure to litigation against the City and Government Code Section 54956.9(d)(4): (One potential case). Direction was given to legal counsel; however, no reportable action was taken.

Public Comment (Limited to Items on this Agenda Only)

None

City Council Legislative**1. Cooperative Fire Protection Agreement Extension**

City Manager Zamano gave a brief review of the staff report.

A MOTION was made by Councilmember Timmer, seconded by Mayor Pro Tem McCallon to authorize the City Manager to execute an extension to the Cooperative Fire Protection Agreement between the City of Highland and U.S. Forest Service. Motion carried, 5-0.

Adjourn

Mayor Lilburn adjourned the meeting at 6:50 p.m.

Submitted By:

Approved By:

Alondra Muñoz
City Clerk

Penny Lilburn
Mayor



Staff Report

to the City Council

**Agenda
Item
No.7.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject: Warrant Register No. 784

Recommendation:

Approve Warrant Register #784; Warrants in the amount of \$3,526,948.53 and Payroll in the amount of \$257,214.78.

Fiscal Impact:

The total of Cash and Expenditures is \$3,784,163.31.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

See printouts attached.

Attachments:

1. Warrant Register
2. Voucher List

Attachment 1
Warrant Register

CITY OF HIGHLAND
WARRANT REGISTER #784
December 9, 2025

Warrants:

10/28/2025 Ck#92546-92570	156,363.36
10/31/2025 Payroll Wire #1077 & 1085-1088 & Ck#92571-92575	107,699.32
11/4/2025 Ck#92576-92608	411,455.31
11/11/2025 Ck#92609-92639	87,244.95
11/14/2025 Payroll Wire #1089-1092	83,802.18
11/18/2025 Ck#92640-92681	2,680,383.41
Total Warrants	<u>\$ 3,526,948.53</u>

Payroll:

10/31/2025 Direct Deposits #15665-15713	121,306.81
10/31/2025 Ck #767	339.27
11/14/2025 Direct Deposits #15714-15762	135,290.63
11/14/2025 Ck #768	278.07
Total Payroll	<u>\$ 257,214.78</u>

Total Warrants & Payroll	<u><u>\$ 3,784,163.31</u></u>
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APPROVED BY:

 Larry McCallon
 Finance Subcommittee

 Carlos Zamano
 City Manager

 John Timmer
 Finance Subcommittee

Leticia Nava-Cruz

 Leticia Nava-Cruz
 Director of Administrative
 Services/City Treasurer

Attachment 2

Voucher Lists

10/28/2025	Ck#92546-92570					156,363.36
10/31/2025	Payroll Wire #1077 & 1085-1088 & Ck#92571-92575					107,699.32
11/4/2025	Ck#92576-92608					411,455.31
11/11/2025	Ck#92609-92639					87,244.95
11/14/2025	Payroll Wire #1089-1092					83,802.18
11/18/2025	Ck#92640-92681					2,680,383.41

Voucher List
CITY OF HIGHLAND

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10/28/2025 8:49:39AM

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92546	10/21/2025	003834 ALAPALM ANIMAL HOSPITAL	VOUCHER 25-0020/DL#17715 VOUCHER 25-0020/DL#17715 001.2200.4344	50.00
Total :				50.00
92547	10/21/2025	005771 AMAZON CAPITAL SERVICES	OFFICE SUPPLIES 100% RECYCLED LABELS 001.4500.4200 OFFICE SUPPLIES 001.4500.4200 GIMBAL STABILIZER & MAGNETIC LABEL HOLDE GIMBAL STABILIZER & MAGNETIC LABEL 001.2000.4250 RETRACTABLE CARGO COVER SECURITY SHADE RETRACTABLE CARGO COVER SECURITY SHADE 001.2000.4250 COVID TESTS FOR EMPLOYEES COVID TESTS FOR EMPLOYEES 042.9510.4260 2026 FRONT COUNTER APPOINTMENT BOOKS 2026 FRONT COUNTER APPOINTMENT BOOKS 042.9510.4200	31.99 26.23 258.52 124.87 305.80 42.87
Total :				790.28
92548	10/21/2025	006389 AMERIFLEX	FSA:ZAMANO 10/16/25 FSA:ZAMANO 10/16/25 001.1182	21.40
Total :				21.40
92549	10/21/2025	006394 AT&T	INVESTIGATIVE TOOL INVESTIGATIVE TOOL 001.2000.4200	70.00
Total :				70.00
92550	10/21/2025	003836 CALIFORNIA BUILDING	BSAR 07/25-09/25 BSAR 07/25-09/25 001.4500.4543	1,179.00

Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92550	10/21/2025	003836 CALIFORNIA BUILDING	(Continued) BSAR 07/25-09/25 051.1480	-117.90
Total :				1,061.10
92551	10/21/2025	000213 DAILY JOURNAL CORPORATION	ORD 476:NEWSPAPER PUB ORD 476:NEWSPAPER PUB 001.1200.4300	446.32
Total :				446.32
92552	10/21/2025	000056 DEPARTMENT OF CONSERVATION	SMIP 07/2025-09/2025 SMIP 07/2025-09/2025 001.4500.4542 SMIP 07/2025-09/2025 051.1479	4,868.60
Total :				4,625.17
92553	10/21/2025	006443 DERAS, CORAL	BL#14420 REFUND BL#14420 REFUND 001.1450.7450 BL#14420 REFUND 051.1493	15.00
Total :				19.00
92554	10/21/2025	000324 DIB'S SAFE & LOCK SERVICE	COMM PK:VANDALISM REPAIR COMM PK:VANDALISM REPAIR 001.6000.4070	155.00
Total :				155.00
92555	10/21/2025	004879 DIV OF THE STATE ARCHITECT	AB1379 07/2025-09/2025 AB1379 07/2025-09/2025 051.1493	234.40
Total :				234.40
92556	10/21/2025	000085 EAST VALLEY WATER DISTRICT	LMD 17B-OCT LMD 17B-OCT 012.8500.4030 LMD 11-OCT LMD 11-OCT	541.81

Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92556	10/21/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			012.8500.4030	978.57
			LMD 17D-OCT	
			LMD 17D-OCT	
			012.8500.4030	310.91
			LMD 25-OCT	
			LMD 25-OCT	
			012.8500.4030	388.01
			LMD 17-C-OCT	
			LMD 17-C-OCT	
			012.8500.4030	177.21
			LMD 76-OCT	
			LMD 76-OCT	
			012.8500.4030	170.55
			LMD 17-A-OCT	
			LMD 17-A-OCT	
			012.8500.4030	95.16
			LMD 43-OCT	
			LMD 43-OCT	
			012.8500.4030	338.99
			LMD 55-OCT	
			LMD 55-OCT	
			012.8500.4030	1,321.37
			LMD 47-OCT	
			LMD 47-OCT	
			012.8500.4030	286.63
			SEELEY PK-OCT	
			SEELEY PK-OCT	
			016.8540.4030	560.11
			LMD 16-OCT	
			LMD 16-OCT	
			012.8500.4030	67.72
Total :				5,237.04
92557	10/21/2025	006146 FM THOMAS AIR CONDITIONING	PD:ANNUAL PM	
			PD:ANNUAL PM	
			001.2000.4588	4,960.00
			LIBRARY:HVAC REPAIRS	

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Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92561	10/21/2025	000207 KONICA MINOLTA	(Continued)	
			PD:COPIER LEASE-NOV	
			001.2000.4203	603.40
			CITY HALL:COPIER LEASE-NOV	
			042.9510.4205	1,698.14
Total :				2,301.54
92562	10/21/2025	001404 LOWE'S	CITY HALL:MISC SUPPLIES	
			CITY HALL:MISC SUPPLIES	
			042.9510.4070	81.85
			CITY HALL:MISC SUPPLIES	
			CITY HALL:MISC SUPPLIES	
			042.9510.4070	29.50
			CITY HALL:MISC SUPPLIES	
			CITY HALL:MISC SUPPLIES	
			042.9510.4070	55.70
			CORP YARD:MISC SUPPLIES	
			CORP YARD:MISC SUPPLIES	
			004.8310.4206	70.50
			CITY HALL:BLDG MAINT	
			CITY HALL:BLDG MAINT	
			042.9510.4070	80.78
			LIBRARY:MAINT SUPPLIES	
			LIBRARY:MAINT SUPPLIES	
			001.6000.4070	89.56
			CITY HALL:MISC SUPPLIES	
			CITY HALL:MISC SUPPLIES	
			042.9510.4070	107.44
			FS#1:SUPPLIES FOR AIR COMPRESSOR SHED	
			FS#1:SUPPLIES FOR AIR COMPRESSOR SHED	
			029.2100.4070	326.40
			FS#1:SUPPLIES FOR AIR COMPRESSOR SHED	
			028.2050.4070	326.40
			TAPE FOR COMPOST EVENT	
			TAPE FOR COMPOST EVENT	
			001.4200.4200	15.33
Total :				1,183.46

Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92563	10/21/2025	003334 MUSCO SPORTS LIGHTING, LLC	COMM PK:REMOTE EQUIP 11/25-11/26 COMM PK:REMOTE EQUIP 11/25-11/26 001.6000.4533	475.00
Total :				475.00
92564	10/21/2025	006419 RMS ENGINEERING	DRA24-005 EROSION CONTROL REFUND DRA24-005 EROSION CONTROL REFUND 051.1440	19,723.00
Total :				19,723.00
92565	10/21/2025	001070 SAFETY-KLEEN SYSTEMS, INC.	PD:PARTS WASHING SVC PD:PARTS WASHING SVC 001.2000.4245	340.44
Total :				340.44
92566	10/21/2025	000022 SB CO AUDITOR/CONTROLLER	PARKING CITATIONS-SEP PARKING CITATIONS-SEP 001.1700.4516	631.00
Total :				631.00
92567	10/21/2025	005731 SITEONE LANDSCAPE SUPPLY, LLC	LMD 47-IRRIG SUPPLIES LMD 47-IRRIG SUPPLIES 012.8500.4206 LMD 11:MISC IRRIG SUPPLIES LMD 11:MISC IRRIG SUPPLIES 012.8500.4206 OAK CREEK PK:IRRIG PARTS OAK CREEK PK:IRRIG PARTS 016.8540.4206 OAK CREEK PK:IRRIG PARTS OAK CREEK PK:IRRIG PARTS 016.8540.4206 LMD 48-IRRIG SUPPLIES LMD 48-IRRIG SUPPLIES 012.8500.4206 ROW:IRRIG REPAIRS ROW:IRRIG REPAIRS 004.8310.4585	1,042.75 827.40 216.89 810.24 658.68 428.02

Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92567	10/21/2025	005731 005731 SITEONE LANDSCAPE SUPPLY, LLC	(Continued)	Total : 3,983.98
92568	10/21/2025	000086 TYLER TECHNOLOGIES, INC	EERP 10/8/25-10/10/25 EERP 10/8/25-10/10/25 007.8330.4533 EERP MIGRATION 10/15/25-10/17/25 EERP MIGRATION 10/15/25-10/17/25 007.8330.4533	3,500.00 Total : 7,000.00
92569	10/21/2025	000979 VERIZON WIRELESS	AIR CARDS-SEP AIR CARDS-SEP 001.2000.4062	20.02 Total : 20.02
92570	10/21/2025	001677 YMCA OF THE EAST VALLEY	MONTHLY REIMBURSEMENT-AUG MONTHLY REIMBURSEMENT-AUG 001.6000.4526 MONTHLY REIMBURSEMENT-SEP MONTHLY REIMBURSEMENT-SEP 001.6000.4526	44,375.00 Total : 88,750.00
25 Vouchers for bank code : wfb				Bank total : 156,363.36
25 Vouchers in this report				Total vouchers : 156,363.36

Voucher List
CITY OF HIGHLAND

Page: 1

10/28/2025 2:31:30PM

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1077	10/31/2025	006436 PERS-MEDICAL	HEALTH INS NOV	
			ANTHEM SELECT HMO: Payment	
			001.1150	2,704.82
			ANTHEM SELECT HMO: Payment	
			004.1150	119.22
			ANTHEM SELECT HMO: Payment	
			041.1150	357.60
			ANTHEM SELECT HMO: Payment	
			070.1150	119.14
			BLUE SHIELD: Payment	
			001.1150	1,677.34
			BLUE SHIELD: Payment	
			004.1150	1,483.05
			BLUE SHIELD: Payment	
			010.1150	1,298.39
			BLUE SHIELD: Payment	
			042.1150	1,180.98
			KAISER: Payment	
			001.1150	5,929.74
			KAISER: Payment	
			004.1150	1,464.64
			KAISER: Payment	
			010.1150	46.32
			KAISER: Payment	
			012.1150	92.65
			KAISER: Payment	
			016.1150	92.65
			KAISER: Payment	
			023.1150	138.98
			KAISER: Payment	
			024.1150	21.38
			KAISER: Payment	
			041.1150	46.33
			KAISER: Payment	
			042.1150	1,158.14
			KAISER: Payment	

Voucher List
CITY OF HIGHLAND

Page: 2

10/28/2025 2:31:30PM

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1077	10/31/2025	006436 PERS-MEDICAL	(Continued)	
			070.1150	46.33
			PERS GOLD: Payment	
			001.1150	1,736.32
			PERS GOLD: Payment	
			004.1150	1,128.60
			PERS GOLD: Payment	
			010.1150	607.70
			UNITED HEALTHCARE: Payment	
			001.1150	3,023.72
			UNITED HEALTHCARE: Payment	
			004.1150	259.93
			UNITED HEALTHCARE: Payment	
			012.1150	216.61
			UNITED HEALTHCARE: Payment	
			016.1150	216.59
			UNITED HEALTHCARE: Payment	
			023.1150	43.32
			UNITED HEALTHCARE: Payment	
			070.1150	225.27
			RETIRED PREMIUM NOV	
			041.9500.3515	1,800.00
			ADMIN FEES	
			001.1450.3511	25.45
			BLUE SHIELD POST TX-DP: Payment	
			042.1150	738.12
			Total :	27,999.33
1085	10/31/2025	000119 INTERNAL REVENUE SERVICE	FEDERAL TAXES: PAYMENT	
			FEDERAL TAXES: Payment	
			008.1120	9.90
			FEDERAL TAXES: Payment	
			010.1120	772.71
			FEDERAL TAXES: Payment	
			012.1120	177.15
			FEDERAL TAXES: Payment	
			016.1120	177.12

Voucher List
CITY OF HIGHLAND

Page: 3

10/28/2025 2:31:30PM

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1085	10/31/2025	000119	INTERNAL REVENUE SERVICE	
			(Continued)	
			FEDERAL TAXES: Payment	
			023.1120	78.29
			FEDERAL TAXES: Payment	
			024.1120	12.28
			FEDERAL TAXES: Payment	
			041.1120	584.35
			FEDERAL TAXES: Payment	
			042.1120	1,212.38
			FEDERAL TAXES: Payment	
			070.1120	866.25
			SOCIAL SECURITY: Payment	
			001.1140	227.80
			SOCIAL SECURITY: Payment	
			008.1140	128.92
			SOCIAL SECURITY: Payment	
			042.1140	81.66
			MEDICARE: Payment	
			001.1140	3,487.26
			MEDICARE: Payment	
			004.1140	641.29
			MEDICARE: Payment	
			008.1140	30.16
			MEDICARE: Payment	
			010.1140	194.24
			MEDICARE: Payment	
			012.1140	48.16
			MEDICARE: Payment	
			016.1140	48.14
			MEDICARE: Payment	
			023.1140	26.04
			MEDICARE: Payment	
			024.1140	4.70
			FEDERAL TAXES: Payment	
			004.1120	2,266.80
			MEDICARE: Payment	
			041.1140	122.93

Voucher List
CITY OF HIGHLAND

Page: 4

10/28/2025 2:31:30PM

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1085	10/31/2025	000119 INTERNAL REVENUE SERVICE	(Continued)	
			MEDICARE: Payment	
			042.1140	402.04
			MEDICARE: Payment	
			070.1140	164.31
			FEDERAL TAXES: Payment	
			001.1120	14,578.23
Total :				26,343.11
1086	10/31/2025	006400 MISSION SQUARE PLAN SERVICES	MISSION SQ DEF COMP 457 TRAD: PAYMENT	
			MISSION SQ DEF COMP 457 TRAD: Payment	
			001.1170	6,226.20
			MISSION SQ DEF COMP 457 TRAD: Payment	
			004.1170	1,612.13
			MISSION SQ DEF COMP 457 TRAD: Payment	
			010.1170	464.98
			MISSION SQ DEF COMP 457 TRAD: Payment	
			012.1170	14.51
			MISSION SQ DEF COMP 457 TRAD: Payment	
			016.1170	14.49
			MISSION SQ DEF COMP 457 TRAD: Payment	
			023.1170	23.75
			MISSION SQ DEF COMP 457 TRAD: Payment	
			024.1170	12.00
			MISSION SQ DEF COMP 457 TRAD: Payment	
			041.1170	185.36
			MISSION SQ DEF COMP 457 TRAD: Payment	
			042.1170	525.25
			MISSION SQ DEF COMP 457 TRAD: Payment	
			070.1170	215.09
			MISSION SQ DEF COMP 457 ROTH: Payment	
			001.1170	170.01
			MISSION SQ DEF COMP 457 ROTH: Payment	
			042.1170	29.99
Total :				9,493.76
1087	10/31/2025	000004 PUBLIC EMPLOYEE RETIREMENT SYS	EPMC: PAYMENT	
			EPMC: Payment	

Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1087	10/31/2025	000004 PUBLIC EMPLOYEE RETIREMENT SYS	(Continued)	
			001.1145	542.36
			EPMC: Payment	
			004.1145	89.22
			EPMC: Payment	
			023.1145	9.96
			EPMC: Payment	
			024.1145	0.79
			EPMC: Payment	
			041.1145	22.60
			EPMC: Payment	
			042.1145	7.84
			EPMC: Payment	
			070.1145	64.50
			PERS: Payment	
			001.1145	19,034.21
			PERS: Payment	
			004.1145	3,652.51
			PERS: Payment	
			010.1145	1,090.14
			PERS: Payment	
			012.1145	257.40
			PERS: Payment	
			016.1145	257.37
			PERS: Payment	
			023.1145	171.26
			PERS: Payment	
			024.1145	26.49
			PERS: Payment	
			041.1145	557.05
			PERS: Payment	
			042.1145	2,192.72
			PERS: Payment	
			070.1145	1,027.28
			PERS SURVIVOR: Payment	
			001.1145	24.53
			PERS SURVIVOR: Payment	

Voucher List
CITY OF HIGHLAND

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1087	10/31/2025	000004 PUBLIC EMPLOYEE RETIREMENT SYS	(Continued)	
			004.1145	4.99
			PERS SURVIVOR: Payment	
			010.1145	1.06
			PERS SURVIVOR: Payment	
			012.1145	0.57
			PERS SURVIVOR: Payment	
			016.1145	0.56
			PERS SURVIVOR: Payment	
			023.1145	0.28
			PERS SURVIVOR: Payment	
			024.1145	0.04
			PERS SURVIVOR: Payment	
			041.1145	0.35
			PERS SURVIVOR: Payment	
			042.1145	5.09
			PERS SURVIVOR: Payment	
			070.1145	0.66
			Total :	29,041.83
1088	10/31/2025	000001 CALIF STATE EMPLOYMENT	STATE TAXES: PAYMENT	
			STATE TAXES: Payment	
			023.1130	20.87
			STATE TAXES: Payment	
			024.1130	4.43
			STATE TAXES: Payment	
			041.1130	228.12
			STATE TAXES: Payment	
			042.1130	423.44
			STATE TAXES: Payment	
			070.1130	301.05
			STATE TAXES: Payment	
			016.1130	37.06
			STATE TAXES: Payment	
			001.1130	6,045.29
			STATE TAXES: Payment	
			004.1130	875.01

Voucher List
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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1088	10/31/2025	000001 CALIF STATE EMPLOYMENT	(Continued)	
			STATE TAXES: Payment	
			010.1130	354.42
			STATE TAXES: Payment	
			012.1130	37.09
			Total :	8,326.78
92571	10/31/2025	006435 AMERITAS LIFE INSURANCE CORP	VISION - AMERITAS (EYEMED): PAYMENT	
			VISION - AMERITAS (EYEMED): Payment	
			001.1161	98.08
			VISION - AMERITAS (EYEMED): Payment	
			004.1161	30.38
			VISION - AMERITAS (EYEMED): Payment	
			010.1161	6.32
			VISION - AMERITAS (EYEMED): Payment	
			012.1161	4.53
			VISION - AMERITAS (EYEMED): Payment	
			016.1161	4.51
			VISION - AMERITAS (EYEMED): Payment	
			023.1161	0.90
			VISION - AMERITAS (EYEMED): Payment	
			024.1161	0.19
			VISION - AMERITAS (EYEMED): Payment	
			070.1161	2.65
			VISION - AMERITAS (VSP): Payment	
			001.1161	121.34
			VISION - AMERITAS (VSP): Payment	
			004.1161	29.68
			VISION - AMERITAS (VSP): Payment	
			010.1161	10.60
			VISION - AMERITAS (VSP): Payment	
			012.1161	1.17
			VISION - AMERITAS (VSP): Payment	
			016.1161	1.17
			VISION - AMERITAS (VSP): Payment	
			024.1161	0.22
			VISION - AMERITAS (VSP): Payment	

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92571	10/31/2025	006435 AMERITAS LIFE INSURANCE CORP	(Continued)	
			041.1161	9.77
			VISION - AMERITAS (VSP): Payment	
			042.1161	2.95
			VISION - AMERITAS (VSP): Payment	
			070.1161	3.64
			Total :	328.10
92572	10/31/2025	006434 AMERITAS LIFE INSURANCE CORP	DENTAL HMO - AMERITAS: PAYMENT	
			DENTAL HMO - AMERITAS: Payment	
			001.1160	125.94
			DENTAL HMO - AMERITAS: Payment	
			004.1160	45.68
			DENTAL HMO - AMERITAS: Payment	
			010.1160	23.36
			DENTAL HMO - AMERITAS: Payment	
			012.1160	7.79
			DENTAL HMO - AMERITAS: Payment	
			016.1160	7.77
			DENTAL HMO - AMERITAS: Payment	
			023.1160	2.58
			DENTAL HMO - AMERITAS: Payment	
			024.1160	0.36
			DENTAL HMO - AMERITAS: Payment	
			070.1160	4.50
			Total :	217.98
92573	10/31/2025	006386 AMERITAS LIFE INSURANCE CORP	DENTAL PPO POST TX-AMERITAS: PAYMENT	
			DENTAL PPO POST TX-AMERITAS: Payment	
			001.1160	46.72
			DENTAL PPO POST TX-AMERITAS: Payment	
			042.1160	121.08
			DENTAL PPO - AMERITAS: Payment	
			001.1160	888.04
			DENTAL PPO - AMERITAS: Payment	
			004.1160	133.80
			DENTAL PPO - AMERITAS: Payment	
			010.1160	32.94

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92573	10/31/2025	006386 AMERITAS LIFE INSURANCE CORP	(Continued)	
			DENTAL PPO - AMERITAS: Payment	
			012.1160	4.73
			DENTAL PPO - AMERITAS: Payment	
			016.1160	4.73
			DENTAL PPO - AMERITAS: Payment	
			024.1160	0.87
			DENTAL PPO - AMERITAS: Payment	
			041.1160	27.57
			DENTAL PPO - AMERITAS: Payment	
			042.1160	132.96
			DENTAL PPO - AMERITAS: Payment	
			070.1160	10.72
			Total :	1,404.16
92574	10/31/2025	006388 COLONIAL LIFE & ACCIDENTAL INS	COLONIAL LIFE - ACCIDENT: PAYMENT	
			COLONIAL LIFE - ACCIDENT: Payment	
			001.1181	299.74
			COLONIAL LIFE - ACCIDENT: Payment	
			004.1181	18.93
			COLONIAL LIFE - ACCIDENT: Payment	
			012.1181	5.15
			COLONIAL LIFE - ACCIDENT: Payment	
			016.1181	5.12
			COLONIAL LIFE - ACCIDENT: Payment	
			023.1181	12.55
			COLONIAL LIFE - ACCIDENT: Payment	
			024.1181	0.28
			COLONIAL LIFE - ACCIDENT: Payment	
			041.1181	15.14
			COLONIAL LIFE - ACCIDENT: Payment	
			070.1181	4.94
			COLONIAL LIFE - CANCER: Payment	
			001.1181	57.80
			COLONIAL LIFE - CANCER: Payment	
			004.1181	30.67
			COLONIAL LIFE - CANCER: Payment	

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92574	10/31/2025	006388	COLONIAL LIFE & ACCIDENTAL INS	
			(Continued)	
			024.1181	0.63
			COLONIAL - SPECIFIED DISEASE: Payment	
			001.1181	57.48
			COLONIAL - SPECIFIED DISEASE: Payment	
			004.1181	19.99
			COLONIAL - SPECIFIED DISEASE: Payment	
			024.1181	0.41
			COLONIAL - VOL SHORT TERM DIS: Payment	
			001.1181	329.54
			COLONIAL - VOL SHORT TERM DIS: Payment	
			004.1181	7.00
			COLONIAL - VOL SHORT TERM DIS: Payment	
			010.1181	5.35
			COLONIAL - VOL SHORT TERM DIS: Payment	
			023.1181	16.01
			COLONIAL - VOL SHORT TERM DIS: Payment	
			041.1181	20.96
			COLONIAL - VOL SHORT TERM DIS: Payment	
			070.1181	6.92
			COLONIAL LIFE - VOL DENTAL: Payment	
			001.1181	30.46
			COLONIAL LIFE - VOL DENTAL: Payment	
			004.1181	24.98
			COLONIAL LIFE - VOL DENTAL: Payment	
			012.1181	18.01
			COLONIAL LIFE - VOL DENTAL: Payment	
			016.1181	18.00
			COLONIAL LIFE - VOL DENTAL: Payment	
			042.1181	13.87
			COLONIAL LIFE - HOSPITAL CONFI: Payment	
			001.1181	284.44
			COLONIAL LIFE - HOSPITAL CONFI: Payment	
			004.1181	4.88
			COLONIAL LIFE - HOSPITAL CONFI: Payment	
			023.1181	24.58
			COLONIAL LIFE - HOSPITAL CONFI: Payment	

Voucher List
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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92574	10/31/2025	006388 COLONIAL LIFE & ACCIDENTAL INS	(Continued)	
			041.1181	14.62
			COLONIAL LIFE - HOSPITAL CONF: Payment	
			070.1181	4.90
			Total :	1,353.35
92575	10/31/2025	006387 LINCOLN FINANCIAL GROUP	GROUP AD&D - LINCOLN ER PAID: PAYMENT	
			GROUP AD&D - LINCOLN ER PAID: Payment	
			001.1184	0.05
			GROUP AD&D - LINCOLN ER PAID: Payment	
			004.1184	0.22
			GROUP AD&D - LINCOLN ER PAID: Payment	
			012.1184	0.05
			GROUP AD&D - LINCOLN ER PAID: Payment	
			016.1184	0.05
			GROUP AD&D - LINCOLN ER PAID: Payment	
			042.1184	0.10
			GROUP LIFE - LINCOLN ER PAID: Payment	
			001.1184	0.29
			GROUP LIFE - LINCOLN ER PAID: Payment	
			004.1184	1.31
			GROUP LIFE - LINCOLN ER PAID: Payment	
			012.1184	0.29
			GROUP LIFE - LINCOLN ER PAID: Payment	
			016.1184	0.29
			GROUP LIFE - LINCOLN ER PAID: Payment	
			042.1184	0.69
			SHORT TERM DISABILITY: Payment	
			001.1184	0.82
			SHORT TERM DISABILITY: Payment	
			004.1184	3.69
			SHORT TERM DISABILITY: Payment	
			012.1184	0.82
			SHORT TERM DISABILITY: Payment	
			016.1184	0.82
			SHORT TERM DISABILITY: Payment	
			042.1184	2.05
			GROUP AD&D - LINCOLN ER PAID: PAYMENT	

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92575	10/31/2025	006387 LINCOLN FINANCIAL GROUP	(Continued)	
			GROUP AD&D - LINCOLN ER PAID: Payment	
			001.1184	44.97
			GROUP AD&D - LINCOLN ER PAID: Payment	
			004.1184	9.31
			VOL LONG TERM DIS LINCOLN: Payment	
			042.1184	21.39
			VOL LONG TERM DIS LINCOLN: Payment	
			070.1184	19.72
			VOLUNTARY LIFE LINCOLN: Payment	
			001.1184	343.07
			VOLUNTARY LIFE LINCOLN: Payment	
			004.1184	73.97
			VOLUNTARY LIFE LINCOLN: Payment	
			010.1184	16.96
			VOLUNTARY LIFE LINCOLN: Payment	
			012.1184	0.09
			VOLUNTARY LIFE LINCOLN: Payment	
			016.1184	0.09
			VOLUNTARY LIFE LINCOLN: Payment	
			023.1184	9.79
			VOLUNTARY LIFE LINCOLN: Payment	
			024.1184	0.40
			VOLUNTARY LIFE LINCOLN: Payment	
			041.1184	7.91
			VOLUNTARY LIFE LINCOLN: Payment	
			042.1184	12.32
			VOLUNTARY LIFE LINCOLN: Payment	
			070.1184	17.82
			SHORT TERM DISABILITY: Payment	
			001.1184	789.56
			SHORT TERM DISABILITY: Payment	
			004.1184	161.88
			SHORT TERM DISABILITY: Payment	
			010.1184	47.90
			SHORT TERM DISABILITY: Payment	
			012.1184	14.51

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92575	10/31/2025	006387 LINCOLN FINANCIAL GROUP	(Continued)	
			SHORT TERM DISABILITY: Payment	
			016.1184	14.51
			SHORT TERM DISABILITY: Payment	
			023.1184	10.66
			SHORT TERM DISABILITY: Payment	
			024.1184	1.08
			SHORT TERM DISABILITY: Payment	
			041.1184	18.74
			GROUP AD&D - LINCOLN ER PAID: Payment	
			010.1184	2.88
			GROUP AD&D - LINCOLN ER PAID: Payment	
			012.1184	0.83
			GROUP AD&D - LINCOLN ER PAID: Payment	
			016.1184	0.79
			GROUP AD&D - LINCOLN ER PAID: Payment	
			023.1184	0.57
			GROUP AD&D - LINCOLN ER PAID: Payment	
			024.1184	0.05
			GROUP AD&D - LINCOLN ER PAID: Payment	
			041.1184	1.21
			GROUP AD&D - LINCOLN ER PAID: Payment	
			042.1184	9.39
			GROUP AD&D - LINCOLN ER PAID: Payment	
			070.1184	2.19
			GROUP LIFE - LINCOLN ER PAID: Payment	
			001.1184	277.78
			GROUP LIFE - LINCOLN ER PAID: Payment	
			004.1184	57.77
			GROUP LIFE - LINCOLN ER PAID: Payment	
			010.1184	17.40
			GROUP LIFE - LINCOLN ER PAID: Payment	
			012.1184	5.08
			GROUP LIFE - LINCOLN ER PAID: Payment	
			016.1184	5.05
			GROUP LIFE - LINCOLN ER PAID: Payment	
			023.1184	3.75

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92575	10/31/2025	006387 LINCOLN FINANCIAL GROUP	(Continued)	
			GROUP LIFE - LINCOLN ER PAID: Payment	
			024.1184	0.39
			GROUP LIFE - LINCOLN ER PAID: Payment	
			041.1184	7.67
			GROUP LIFE - LINCOLN ER PAID: Payment	
			042.1184	58.25
			GROUP LIFE - LINCOLN ER PAID: Payment	
			070.1184	13.29
			VOL LONG TERM DIS LINCOLN: Payment	
			001.1184	607.39
			VOL LONG TERM DIS LINCOLN: Payment	
			004.1184	185.30
			VOL LONG TERM DIS LINCOLN: Payment	
			010.1184	38.69
			VOL LONG TERM DIS LINCOLN: Payment	
			012.1184	4.40
			VOL LONG TERM DIS LINCOLN: Payment	
			016.1184	4.40
			VOL LONG TERM DIS LINCOLN: Payment	
			023.1184	13.65
			VOL LONG TERM DIS LINCOLN: Payment	
			024.1184	1.28
			VOL LONG TERM DIS LINCOLN: Payment	
			041.1184	13.78
			SHORT TERM DISABILITY: Payment	
			070.1184	36.90
			SHORT TERM DISABILITY: Payment	
			042.1184	172.60
Total :				3,190.92
10 Vouchers for bank code : wfb				Bank total : 107,699.32
10 Vouchers in this report				Total vouchers : 107,699.32

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Bank code : wfb

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Description/Account</u>	<u>Amount</u>
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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92576	11/4/2025	004945 ABOVE ALL NAMES CONSTRUCTION	SB1#4:SIDEWALK CONCRETE REPAIR SB1#4:SIDEWALK CONCRETE REPAIR 004.8310.4591	87,553.07 Total : 87,553.07
92577	11/4/2025	005737 AGA ENGINEERS, INC.	ON CALL TRAFFIC ENG SVC-SEP ON CALL TRAFFIC ENG SVC-SEP 020.8440.4550 TS MONITORING-SEP TS MONITORING-SEP 020.8440.4550	940.00 Total : 3,200.00 4,140.00
92578	11/4/2025	005771 AMAZON CAPITAL SERVICES	STAFF EVENTS:SUPPLIES FOR HOLIDAY PARTY STAFF EVENTS:SUPPLIES FOR HOLIDAY PARTY 001.1600.4337 VOL DINNER SIGNS VOL DINNER SIGNS 001.6020.4336 SAFETY SUPPLIES TO STOCK EOC SAFETY SUPPLIES TO STOCK EOC 041.9500.4349	273.45 Total : 1,302.90 1,652.83
92579	11/4/2025	006389 AMERIFLEX	FSA:MORGAN 10/29/25 FSA:MORGAN 10/29/25 001.1182	87.87 Total : 87.87
92580	11/4/2025	005516 BASE HILL, INC.	JANITORIAL SVC-OCT CITY HALL-OCT 042.9510.4504 CC-OCT 042.9510.4504 AURANTIA PARK-OCT 001.6000.4504 COMMUNITY PARK-OCT	1,808.80 Total : 360.14 1,683.73

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92580	11/4/2025	005516 BASE HILL, INC.	(Continued)	
			001.6000.4504	2,759.98
			POLICE DEPT-OCT	
			001.2000.4504	1,250.64
			Total :	7,863.29
92581	11/4/2025	003445 BOOT BARN, INC.	UNIFORM BOOT:RAMOS	
			UNIFORM BOOT:RAMOS	
			001.4200.4249	138.65
			UNIFORM BOOT:WILSON	
			UNIFORM BOOT:WILSON	
			001.4200.4249	171.00
			Total :	309.65
92582	11/4/2025	006448 BURKE,WILLIAMS & SORENSEN,LLP	APPEAL OF ADMIN CIT NO#15255	
			APPEAL OF ADMIN CIT NO#15255	
			001.4600.4520	1,007.50
			Total :	1,007.50
92583	11/4/2025	005553 CLARK PEST CONTROL OF STOCKTON	FS#3:PEST CONTROL	
			FS#3:PEST CONTROL	
			028.2050.4589	28.00
			FS#3:PEST CONTROL	
			029.2100.4589	28.00
			FS#2:PEST CONTROL	
			FS#2:PEST CONTROL	
			028.2050.4589	600.00
			FS#2:PEST CONTROL	
			029.2100.4589	600.00
			Total :	1,256.00
92584	11/4/2025	000143 COMMUNITY WORKS DESIGN GROUP	DRA21007 PLAN CHECK-SEP	
			DRA21007 PLAN CHECK-SEP	
			001.4100.4547	495.80
			DRA23008 PLAN CHECK-SEP	
			DRA23008 PLAN CHECK-SEP	
			001.4100.4547	493.00
			CUP23014 PLAN CHECK-SEP	

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92584	11/4/2025	000143 COMMUNITY WORKS DESIGN GROUP	(Continued)	
			CUP23014 PLAN CHECK-SEP	
			001.4100.4547	493.00
			CUP23006 PLAN CHECK-SEP	
			CUP23006 PLAN CHECK-SEP	
			001.4100.4547	77.50
			STR25002 DES RDA07-SEP	
			STR25002 DES RDA07-SEP	
			001.4100.4547	480.00
			TTM25004(DRA25006)PLAN CHECK-SEP	
			TTM25004(DRA25006)PLAN CHECK-SEP	
			001.4100.4547	414.80
			Total :	2,454.10
92585	11/4/2025	000085 EAST VALLEY WATER DISTRICT	LMD 04-OCT	
			LMD 04-OCT	
			012.8500.4030	76.89
			POLICE STATION-OCT	
			POLICE STATION-OCT	
			001.2000.4030	228.86
			POLICE STATION-OCT	
			POLICE STATION-OCT	
			001.2000.4030	2,874.24
			LMD 29-OCT	
			LMD 29-OCT	
			012.8500.4030	193.32
			CITY HALL-OCT	
			CITY HALL-OCT	
			042.9510.4030	354.91
			LMD 15A-OCT	
			LMD 15A-OCT	
			012.8500.4030	415.69
			LMD 07-OCT	
			LMD 07-OCT	
			012.8500.4030	109.37
			BASELINE MEDIAN-OCT	
			BASELINE MEDIAN-OCT	
			004.8310.4030	277.79

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92585	11/4/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			FS#1-OCT	
			FS#1-OCT	
			029.2100.4030	80.96
			FS#1-OCT	
			028.2050.4030	80.96
			LMD 21B-OCT	
			LMD 21B-OCT	
			012.8500.4030	395.46
			FS#2-OCT	
			FS#2-OCT	
			029.2100.4030	153.63
			FS#2-OCT	
			028.2050.4030	153.63
			AURANTIA PK-OCT	
			AURANTIA PK-OCT	
			001.6000.4030	2,211.19
			LMD 44-OCT	
			LMD 44-OCT	
			012.8500.4030	1,881.11
			LMD 15-B-OCT	
			LMD 15-B-OCT	
			012.8500.4030	371.75
			FS#3 FS-OCT	
			FS#3 FS-OCT	
			029.2100.4030	11.26
			FS#3 FS-OCT	
			028.2050.4030	11.25
			FS#2 FS-OCT	
			FS#2 FS-OCT	
			029.2100.4030	11.65
			FS#2 FS-OCT	
			028.2050.4030	11.65
			BASELINE MEDIAN-OCT	
			BASELINE MEDIAN-OCT	
			004.8310.4030	509.93
			LMD 73-OCT	
			LMD 73-OCT	

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Voucher	Date	Vendor	Description/Account	Amount
92585	11/4/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			012.8500.4030	86.03
			LMD 37-OCT	
			LMD 37-OCT	
			012.8500.4030	443.69
			FS#3 DOM-	
			FS#3 DOM-OCT	
			028.2050.4030	369.36
			FS#3 DOM-OCT	
			029.2100.4030	369.36
			LMD 21-A-OCT	
			LMD 21-A-OCT	
			012.8500.4030	116.92
			POLICE STATION-OCT	
			POLICE STATION-OCT	
			001.2000.4030	22.51
			FS#3 IRR-OCT	
			FS#3 IRR-OCT	
			029.2100.4030	38.45
			FS#3 IRR-OCT	
			028.2050.4030	38.44
			BOULDER MEDIAN-OCT	
			BOULDER MEDIAN-OCT	
			004.8310.4030	1,569.11
			POLICE STATION-OCT	
			POLICE STATION-OCT	
			001.2000.4030	22.51
			CITY HALL FS-OCT	
			CITY HALL FS-OCT	
			042.9510.4030	21.11
			Total :	13,512.99
92586	11/4/2025	002190 ENGINEERING RESOURCES OF SO CA	TRA20001 CE RTP-SEP	
			TRA20001 CE RTP-SEP	
			030.8495.6816	24,331.64
			Total :	24,331.64
92587	11/4/2025	002617 FERGUSON ENTERPRISES LLC	PD:PLUMBING REPAIR	

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Voucher	Date	Vendor	Description/Account	Amount
92587	11/4/2025	002617 FERGUSON ENTERPRISES LLC	(Continued) PD:PLUMBING REPAIR 001.2000.4070	167.48
Total :				167.48
92588	11/4/2025	005018 FLYERS ENERGY, LLC	FUEL-OCT FUEL-OCT 001.2000.4220 FUEL-OCT 001.4600.4220 FUEL-OCT 001.6000.4220 FUEL-OCT 004.8310.4220 FUEL-OCT 028.2050.4220 FUEL-OCT 029.2100.4220 FUEL-OCT 042.9510.4220	3,771.30 201.04 128.26 481.13 749.95 749.95 32.08
Total :				6,113.71
92589	11/4/2025	006146 FM THOMAS AIR CONDITIONING	LIBRARY:HVAC REPAIR LIBRARY:HVAC REPAIR 001.6000.4588 LIBRARY:HVAC REPAIR LIBRARY:HVAC REPAIR 001.6000.4588	3,947.30 3,998.90
Total :				7,946.20
92590	11/4/2025	002845 GRAINGER INC	CORP YARD:MISC SUPPLIES CORP YARD:MISC SUPPLIES 004.8310.4206	133.15
Total :				133.15
92591	11/4/2025	002710 HERNANDEZ, KROONE & ASSOCIATES	STR18001 CM RDA07-AUG STR18001 CM RDA07-AUG 010.3830.6550	1,353.75

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Voucher	Date	Vendor	Description/Account	Amount
92591	11/4/2025	002710 HERNANDEZ, KROONE & ASSOCIATES	(Continued)	
			STR18001 CM RDA07-SEP	
			STR18001 CM RDA07-SEP	
			010.3830.6550	375.00
			BRG07001 NP RDA07-AUG	
			BRG07001 NP RDA07-AUG	
			010.3830.6813	4,320.00
			BRG12001 PM GCF-AUG	
			BRG12001 PM GCF-AUG	
			023.3890.6813	7,296.00
			ICH17004 NP GCF-AUG	
			ICH17004 NP GCF-AUG	
			023.3890.6813	384.00
			STR17002 PE CCF(2017)PE-AUG	
			STR17002 PE CCF(2017)PE-AUG	
			027.8490.6550	5,616.00
			Total :	19,344.75
92592	11/4/2025	000662 HI WAY SAFETY INC	TRA20001 GCF-SEP	
			TRA20001 GCF-SEP	
			023.3890.6816	1,584.84
			Total :	1,584.84
92593	11/4/2025	000541 IIMC	ANNUAL DUES:MUNOZ	
			ANNUAL DUES:MUNOZ	
			001.1200.4310	235.00
			Total :	235.00
92594	11/4/2025	000127 K & L HARDWARE	CORP YARD:MISC SUPPLIES	
			CORP YARD:MISC SUPPLIES	
			004.8310.4206	91.53
			CORP YARD:BATTERY	
			CORP YARD:BATTERY	
			004.8310.4206	8.61
			FS#2:MISC SUPPLIES	
			FS#2:MISC SUPPLIES	
			028.2050.4240	15.46
			FS#2:MISC SUPPLIES	

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Voucher	Date	Vendor	Description/Account	Amount
92594	11/4/2025	000127 K & L HARDWARE	(Continued) 029.2100.4240	15.46
Total :				131.06
92595	11/4/2025	000145 MATICH CORPORATION	STR22002 PPE#3 CON RET MSRI STR22002 PPE#3 CON RET MSRI 017.1350	8,321.50
			STR22002 PPE#3 CON RET CRG STR22002 PPE#3 CON RET CRG 030.1350	32,272.15
			OLA23002 PPE#4 CON SB1-OCT OLA23002 PPE#4 CON SB1-OCT 004.8310.6550	40,812.80
			OLA23002 PPE#4 CON RET SB1-OCT OLA23002 PPE#4 CON RET SB1-OCT 004.1350	-2,040.64
Total :				79,365.81
92596	11/4/2025	001439 OFFICE SOLUTIONS	30% RECYCLED 11 X 17 COPY PAPER 30% RECYCLED 11 X 17 COPY PAPER 042.9510.4200	93.80
Total :				93.80
92597	11/4/2025	005326 RP LANDSCAPE & IRRIGATION	LMD LANDSCAPING MAINT-OCT LMD 00 BASELINE LANDSCAPING MAINT-OCT 012.8500.4585	330.60
			LMD 00 YARNELL LANDSCAPING MAINT-OCT 012.8500.4585	202.11
			LMD 01 LANDSCAPING MAINT-OCT 012.8500.4585	172.90
			LMD 01B LANDSCAPING MAINT-OCT 012.8500.4585	172.90
			LMD 02 LANDSCAPING MAINT-OCT 012.8500.4585	797.90
			LMD 03A-OCT 012.8500.4585	155.37
			LMD 03B-OCT 012.8500.4585	155.37

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Voucher	Date	Vendor	Description/Account	Amount
92597	11/4/2025	005326 RP LANDSCAPE & IRRIGATION	(Continued)	
			LMD 04-OCT	
			012.8500.4585	46.73
			LMD 05-OCT	
			012.8500.4585	97.34
			LMD 07-OCT	
			012.8500.4585	85.27
			LMD 08-OCT	
			012.8500.4585	192.76
			LMD 09-OCT	
			012.8500.4585	1,174.07
			LMD 10-OCT	
			012.8500.4585	2,288.54
			LMD 11-OCT	
			012.8500.4585	547.89
			LMD 13-OCT	
			012.8500.4585	143.69
			LMD 15-OCT	
			012.8500.4585	529.20
			LMD 16-OCT	
			012.8500.4585	56.07
			LMD 17-OCT	
			012.8500.4585	711.44
			LMD 20 BASELINE-OCT	
			012.8500.4585	220.79
			LMD 20 STREATER-OCT	
			012.8500.4585	171.72
			LMD 21-OCT	
			012.8500.4585	169.66
			LMD 22-OCT	
			012.8500.4585	202.10
			LMD 24-OCT	
			012.8500.4585	75.93
			LMD 25-OCT	
			012.8500.4585	213.78
			LMD 29-OCT	
			012.8500.4585	213.78

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Voucher	Date	Vendor	Description/Account	Amount
92597	11/4/2025	005326 RP LANDSCAPE & IRRIGATION	(Continued)	
			LMD 30-OCT	
			012.8500.4585	867.98
			LMD 31-OCT	
			012.8500.4585	575.93
			LMD 34-OCT	
			012.8500.4585	330.60
			LMD 35-OCT	
			012.8500.4585	239.49
			LMD 36-OCT	
			012.8500.4585	353.97
			LMD 37-OCT	
			012.8500.4585	435.74
			LMD 39-OCT	
			012.8500.4585	558.40
			LMD 43-OCT	
			012.8500.4585	202.10
			LMD 44-OCT	
			012.8500.4585	2,996.49
			LMD 47-OCT	
			012.8500.4585	232.47
			LMD 48-OCT	
			012.8500.4585	2,445.09
			LMD 54-OCT	
			012.8500.4585	625.00
			LMD 55-OCT	
			012.8500.4585	552.56
			LMD 59-OCT	
			012.8500.4585	68.92
			LMD 61-OCT	
			012.8500.4585	389.01
			LMD 63-OCT	
			012.8500.4585	143.69
			LMD 70-OCT	
			012.8500.4585	669.39
			LMD 76-OCT	
			012.8500.4585	202.10

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Voucher	Date	Vendor	Description/Account	Amount
92597	11/4/2025	005326 RP LANDSCAPE & IRRIGATION	(Continued)	
			LMD 68-OCT	
			012.8500.4585	599.29
			LMD 69-OCT	
			012.8500.4585	137.84
			LMD 73-OCT	
			012.8500.4585	313.08
			LMD 79-OCT	
			012.8500.4585	294.12
			POLICE STATION LANDSCAPE MAINT-OCT	
			POLICE STATION LANDSCAPE MAINT-OCT	
			001.2000.4585	579.00
			CITY HALL LANDSCAPING MAINT-OCT	
			042.9510.4585	579.00
			LIBRARY LANDSCAPING MAINT-OCT	
			001.6000.4585	694.80
			YMCA LANDSCAPING MAINT-OCT	
			001.6000.4585	694.80
			CORP YARD LANDSCAPING MAINT-OCT	
			004.8310.4585	463.20
			AURANTIA PK LANDSCAPING MAINT-OCT	
			001.6000.4585	1,080.41
			COMMUNITY PK LANDSCAPING MAINT-OCT	
			001.6000.4585	4,274.18
			CANYON OAK PK LANDSCAPING MAINT-OCT	
			016.8540.4585	412.25
			CUNNINGHAM PK LANDSCAPING MAINT-OCT	
			016.8540.4585	524.57
			SEELEY PK LANDSCAPING MAINT-OCT	
			016.8540.4585	346.24
			OAK CREEK PK LANDSCAPING MAINT-OCT	
			016.8540.4585	643.84
			MEMORIAL PK LANDSCAPING MAINT-OCT	
			001.6000.4585	463.20
			BOULDER MEDIAN LANDSCAPING MAINT-OCT	
			004.8310.4585	2,867.21
			Total :	35,983.87

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Voucher	Date	Vendor	Description/Account	Amount
92598	11/4/2025	000030 SAN BERNARDINO COUNTY SHERIFFS	CAL ID SERVICE FEE 23/24 CAL ID SERVICE FEE 23/24 001.2000.4236 CAL ID SERVICE FEE 24/25 CAL ID SERVICE FEE 24/25 001.2000.4236	50.00 104.00
Total :				154.00
92599	11/4/2025	000204 SOCALGAS	FS#2-OCT FS#2-OCT 028.2050.4020 FS#2-OCT 029.2100.4020 CITY HALL-OCT CITY HALL-OCT 042.9510.4020 POLICE-OCT POLICE-OCT 001.2000.4020 FS#3-OCT FS#3-OCT 028.2050.4020 FS#3-OCT 029.2100.4020 FS#1-OCT FS#1-OCT 028.2050.4020 FS#1-OCT 029.2100.4020	 37.19 37.19 10.83 2,011.49 36.13 36.13 35.56 35.56
Total :				2,240.08
92600	11/4/2025	006450 SORIA, MARK	BP#20250882 WRONG FEES CHARGED BP#20250882 WRONG FEES CHARGED 001.1450.7610	 1,895.00
Total :				1,895.00
92601	11/4/2025	000203 SOUTHERN CALIFORNIA EDISON	POLICE STATION-OCT POLICE STATION-OCT	

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Voucher	Date	Vendor	Description/Account	Amount
92601	11/4/2025	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			001.2000.4010	8,176.82
			EVC STATIONS-OCT	
			EVC STATIONS-OCT	
			042.9510.4012	7,504.62
			CITY HALL-OCT	
			CITY HALL-OCT	
			042.9510.4010	1,571.57
			CORP YARD-OCT	
			CORP YARD-OCT	
			004.8310.4010	800.94
			FS#1-3-OCT	
			FS#3-OCT	
			028.2050.4010	971.08
			FS#3-OCT	
			029.2100.4010	971.08
			FS#1-SEP	
			028.2050.4010	538.80
			FS#1-SEP	
			029.2100.4010	538.80
			FS#2-SEP	
			028.2050.4010	620.72
			FS#2-SEP	
			029.2100.4010	620.72
			LS3:VARIOUS-OCT	
			LS3:VARIOUS-OCT	
			013.8510.4011	314.89
			BASELINE MEDIAN-OCT	
			BASELINE MEDIAN-OCT	
			004.8310.4010	88.75
			LIBRARY/ELC-OCT	
			LIBRARY/ELC-OCT	
			001.6000.4010	6,842.95
			SIGNALS:VARIOUS-OCT	
			SIGNALS:VARIOUS-OCT	
			004.8310.4580	173.68
			LS3-27477 1/2 BASELINE ST-OCT	
			LS3-27477 1/2 BASELINE ST-OCT	

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Voucher	Date	Vendor	Description/Account	Amount
92602	11/4/2025	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			012.8500.4010	15.20
			LMD 07-SEP	
			012.8500.4010	13.89
			LMD 06-SEP	
			012.8500.4010	14.03
			LMD 05-SEP	
			012.8500.4010	14.73
			LMD 11-SEP	
			012.8500.4010	15.20
			LMD 02-OCT	
			012.8500.4010	14.97
			LMD 34-OCT	
			012.8500.4010	15.20
			LMD 36-SEP	
			012.8500.4010	-25.83
			LMD 44-SEP	
			012.8500.4010	15.42
			LMD 17-SEP	
			012.8500.4010	23.00
			LMD 47-SEP	
			012.8500.4010	15.42
			LMD 29-SEP	
			012.8500.4010	15.20
			LMD 08-SEP	
			012.8500.4010	15.20
			LMD 09-SEP	
			012.8500.4010	15.20
			LMD 68/69-SEP	
			012.8500.4010	-39.65
			LMD 20-SEP	
			012.8500.4010	15.20
			LMD 76-SEP	
			012.8500.4010	-40.79
			LMD 10-SEP	
			012.8500.4010	25.68
			LMD 30-SEP	

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Voucher	Date	Vendor	Description/Account	Amount
92602	11/4/2025	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			012.8500.4010	15.42
			LMD 37-SEP	
			012.8500.4010	15.20
			LMD 73-SEP	
			012.8500.4010	-41.05
			LMD 48B-SEP	
			012.8500.4010	15.20
			LMD 48C-SEP	
			012.8500.4010	15.42
			LMD 70-SEP	
			012.8500.4010	-39.85
			LMD 13-SEP	
			012.8500.4010	14.03
			LMD 55-SEP	
			012.8500.4010	14.97
			Total :	5,244.59
92603	11/4/2025	004920 TKE ENGINEERING	GENERAL INSP-JUL	
			GENERAL INSP-JUL	
			001.3200.4551	110.00
			EPA25001 MISC PERMITS/INSP-JUL	
			EPA25001 MISC PERMITS/INSP-JUL	
			001.3200.4551	226.00
			34225003 EVWD MISC PERMITS/INSP-JUL	
			34225003 EVWD MISC PERMITS/INSP-JUL	
			001.3200.4551	1,186.50
			EVWD PERMITS/INSP FIXED FEE-JUL	
			EVWD PERMITS/INSP FIXED FEE-JUL	
			001.3200.4551	452.00
			AT&T PERMITS/INSP FIXED FEES-JUL	
			AT&T PERMITS/INSP FIXED FEES-JUL	
			001.3200.4551	1,130.00
			35025014 AT&T MISC PEMITS/INSP-JUL	
			35025014 AT&T MISC PEMITS/INSP-JUL	
			001.3200.4551	169.50
			SCG PEMITS/INSP FIXED FEE-JUL	
			SCG PEMITS/INSP FIXED FEE-JUL	

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Voucher	Date	Vendor	Description/Account	Amount
92603	11/4/2025	004920 TKE ENGINEERING	(Continued)	
			001.3200.4551	2,712.00
			35125014 SCG MISC PERMITS/INSP-JUL	
			35125014 SCG MISC PERMITS/INSP-JUL	
			001.3200.4551	1,186.50
			SCE PERMITS/INSP FIXED FEES-JUL	
			SCE PERMITS/INSP FIXED FEES-JUL	
			001.3200.4551	734.50
			35324120 SCE MISC PERMITS/INSP-JUL	
			35324120 SCE MISC PERMITS/INSP-JUL	
			001.3200.4551	226.00
			35325003 SCE MISC PEMITS/INSP-JUL	
			35325003 SCE MISC PEMITS/INSP-JUL	
			001.3200.4551	113.00
			SCE PERMITS/INSP FIXED FEE-JUL	
			SCE PERMITS/INSP FIXED FEE-JUL	
			001.3200.4551	734.50
			SPECTRUM PERMITS/INSP FIXED FEE-JUL	
			SPECTRUM PERMITS/INSP FIXED FEE-JUL	
			001.3200.4551	113.00
			MISC PEMITS/INSP-JUL	
			MISC PEMITS/INSP-JUL	
			001.3200.4551	113.00
			STI25004 MISC PERMITS/INSP-JUL	
			STI25004 MISC PERMITS/INSP-JUL	
			001.3200.4551	169.50
			GENERAL ENG SVCS-AUG	
			GENERAL ENG SVCS-AUG	
			023.3890.4550	1,401.50
			SLC25001 MISC PERMITS/INSP-AUG	
			SLC25001 MISC PERMITS/INSP-AUG	
			001.3200.4551	390.00
			PGC24004 MISC PERMITS/INSP-AUG	
			PGC24004 MISC PERMITS/INSP-AUG	
			001.3200.4551	390.00
			FMR25001 MISC PERMITS/INSP-AUG	
			FMR25001 MISC PERMITS/INSP-AUG	
			001.3200.4551	785.00

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Voucher	Date	Vendor	Description/Account	Amount
92603	11/4/2025	004920 TKE ENGINEERING	(Continued)	
			GPR25002 MISC PERMITS/INSP-AUG	
			GPR25002 MISC PERMITS/INSP-AUG	
			001.3200.4551	2,860.00
			RGC25002 MISC PERMITS/INSP-AUG	
			RGC25002 MISC PERMITS/INSP-AUG	
			001.3200.4551	520.00
			HYD25003 MISC PERMITS/INSP-AUG	
			HYD25003 MISC PERMITS/INSP-AUG	
			001.3200.4551	1,170.00
			RGC25003 MISC PERMITS/INSP-AUG	
			RGC25003 MISC PERMITS/INSP-AUG	
			001.3200.4551	1,430.00
			STC25002 MISC PERMITS/INSP-AUG	
			STC25002 MISC PERMITS/INSP-AUG	
			001.3200.4551	3,120.00
			STI21002 MISC PERMITS/INSP-AUG	
			STI21002 MISC PERMITS/INSP-AUG	
			001.3200.4551	678.00
			STI22008 MISC PERMITS/INSP-AUG	
			STI22008 MISC PERMITS/INSP-AUG	
			001.3200.4551	226.00
			PGI24005 MISC PERMITS/INSP-AUG	
			PGI24005 MISC PERMITS/INSP-AUG	
			001.3200.4551	1,017.00
			PGI24010 MISC PERMITS/INSP-AUG	
			PGI24010 MISC PERMITS/INSP-AUG	
			001.3200.4551	621.50
			STI24005 MISC PERMITS/INSP-AUG	
			STI24005 MISC PERMITS/INSP-AUG	
			001.3200.4551	395.50
			EXE25005 MISC PERMITS/INSP-AUG	
			EXE25005 MISC PERMITS/INSP-AUG	
			001.3200.4551	226.00
			PGI25004 MISC PERMITS/INSP-AUG	
			PGI25004 MISC PERMITS/INSP-AUG	
			001.3200.4551	452.00
			STI25003 MISC PERMITS/INSP-AUG	

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Voucher	Date	Vendor	Description/Account	Amount
92603	11/4/2025	004920 TKE ENGINEERING	(Continued)	
			STI25003 MISC PERMITS/INSP-AUG	
			001.3200.4551	960.50
			PGI25003 MISC PERMITS/INSP-AUG	
			PGI25003 MISC PERMITS/INSP-AUG	
			001.3200.4551	904.00
			RGI24004 MISC PERMITS/INSP-AUG	
			RGI24004 MISC PERMITS/INSP-AUG	
			001.3200.4551	452.00
			SWK19001 NP MSRI-AUG	
			SWK19001 NP MSRI-AUG	
			017.8350.6545	20,637.50
			Total :	48,012.50
92604	11/4/2025	000086 TYLER TECHNOLOGIES, INC	CITY HALL:EERP HARDWARE	
			CITY HALL:EERP HARDWARE	
			007.8330.4533	2,573.09
			Total :	2,573.09
92605	11/4/2025	006449 VIRGEN, LUIS A	BP#20251121 REFUND	
			BP#20251121 REFUND	
			008.8340.9543	2.30
			BP#20251121 REFUND	
			001.1450.7600	135.00
			BP#20251121 REFUND	
			001.1450.7630	1.00
			BP#20251121 REFUND	
			001.1450.7600	60.00
			Total :	198.30
92606	11/4/2025	000237 WILLDAN ASSOCIATES	CODE ENFORCEMENT-SEP	
			CODE ENFORCEMENT-SEP	
			001.4600.4538	12,000.00
			Total :	12,000.00
92607	11/4/2025	001677 YMCA OF THE EAST VALLEY	CDBG MONTHLY REIMB-SEP	
			CDBG MONTHLY REIMB-SEP	
			006.8400.4348	3,162.40

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Voucher	Date	Vendor	Description/Account	Amount
92607	11/4/2025	001677 YMCA OF THE EAST VALLEY	(Continued) AFTER SCHOOL PROGRAM-SEP AFTER SCHOOL PROGRAM-SEP 001.1450.4525	2,100.00
Total :				5,262.40
92608	11/4/2025	006001 YUNEX LLC	TS RESPONSE CALL OUTS-SEP TS RESPONSE CALL OUTS-SEP 004.8310.4580 TRAFFIC SIGNAL MAINT-SEP TRAFFIC SIGNAL MAINT-SEP 004.8310.4580	5,026.88
Total :				3,827.00
Total :				8,853.88
33 Vouchers for bank code : wfb				Bank total : 411,455.31
33 Vouchers in this report				Total vouchers : 411,455.31

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92609	11/11/2025	004206 #1 SON PLUMBING INC	YMCA:WATER LEAK REPAIR YMCA:WATER LEAK REPAIR 001.6000.4030	150.00
Total :				150.00
92610	11/11/2025	000014 ALL CITY MANAGEMENT SERVICES	CROSSING GUARD SVC:10/12/25-10/25/25 CROSSING GUARD SVC:10/12/25-10/25/25 002.8200.4530	4,155.60
Total :				4,155.60
92611	11/11/2025	005771 AMAZON CAPITAL SERVICES	IT SUPPLIES FOR EOC IT SUPPLIES FOR EOC 042.9510.4260	901.42
Total :				901.42
92612	11/11/2025	002106 CODE PUBLISHING, INC.	MUNI CODE CODIFICATION-SEP MUNI CODE CODIFICATION-SEP 001.1200.4625	2,431.50
Total :				2,431.50
92613	11/11/2025	000213 DAILY JOURNAL CORPORATION	ORD 477 PUBLIC HEARING:NEWSPAPER PUB ORD 477 PUBLIC HEARING:NEWSPAPER PUB 001.1200.4300 ORD 477 FIRST SUMMARY:NEWSPAPER PUB ORD 477 FIRST SUMMARY:NEWSPAPER PUB 001.1200.4300 STORAGE IMPOUND FEE:NEWSPAPER PUB STORAGE IMPOUND FEE:NEWSPAPER PUB 001.1200.4300	878.12 824.78 316.78
Total :				2,019.68
92614	11/11/2025	000071 DAVIS FARR LLP	GASB 34 UPDATE-6/25 GASB 34 UPDATE-6/25 001.1700.4510	3,500.00
Total :				3,500.00
92615	11/11/2025	006259 DEPENDABLE BREAK ROOM SOLUTION	COUNCIL:COOLER RENTAL COUNCIL:COOLER RENTAL	

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92615	11/11/2025	006259	DEPENDABLE BREAK ROOM SOLUTION	
			(Continued)	
			042.9510.4200	18.32
			CITY HALL:COOLER RENTAL	
			CITY HALL:COOLER RENTAL	
			042.9510.4200	43.09
			CITY HALL:MONTHLY COFFEE	
			CITY HALL:MONTHLY COFFEE	
			042.9510.4200	49.50
			Total :	110.91
92616	11/11/2025	000085	EAST VALLEY WATER DISTRICT	
			BOULDER MEDIAN-OCT	
			BOULDER MEDIAN-OCT	
			004.8310.4030	557.93
			BOULDER MEDIAN-OCT	
			BOULDER MEDIAN-OCT	
			004.8310.4030	199.95
			LMD 70-OCT	
			LMD 70-OCT	
			012.8500.4030	159.25
			LMD 36-OCT	
			LMD 36-OCT	
			012.8500.4030	336.17
			LMD 68/69-OCT	
			LMD 68/69-OCT	
			012.8500.4030	2,832.71
			LMD 70 IRRIGATION-OCT	
			LMD 70 IRRIGATION-OCT	
			012.8500.4030	804.35
			LMD 79-OCT	
			LMD 79-OCT	
			012.8500.4030	141.53
			Total :	5,031.89
92617	11/11/2025	000085	EAST VALLEY WATER DISTRICT	
			BEATTIE-IRRIGATION-OCT	
			BEATTIE-IRRIGATION-OCT	
			001.6000.4030	459.02
			LMD 48B-OCT	
			LMD 48B-OCT	

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Voucher	Date	Vendor	Description/Account	Amount
92617	11/11/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			012.8500.4030	936.29
			LMD 02-E-OCT	
			LMD 02-E-OCT	
			012.8500.4030	954.25
			LMD 48C-OCT	
			LMD 48C-OCT	
			012.8500.4030	494.73
			LMD 48C-OCT	
			LMD 48C-OCT	
			012.8500.4030	1,065.21
			LMD 31-OCT	
			LMD 31-OCT	
			012.8500.4030	625.76
			LMD 00-BASELINE-OCT	
			LMD 00-BASELINE-OCT	
			012.8500.4030	576.84
			LMD 22-OCT	
			LMD 22-OCT	
			012.8500.4030	294.82
			LMD 03-YARNELL-OCT	
			LMD 03-YARNELL-OCT	
			012.8500.4030	48.48
			LMD 02-A-OCT	
			LMD 02-A-OCT	
			012.8500.4030	83.19
			LMD 03-BASELINE-OCT	
			LMD 03-BASELINE-OCT	
			012.8500.4030	105.29
			LMD 20-BASELINE-OCT	
			LMD 20- BASELINE-OCT	
			012.8500.4030	460.77
			LMD 01-A-OCT	
			LMD 01-A-OCT	
			012.8500.4030	105.29
			LMD 35-OCT	
			LMD 35-OCT	
			012.8500.4030	224.49

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Voucher	Date	Vendor	Description/Account	Amount
92617	11/11/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LMD 06-OCT	
			LMD 06-OCT	
			012.8500.4030	51.33
			LMD 01-B-OCT	
			LMD 01-B-OCT	
			012.8500.4030	93.93
			LMD 48-OCT	
			LMD 48-OCT	
			012.8500.4030	915.41
			LMD 30-OCT	
			LMD 30-OCT	
			012.8500.4030	789.07
			LMD 39-OCT	
			LMD 39-OCT	
			012.8500.4030	732.77
			CANYON OAKS PK-OCT	
			CANYON OAKS PK-OCT	
			016.8540.4030	1,780.67
			LMD 02-B-OCT	
			LMD 02-B-OCT	
			012.8500.4030	417.43
			LMD 13-OCT	
			LMD 13-OCT	
			012.8500.4030	305.17
			LMD 02-D-OCT	
			LMD 02-D-OCT	
			012.8500.4030	163.53
			LMD 02-C-OCT	
			LMD 02-C-OCT	
			012.8500.4030	413.63
			LMD 08-OCT	
			LMD 08-OCT	
			012.8500.4030	263.55
			LMD 20-STREATER-OCT	
			LMD 20-STREATER-OCT	
			012.8500.4030	153.22

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Voucher	Date	Vendor	Description/Account	Amount
92617	11/11/2025	000085 000085 EAST VALLEY WATER DISTRICT	(Continued)	Total : 12,514.14
92618	11/11/2025	006392 FLEMING, BIANEY	MILEAGE REIMB-OCT MILEAGE REIMB-OCT 001.1700.4332	3.89 Total : 3.89
92619	11/11/2025	001122 GALLS, LLC	IDENTIFICATION SHIRTS IDENTIFICATION SHIRTS 041.9500.4349	51.98 Total : 51.98
92620	11/11/2025	002845 GRAINGER INC	PD:HVAC SUPPLIES PD:HVAC SUPPLIES 001.2000.4070 AURANTIA PK:LEAK REPAIR AURANTIA PK:LEAK REPAIR 001.6000.4206	653.97 197.17 Total : 851.14
92621	11/11/2025	000108 HIGH TECH SECURITY	BURG SYST & MONIT-DEC CORP YARD BURG SYST & MONIT-DEC 004.8310.4066 CITY HALL BURG SYST & MONIT-DEC 042.9510.4066 COMM PK BURG SYST & MONIT-DEC 001.6000.4066 FIRE SYST & MONIT-DEC CORP YARD FIRE SYST & MONIT-DEC 004.8310.4066 LIB/YMCA FIRE SYST & MONIT-DEC 001.6000.4066 CITY HALL FIRE SYST & MONIT-DEC 042.9510.4066 FS#3 FIRE SYST & MONIT-DEC 028.2050.4066 FS#3 FIRE SYST & MONIT-DEC 029.2100.4066	55.00 100.00 55.00 85.00 135.00 50.00 42.50 42.50

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Voucher	Date	Vendor	Description/Account	Amount
92621	11/11/2025	000108 HIGH TECH SECURITY	(Continued)	
			PD FIRE SYST & MONIT-DEC	
			001.2000.4066	85.00
			CCTV SYST & MONIT-DEC	
			AURANTIA & COMM PK CCTV SYST & MONIT-DEC	
			001.6000.4066	75.00
			CANYON OAK PK CCTV SYST & MONIT-DEC	
			016.8540.4066	25.00
			CORP YARD CCTV SYST & MONIT-DEC	
			004.8310.4066	25.00
			CITY HALL CCTV SYST & MONIT-DEC	
			042.9510.4066	25.00
			Total :	800.00
92622	11/11/2025	002664 INLAND LIGHTING SUPPLIES, INC.	FS#3:BAY LIGHTING	
			FS#3:BAY LIGHTING	
			028.2050.4070	76.10
			FS#3:BAY LIGHTING	
			029.2100.4070	76.10
			Total :	152.20
92623	11/11/2025	006343 INTERMEDIA.NET INC.	VOIP-NOV	
			VOIP-NOV	
			042.9510.4533	2,499.18
			Total :	2,499.18
92624	11/11/2025	000207 KONICA MINOLTA	IT MONTHLY CONTRACT-NOV	
			IT MONTHLY CONTRACT-NOV	
			042.9510.4627	8,077.85
			Total :	8,077.85
92625	11/11/2025	000207 KONICA MINOLTA	PRINTER CONTRACT-OCT	
			PRINTER CONTRACT-OCT	
			042.9510.4631	755.02
			Total :	755.02
92626	11/11/2025	006447 LILBURN CORPORATION	GEOLOGIC REVIEW, FAULT RUPTURE/SEISMIC H	
			GEO25001 FAULT INVESTIGATION-JUN-JUL	
			001.3200.4551	2,800.00

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Voucher	Date	Vendor	Description/Account	Amount
92626	11/11/2025	006447 LILBURN CORPORATION	(Continued) GEO25002 FAULT INVESTIGATION-JUN-JUL GEO25002 FAULT INVESTIGATION-JUN-JUL 001.3200.4551 GEOLOGIC REVIEW, FAULT RUPTURE/SEISMIC H GEO25002 FAULT INVESTIGATION-SEP-OCT 001.3200.4551	2,000.00 2,000.00 Total : 6,800.00
92627	11/11/2025	005087 MORENO, DENISE	MILEAGE REIMB-OCT MILEAGE REIMB-OCT 001.6020.4332	 8.04 Total : 8.04
92628	11/11/2025	002511 RECORDER-CLERK CO OF SB	DOCUMENT RECORDING-OCT DOCUMENT RECORDING-OCT 001.1200.4506 DOCUMENT RECORDING-OCT DOCUMENT RECORDING-OCT 001.1200.4506	 20.00 20.00 Total : 40.00
92629	11/11/2025	004623 SAN BERNARDINO COUNTY, FIRE PROTECTIO	VSQG WASTE DISPOSAL FEE VSQG WASTE DISPOSAL FEE 001.4200.4596	 176.47 Total : 176.47
92630	11/11/2025	003713 SATCOM GLOBAL LTD.	SATTELITE PHONE-OCT SATTELITE PHONE-OCT 028.2050.4061 SATTELITE PHONE-OCT 029.2100.4061 SATTELITE PHONE-OCT 001.2000.4061 SATTELITE PHONE-OCT 042.9510.4061	 28.61 28.60 58.77 64.23 Total : 180.21
92631	11/11/2025	000487 SMART & FINAL	BREAKROOM SUPPLIES	

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Voucher	Date	Vendor	Description/Account	Amount
92631	11/11/2025	000487 SMART & FINAL	(Continued) BREAKROOM SUPPLIES 042.9510.4200 YMCA:HARVEST EVENT YMCA:HARVEST EVENT 001.6020.4336 FS#3:OPEN HOUSE SUPPLIES FS#3:OPEN HOUSE SUPPLIES 001.6020.4336	27.78 126.91 65.34
			Total :	220.03
92632	11/11/2025	000203 SOUTHERN CALIFORNIA EDISON	ST LIGHT ACQUISITION-SALES PH 1-OCT ST LIGHT ACQUISITION-SALES PH 1-OCT 013.8510.4011 LS1:VARIOUS-OCT LS1:VARIOUS-OCT 013.8510.4011 LS2:VARIOUS-OCT LS2:VARIOUS-OCT 013.8510.4011	16,892.01 9,642.21 1,359.01
			Total :	27,893.23
92633	11/11/2025	000203 SOUTHERN CALIFORNIA EDISON	CANYON OAK-OCT CANYON OAK-OCT 016.8540.4010 CITY HALL-OCT CITY HALL-OCT 042.9510.4010 COMM PK-OCT COMM PK-OCT 001.6000.4010	27.29 789.34 1,525.64
			Total :	2,342.27
92634	11/11/2025	006405 SUPERIOR MEDICAL WASTE, DISPOSAL	ILLEGAL DUMPED SHARPS ILLEGAL DUMPED SHARPS 001.4200.4596	60.00
			Total :	60.00
92635	11/11/2025	003044 THOMSON REUTERS WEST	CODE BOOKS-NOV	

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Voucher	Date	Vendor	Description/Account	Amount
92635	11/11/2025	003044 THOMSON REUTERS WEST	(Continued) CODE BOOKS-NOV 001.1200.4626	1,719.66
Total :				1,719.66
92636	11/11/2025	003689 TPX COMMUNICATIONS	POLICE DEPT-NOV POLICE DEPT-NOV 001.2000.4060	252.14
Total :				252.14
92637	11/11/2025	000086 TYLER TECHNOLOGIES, INC	EERP MIGRATION 10/19/25 EERP MIGRATION 10/19/25 007.8330.4533	700.00
Total :				700.00
92638	11/11/2025	000197 U.S. BANK	2017 TARB 10/25-9/30/26 2017 TARB 10/25-9/30/26 089.8090.4554	2,640.00
Total :				2,640.00
92639	11/11/2025	004543 WEX BANK	POOL CAR FUEL-OCT POOL CAR FUEL-OCT 042.9510.4220 FIRE POOL CAR FUEL-OCT 028.2050.4220 FIRE POOL CAR FUEL-OCT 029.2100.4220	90.96 57.77 57.77
Total :				206.50
31 Vouchers for bank code : wfb				Bank total : 87,244.95
31 Vouchers in this report				Total vouchers : 87,244.95

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Voucher	Date	Vendor	Description/Account	Amount
1089	11/14/2025	006400 MISSION SQUARE PLAN SERVICES	MISSION SQ DEF COMP 457 TRAD: PAYMENT	
			MISSION SQ DEF COMP 457 TRAD: Payment	
			001.1170	10,174.26
			MISSION SQ DEF COMP 457 TRAD: Payment	
			004.1170	1,612.13
			MISSION SQ DEF COMP 457 TRAD: Payment	
			010.1170	465.00
			MISSION SQ DEF COMP 457 TRAD: Payment	
			012.1170	14.51
			MISSION SQ DEF COMP 457 TRAD: Payment	
			016.1170	14.48
			MISSION SQ DEF COMP 457 TRAD: Payment	
			023.1170	23.75
			MISSION SQ DEF COMP 457 TRAD: Payment	
			024.1170	12.00
			MISSION SQ DEF COMP 457 TRAD: Payment	
			041.1170	185.34
			MISSION SQ DEF COMP 457 TRAD: Payment	
			042.1170	525.26
			MISSION SQ DEF COMP 457 TRAD: Payment	
			070.1170	215.09
			MISSION SQ DEF COMP 457 ROTH: Payment	
			001.1170	169.99
			MISSION SQ DEF COMP 457 ROTH: Payment	
			042.1170	30.01
			Total :	13,441.82
1090	11/14/2025	000119 INTERNAL REVENUE SERVICE	FEDERAL TAXES: PAYMENT	
			FEDERAL TAXES: Payment	
			070.1120	1,225.67
			SOCIAL SECURITY: Payment	
			001.1140	720.26
			SOCIAL SECURITY: Payment	
			008.1140	146.12
			SOCIAL SECURITY: Payment	
			042.1140	81.66

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Voucher	Date	Vendor	Description/Account	Amount
1090	11/14/2025	000119	INTERNAL REVENUE SERVICE	
			(Continued)	
			MEDICARE: Payment	
			001.1140	3,993.72
			MEDICARE: Payment	
			004.1140	671.53
			MEDICARE: Payment	
			008.1140	34.18
			MEDICARE: Payment	
			010.1140	191.10
			MEDICARE: Payment	
			012.1140	58.82
			MEDICARE: Payment	
			016.1140	58.82
			MEDICARE: Payment	
			023.1140	32.16
			MEDICARE: Payment	
			024.1140	5.06
			MEDICARE: Payment	
			041.1140	132.01
			MEDICARE: Payment	
			042.1140	505.48
			MEDICARE: Payment	
			070.1140	212.52
			FEDERAL TAXES: Payment	
			001.1120	17,149.22
			FEDERAL TAXES: Payment	
			004.1120	2,427.01
			FEDERAL TAXES: Payment	
			008.1120	4.70
			FEDERAL TAXES: Payment	
			010.1120	718.07
			FEDERAL TAXES: Payment	
			012.1120	256.98
			FEDERAL TAXES: Payment	
			016.1120	256.95
			FEDERAL TAXES: Payment	
			023.1120	97.66

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1090	11/14/2025	000119	INTERNAL REVENUE SERVICE	
			(Continued)	
			FEDERAL TAXES: Payment	
			024.1120	14.74
			FEDERAL TAXES: Payment	
			041.1120	640.47
			FEDERAL TAXES: Payment	
			042.1120	1,651.09
			Total :	31,286.00
1091	11/14/2025	000004	PUBLIC EMPLOYEE RETIREMENT SYS	
			EPMC: PAYMENT	
			PERS SURVIVOR: Payment	
			012.1145	0.57
			PERS SURVIVOR: Payment	
			016.1145	0.56
			PERS SURVIVOR: Payment	
			023.1145	0.28
			PERS SURVIVOR: Payment	
			024.1145	0.04
			PERS SURVIVOR: Payment	
			041.1145	0.34
			PERS SURVIVOR: Payment	
			042.1145	5.08
			PERS SURVIVOR: Payment	
			070.1145	0.69
			EPMC: Payment	
			001.1145	542.38
			EPMC: Payment	
			004.1145	89.20
			EPMC: Payment	
			023.1145	9.96
			EPMC: Payment	
			024.1145	0.79
			EPMC: Payment	
			041.1145	22.60
			EPMC: Payment	
			042.1145	7.84
			EPMC: Payment	

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1091	11/14/2025	000004 PUBLIC EMPLOYEE RETIREMENT SYS	(Continued)	
			070.1145	64.50
			PERS: Payment	
			001.1145	19,034.21
			PERS: Payment	
			004.1145	3,652.52
			PERS: Payment	
			010.1145	1,090.16
			PERS: Payment	
			012.1145	257.38
			PERS: Payment	
			016.1145	257.38
			PERS: Payment	
			023.1145	171.26
			PERS: Payment	
			024.1145	26.49
			PERS: Payment	
			041.1145	557.09
			PERS: Payment	
			042.1145	2,254.98
			PERS: Payment	
			070.1145	1,027.23
			PERS SURVIVOR: Payment	
			001.1145	24.53
			PERS SURVIVOR: Payment	
			004.1145	5.00
			PERS SURVIVOR: Payment	
			010.1145	1.04
			Total :	29,104.10
1092	11/14/2025	000001 CALIF STATE EMPLOYMENT	STATE TAXES: PAYMENT	
			STATE TAXES: Payment	
			001.1130	7,136.34
			STATE TAXES: Payment	
			004.1130	971.43
			STATE TAXES: Payment	
			010.1130	344.32

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1092	11/14/2025	000001	CALIF STATE EMPLOYMENT	
			(Continued)	
			STATE TAXES: Payment	
			012.1130	57.53
			STATE TAXES: Payment	
			016.1130	57.54
			STATE TAXES: Payment	
			023.1130	28.65
			STATE TAXES: Payment	
			024.1130	5.75
			STATE TAXES: Payment	
			041.1130	256.99
			STATE TAXES: Payment	
			042.1130	641.52
			STATE TAXES: Payment	
			070.1130	470.19
			Total :	9,970.26
4 Vouchers for bank code : wfb				Bank total : 83,802.18
4 Vouchers in this report				Total vouchers : 83,802.18

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Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92640	11/18/2025	005771 AMAZON CAPITAL SERVICES	SAMSUNG ANDROID TABLET	
			SAMSUNG ANDROID TABLET	
			004.8310.4203	228.26
			CORP YARD:GATE PARTS	
			004.8310.4224	430.84
			SAFETY SUPPLIES TO STOCK EOC	
			SAFETY SUPPLIES TO STOCK EOC	
			041.9500.4349	423.10
			Total :	1,082.20
92641	11/18/2025	006389 AMERIFLEX	FSA:FLEMING 11/2/25	
			FSA:FLEMING 11/2/25	
			001.1182	28.89
			Total :	28.89
92643	11/18/2025	000774 ARROWHEAD CREDIT UNION-DEPT 91	STAFF EVENTS	
			STAFF EVENTS	
			001.1600.4337	50.00
			STAFF EVENT SUPPLIES	
			STAFF EVENT SUPPLIES	
			001.1600.4337	13.91
			STAFF EVENT SUPPLIES	
			STAFF EVENT SUPPLIES	
			001.1600.4337	2.18
			STAFF EVENTS	
			STAFF EVENTS	
			001.1600.4337	40.00
			STAFF EVENTS	
			STAFF EVENTS	
			001.1600.4337	175.00
			CAL CITIES INCIDENTALS:ZAMANO	
			CAL CITIES INCIDENTALS:ZAMANO	
			001.1450.4320	15.00
			CAL CITIES INCIDENTALS:ZAMANO	
			CAL CITIES INCIDENTALS:ZAMANO	
			001.1450.4320	35.96
			CAL CITIES INCIDENTALS:ZAMANO	

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Voucher	Date	Vendor	Description/Account	Amount
92643	11/18/2025	000774 ARROWHEAD CREDIT UNION-DEPT 91	(Continued)	
			CAL CITIES INCIDENTALS:ZAMANO	
			001.1450.4320	50.70
			LEAGUE OF CA CITIES CONF AND EXPO:SALDAN	
			CAL CITIES INCIDENTALS:SALDANA	
			001.1000.4320	15.00
			CAL CITIES INCIDENTALS:ZAMANO	
			CAL CITIES INCIDENTALS:ZAMANO	
			001.1450.4320	10.40
			CAL CITIES INCIDENTALS:ZAMANO	
			CAL CITIES INCIDENTALS:ZAMANO	
			001.1450.4320	15.00
			LEAGUE OF CA CITIES CONF AND EXPO:SALDAN	
			CAL CITIES HOTEL:SALDANA	
			001.1000.4320	350.74
			CAL CITIES HOTEL:ZAMANO	
			CAL CITIES HOTEL:ZAMANO	
			001.3200.4320	582.56
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	742.64
			YMCA: HALLOWEEN EVENT SUPPLIES	
			YMCA: HALLOWEEN EVENT SUPPLIES	
			001.6020.4336	13.98
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	1,146.38
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	172.55
			VOLUNTEER DINNER:AWARDS	
			VOLUNTEER DINNER:AWARDS	
			001.6020.4336	248.67
			CAL CITIES CONF REFUND:LILBURN	
			CAL CITIES CONF REFUND:LILBURN	
			001.1000.4200	-75.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	

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Voucher	Date	Vendor	Description/Account	Amount
92643	11/18/2025	000774 ARROWHEAD CREDIT UNION-DEPT 91	(Continued)	
			001.6020.4336	50.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	50.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	19.38
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	30.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	30.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	50.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	30.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	145.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	25.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	50.00
			VOLUNTEER DINNER RAFFLE GIFTS	
			VOLUNTEER DINNER RAFFLE GIFTS	
			001.6020.4336	30.00
			STAFF EVENT:FOOD & SUPPLIES	
			STAFF EVENT:FOOD & SUPPLIES	
			001.1600.4337	104.27
			CAL CITIES CONF:ZAMANO	
			CAL CITIES CONF:ZAMANO	
			001.1450.4320	775.00

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Voucher	Date	Vendor	Description/Account	Amount
92643	11/18/2025	000774 ARROWHEAD CREDIT UNION-DEPT 91	(Continued)	
			CAL CITIES WEBINAR	
			CAL CITIES WEBINAR	
			001.1450.4330	25.00
			STAFF EVENT:FOOD & SUPPLIES	
			STAFF EVENT:FOOD & SUPPLIES	
			001.1600.4337	251.63
			STAFF EVENT:FOOD & SUPPLIES	
			STAFF EVENT:FOOD & SUPPLIES	
			001.1600.4337	40.35
			STAFF EVENT:FOOD & SUPPLIES	
			STAFF EVENT:FOOD & SUPPLIES	
			001.1600.4337	25.74
			STAFF EVENT:FOOD & SUPPLIES	
			STAFF EVENT:FOOD & SUPPLIES	
			001.1600.4337	32.78
			Total :	5,369.82
92644	11/18/2025	000774 ARROWHEAD CREDIT UNION-DEPT 91	LOCC CONF & HOTEL:LILBURN	
			LOCC CONF & HOTEL:LILBURN	
			001.1000.4200	578.65
			LOCC CONF & HOTEL:LILBURN	
			LOCC CONF & HOTEL:LILBURN	
			001.1000.4200	50.01
			ZOOM MEETING-OCT	
			ZOOM MEETING-OCT	
			042.9510.4533	110.00
			LOMA LINDA LEADERSHIP SUMMIT:TAPIA-VERA	
			LOMA LINDA LEADERSHIP SUMMIT:TAPIA-VERA	
			042.9510.4330	150.00
			Total :	888.66
92645	11/18/2025	001072 AUTO ZONE, INC.	VEH#105:MAINT RETURN	
			VEH#105:MAINT RETURN	
			004.8310.4240	-9.20
			VEH#121:MAINT RETURN	
			VEH#121:MAINT RETURN	
			001.4600.4240	-31.06

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Voucher	Date	Vendor	Description/Account	Amount
92645	11/18/2025	001072 AUTO ZONE, INC.	(Continued)	
			ME#541:MAINT SUPPLIES	
			ME#541:MAINT SUPPLIES	
			028.2050.4240	35.19
			ME#541:MAINT SUPPLIES	
			029.2100.4240	35.18
			CORP YARD:MISC SUPPLIES	
			CORP YARD:MISC SUPPLIES	
			004.8310.4206	40.62
			Total :	70.73
92646	11/18/2025	003445 BOOT BARN, INC.	UNIFORMS:LAYNE	
			UNIFORMS:LAYNE	
			004.8310.4249	218.06
			UNIFORMS:COLEMAN	
			UNIFORMS:COLEMAN	
			001.6010.4249	225.00
			Total :	443.06
92647	11/18/2025	006365 CARRIER CORPORATION	FS#3:FAC25001 EECBG CON	
			FS#3:FAC25001 EECBG CON	
			027.8490.6030	38,752.29
			Total :	38,752.29
92648	11/18/2025	006099 CHARTER COMMUNICATIONS	CITY HALL:TELE/INT-NOV	
			CITY HALL:TELE/INT-NOV	
			042.9510.4065	1,299.00
			Total :	1,299.00
92649	11/18/2025	006099 CHARTER COMMUNICATIONS	PD:TELE/INT-NOV	
			PD:TELE/INT-NOV	
			001.2000.4065	830.00
			Total :	830.00
92650	11/18/2025	006099 CHARTER COMMUNICATIONS	FS#3:TELE/INT-NOV	
			FS#3:TELE/INT-NOV	
			028.2050.4065	329.55
			FS#3:TELE/INT-NOV	
			029.2100.4065	329.55

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Bank code :		wfb				
Voucher	Date	Vendor	Description/Account			Amount
92650	11/18/2025	006099	006099 CHARTER COMMUNICATIONS	(Continued)	Total :	659.10
92651	11/18/2025	006099	CHARTER COMMUNICATIONS	CORP YARD:TELE/INT-NOV CORP YARD:TELE/INT-NOV 004.8310.4060		500.00
					Total :	500.00
92652	11/18/2025	006099	CHARTER COMMUNICATIONS	FS#1:TELE/INT-NOV FS#1:TELE/INT-NOV 028.2050.4065 FS#1:TELE/INT-NOV 029.2100.4065		218.40
						218.39
					Total :	436.79
92653	11/18/2025	006099	CHARTER COMMUNICATIONS	FS#2:TELE/INT-NOV FS#2:TELE/INT-NOV 028.2050.4065 FS#2:TELE/INT-NOV 029.2100.4065		169.22
						169.21
					Total :	338.43
92654	11/18/2025	000213	DAILY JOURNAL CORPORATION	CUP22015:NEWSPAPER PUB CUP22015:NEWSPAPER PUB 001.1200.4300		385.36
					Total :	385.36
92655	11/18/2025	001035	DEPARTMENT OF JUSTICE	FINGER PRINTING APP:DODDS FINGER PRINTING APP:DODDS 001.1700.4236 FINGER PRINTING APP:MYONG 001.1700.4236		32.00
						32.00
					Total :	64.00
92656	11/18/2025	000085	EAST VALLEY WATER DISTRICT	ATHLETIC CTR-OCT ATHLETIC CTR-OCT 001.6000.4030 COMMUNITY PK-OCT COMMUNITY PK-OCT 001.6000.4030		425.57
						6,517.54

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Voucher	Date	Vendor	Description/Account	Amount
92656	11/18/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LMD 10-OCT	
			LMD 10-OCT	
			012.8500.4030	1,147.61
			OAK CREEK PK-OCT	
			OAK CREEK PK-OCT	
			016.8540.4030	1,626.31
			LMD 10-OCT	
			LMD 10-OCT	
			012.8500.4030	836.37
			LMD 34-OCT	
			LMD 34-OCT	
			012.8500.4030	122.01
			COMMUNITY PK-OCT	
			COMMUNITY PK-OCT	
			001.6000.4030	22.51
			COMM CTR-OCT	
			COMM CTR-OCT	
			001.6000.4030	22.51
			STR & STRM DRN #21-OCT	
			STR & STRM DRN #21-OCT	
			024.8470.4030	39.96
			CORP YARD-OCT	
			CORP YARD-OCT	
			004.8310.4030	1,149.13
			COMM CTR:IRRIGATION-OCT	
			COMM CTR:IRRIGATION-OCT	
			001.6000.4030	542.94
			LIBRARY/ELE-OCT	
			LIBRARY/ELE-OCT	
			001.6000.4030	464.59
			YMCA COMMUNITY PK-OCT	
			YMCA COMMUNITY PK-OCT	
			001.6000.4030	245.66
			CORP YARD-OCT	
			CORP YARD-OCT	
			004.8310.4030	156.06
			LIBRARY.ELC-OCT	

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Voucher	Date	Vendor	Description/Account	Amount
92656	11/18/2025	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LIBRARY.ELC-OCT	
			001.6000.4030	318.46
			ATHLETIC CTR-OCT	
			ATHLETIC CTR-OCT	
			001.6000.4030	21.11
			CUNNINGHAM PK-OCT	
			CUNNINGHAM PK-OCT	
			016.8540.4030	1,702.31
			LMD 30-OCT	
			LMD 30-OCT	
			012.8500.4030	368.48
			LIBRARY/ELC-OCT	
			LIBRARY/ELC-OCT	
			001.6000.4030	23.91
			CORP YARD-OCT	
			CORP YARD-OCT	
			004.8310.4030	26.10
			Total :	15,779.14
92657	11/18/2025	000266 FAIRVIEW FORD SALES INC	VEH#116:MAINT	
			VEH#116:MAINT	
			004.8310.4240	181.95
			Total :	181.95
92658	11/18/2025	002617 FERGUSON ENTERPRISES LLC	COMM PK:DRINKING FOUNTAIN REPAIR	
			COMM PK:DRINKING FOUNTAIN REPAIR	
			001.6000.4206	88.40
			PD:TOILET REPAIR	
			PD:TOILET REPAIR	
			001.2000.4070	98.30
			Total :	186.70
92659	11/18/2025	005567 FIRE APPARATUS SOLUTIONS	ME541:AIR LEAK REPAIRS	
			ME541:AIR LEAK REPAIRS	
			029.2100.4240	2,495.11
			ME541:AIR LEAK REPAIRS	
			028.2050.4240	2,495.11

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Voucher	Date	Vendor	Description/Account	Amount
92659	11/18/2025	005567 FIRE APPARATUS SOLUTIONS	(Continued)	
			ME#542:BATTERY REPAIR	
			ME#542:BATTERY REPAIR	
			028.2050.4240	628.63
			ME#542:BATTERY REPAIR	
			029.2100.4240	628.62
			ME#541:MAINT REPAIRS	
			ME#541:MAINT REPAIRS	
			028.2050.4240	1,236.93
			ME#541:MAINT REPAIRS	
			029.2100.4240	1,236.93
			ME543:REPAIRS	
			ME543:REPAIRS	
			028.2050.4240	306.81
			ME543:REPAIRS	
			029.2100.4240	306.81
			Total :	9,334.95
92660	11/18/2025	005358 FLEET SERVICES INC	FS#3:DEF	
			FS#3:DEF	
			028.2050.4220	122.57
			FS#3:DEF	
			029.2100.4220	122.57
			Total :	245.14
92661	11/18/2025	006146 FM THOMAS AIR CONDITIONING	LIBRARY:HVAC REPAIR	
			LIBRARY:HVAC REPAIR	
			001.6000.4588	12,662.29
			FS#3:HVAC UNITS INSTALLATION	
			FS#3:HVAC UNITS INSTALLATION	
			007.8330.4075	23,070.39
			Total :	35,732.68
92662	11/18/2025	002845 GRAINGER INC	PD:RESTROOM REPAIR RETURN	
			PD:RESTROOM REPAIR RETURN	
			001.2000.4070	-653.97
			PD:RESTROOM FIXTURE REPAIR	
			PD:RESTROOM FIXTURE REPAIR	

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Voucher	Date	Vendor	Description/Account	Amount
92662	11/18/2025	002845 GRAINGER INC	(Continued) 001.2000.4070	656.09
Total :				2.12
92663	11/18/2025	002664 INLAND LIGHTING SUPPLIES, INC.	CORP YARD:PARKING LOT-BLDG LIGHTS CORP YARD:PARKING LOT-BLDG LIGHTS 004.8310.4206 COMM PK:VANDALISM REPAIR COMM PK:VANDALISM REPAIR 001.6000.4206	355.61
Total :				703.61
92664	11/18/2025	001618 INNOVATIVE FEDERAL STRATEGIES	PROFESSIONAL SVC-OCT PROFESSIONAL SVC-OCT 023.3890.4554	4,250.00
Total :				4,250.00
92665	11/18/2025	000127 K & L HARDWARE	FS#2:MISC SUPPLIES FS#2:MISC SUPPLIES 028.2050.4070 FS#2:MISC SUPPLIES 029.2100.4070 FS#2:MISC SUPPLIES FS#2:MISC SUPPLIES 028.2050.4070 FS#2:MISC SUPPLIES 029.2100.4070 FS#1:MISC SUPPLIES FS#1:MISC SUPPLIES 028.2050.4070 FS#1:MISC SUPPLIES 029.2100.4070 FS#1:MISC SUPPLIES FS#1:MISC SUPPLIES 028.2050.4070 FS#1:MISC SUPPLIES 029.2100.4070 FS#2:MISC SUPPLIES	60.85 60.85 46.73 46.72 32.90 32.90 25.84 25.83

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Voucher	Date	Vendor	Description/Account	Amount
92665	11/18/2025	000127 K & L HARDWARE	(Continued)	
			FS#2:MISC SUPPLIES	
			028.2050.4070	45.53
			FS#2:MISC SUPPLIES	
			029.2100.4070	45.52
			CORP YARD:MISC SUPPLIES	
			CORP YARD:MISC SUPPLIES	
			004.8310.4206	71.07
			CORP YARD:KEYS	
			CORP YARD:KEYS	
			004.8310.4206	153.94
			FS#2:MISC SUPPLIES	
			FS#2:MISC SUPPLIES	
			028.2050.4070	59.24
			FS#2:MISC SUPPLIES	
			029.2100.4070	59.24
			CORP YARD:BATTERY	
			CORP YARD:BATTERY	
			004.8310.4206	12.91
			CORP YARD:MISC SUPPLIES	
			CORP YARD:MISC SUPPLIES	
			004.8310.4206	34.43
			CORP YARD:MISC SUPPLIES	
			CORP YARD:MISC SUPPLIES	
			004.8310.4206	15.58
			Total :	830.08
92666	11/18/2025	001193 LIFE ASSIST, INC.	FS#1-3:GLOVES	
			FS#1-3:GLOVES	
			028.2050.4207	484.88
			FS#1-3:PARAMEDIC SUPPLIES	
			FS#1-3:PARAMEDIC SUPPLIES	
			028.2050.4207	186.60
			Total :	671.48
92667	11/18/2025	001679 MC CRAY'S ENTERPRISES	ME543A:BATTERY REPLACEMENT	
			ME543A:BATTERY REPLACEMENT	
			028.2050.4070	730.97

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Voucher	Date	Vendor	Description/Account	Amount
92667	11/18/2025	001679 MC CRAY'S ENTERPRISES	(Continued) ME543A:BATTERY REPLACEMENT 029.2100.4070	730.97
Total :				1,461.94
92668	11/18/2025	004989 MULTIFORCE SYSTEMS CORP	FUEL TANK SVCS PRORATED 11/1/25-11/13/25 FUEL TANK SVCS PRORATED 11/1/25-11/13/25 001.2000.4255	1,476.86
Total :				1,476.86
92669	11/18/2025	002408 PEOPLEREADY	ANNUAL STORM DRAIN INSPECTION LABOR ANNUAL STORM DRAIN INSPECTION LABOR 004.8310.4666	1,488.00
Total :				1,488.00
92670	11/18/2025	000598 PR PRINTING	BUSINESS CARDS:SALDANA BUSINESS CARDS:SALDANA 001.1000.4200 CORRECTION NOTICES CORRECTION NOTICES 001.4500.4200	52.74
Total :				1,141.56
Total :				1,194.30
92671	11/18/2025	000030 SAN BERNARDINO COUNTY SHERIFFS	POLICE SVC-OCT POLICE SVC-OCT 001.2000.4560 POLICE SVC-NOV POLICE SVC-NOV 001.2000.4560	1,252,029.00
Total :				1,252,028.00
Total :				2,504,057.00
92672	11/18/2025	000203 SOUTHERN CALIFORNIA EDISON	LS3: VARIOUS-OCT LS3: VARIOUS-OCT 013.8510.4011	1,445.63
Total :				1,445.63
92673	11/18/2025	000203 SOUTHERN CALIFORNIA EDISON	LS3 8017 1/2 DEL ROSA DR-NOV LS3 8017 1/2 DEL ROSA DR-NOV 013.8510.4011	91.76

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Voucher	Date	Vendor	Description/Account	Amount
92673	11/18/2025	000203	000203 SOUTHERN CALIFORNIA EDISON (Continued)	Total : 91.76
92674	11/18/2025	001993	STATE WATER RESOURCE CONTROL PERMIT FEE 7/1/25-6/30/26 PERMIT FEE 7/1/25-6/30/26 001.4200.4665	27,293.00 Total : 27,293.00
92675	11/18/2025	000465	TOM DODSON & ASSOCIATES STR17002 CCF PE(2017)-SEP STR17002 CCF PE(2017)-SEP 027.8490.6550	2,460.00 Total : 2,460.00
92676	11/18/2025	005839	TRUSTED TECH TEAM MICROSOFT 365-NOV MICROSOFT 365-NOV 042.9510.4533	2,333.50 Total : 2,333.50
92677	11/18/2025	000086	TYLER TECHNOLOGIES, INC EERP MIGRATION 10/16/25 & 10/30/25 EERP MIGRATION 10/16/25 & 10/30/25 007.8330.4533	2,100.00 Total : 2,100.00
92678	11/18/2025	000222	UNDERGROUND SERVICE ALERT MONTHLY DIG FEE-OCT MONTHLY DIG FEE-OCT 004.8310.4553 REGULATORY FEE-OCT REGULATORY FEE-OCT 004.8310.4553	700.00 289.26 Total : 989.26
92679	11/18/2025	000979	VERIZON WIRELESS CELL PHONES-OCT CELL PHONES-OCT 001.2000.4061 AIR CARDS-OCT 001.2000.4062 CELL PHONES-OCT 001.6000.4061 CELL PHONES-OCT 001.6010.4061	230.22 1,144.40 76.74 38.37

Voucher List
CITY OF HIGHLAND

Page: 14

11/18/2025 11:23:27AM

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
92679	11/18/2025	000979 VERIZON WIRELESS	(Continued)	
			CELL PHONES-OCT	
			004.8310.4061	211.87
			CELL PHONES-OCT	
			028.2050.4061	115.11
			AIR CARDS-OCT	
			028.2050.4062	404.18
			AIR CARDS-OCT	
			042.9510.4062	120.06
			CELL PHONES-OCT	
			042.9510.4061	984.96
			AIR CARDS-OCT	
			042.9510.4062	287.18
			COH BACKUP INTERNET	
			042.9510.4065	60.69
			Total :	3,673.78
92680	11/18/2025	001677 YMCA OF THE EAST VALLEY	AFTER SCHOOL PROGRAM-OCT	
			AFTER SCHOOL PROGRAM-OCT	
			001.1450.4525	3,045.00
			CDBG MONTHLY REIMB-OCT	
			CDBG MONTHLY REIMB-OCT	
			006.8400.4348	3,016.00
			Total :	6,061.00
92681	11/18/2025	004298 ZOLL MEDICAL CORPORATION	FS#1-3:HEART MNTR WRRNTY 7/25-6/26	
			FS#1-3:HEART MNTR WRRNTY 7/25-6/26	
			028.2050.4211	5,191.20
			Total :	5,191.20
41	Vouchers for bank code :	wfb		Bank total : 2,680,383.41
41	Vouchers in this report			Total vouchers : 2,680,383.41

Voucher List
CITY OF HIGHLAND

Page: 15

11/18/2025 11:23:27AM

Bank code : wfb

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Description/Account</u>	<u>Amount</u>
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Staff Report

to the City Council

**Agenda
Item
No.8.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject: Treasurer's Report for October 2025

Recommendation:

Receive and file the Treasurer's Report for October 2025.

Fiscal Impact:

Cash and Investments:

General Fund	\$21,272,458.24
Special Revenue Funds	\$41,051,396.20
Internal Service Funds	\$ 4,874,131.47
Capital Projects Funds	\$39,956,129.47
Agency Funds	\$ 2,790,707.42
Housing Authority Fund	\$ 3,868,361.76
SARDA Funds	\$ 3,542,174.92

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Increases in the checking account were due to revenues received plus funds wired from LAIF and CAMP. Decreases in the checking account were a result of payments to vendors, payroll and funds wired to LAIF, CAMP and U.S. Bank. Increases in the fiscal agent accounts (US Bank) resulted from interest and bond payment receipt. Decreases resulted in vendor payments and debt service payments. Increases in the CAMP account were due to interest received. Decreases were a result of funds being wired to the city's checking account primarily for payment of public works projects. The maximum limit on regular accounts is \$75M.

Attachments:

1. Treasurer's Report
2. Treasurer's Report Graph
3. Cash & Investments Graph
4. General Fund Reserves Graph

Attachment 1
Treasurer's Report

**CITY OF HIGHLAND
Treasurer's Report
as of October 31, 2025**

CASH AND BANK ACCOUNTS:

Cash on Hand-Office Petty Cash & Change Fund Accounts	1,150.00
Wells Fargo Checking Account (reconciled book balance)	4,526,185.31

DESCRIPTION	MATURITY PERIOD	YIELD	PAR VALUE	ORIGINAL COST
INVESTMENTS: LOCAL GOVERNMENT INVESTMENT POOLS				
<u>California Treasurer's Local Agency Investment Fund (LAIF)</u>	n/a	4.150%		
General Fund			6,658,227.76	
Special Revenue Funds			28,728,014.00	
Internal Service Funds			6,208,303.00	
Capital Projects Funds			28,220,893.00	
Total City LAIF Funds				69,815,437.76
Housing Authority Fund			4,019,126.90	
Total Housing Authority LAIF Funds				4,019,126.90
Total LAIF Funds				73,834,564.66

- 1) Maximum limits on accounts are \$75M City and \$75M Housing Authority.
 2) Market Value is based on the September 30, 2025 applicable percentage of 1.001929581
 3) Market Value is \$73,977,034.43 (\$73,834,564.66 x 1.001929581).

<u>California Asset Management Program (CAMP)</u>	n/a	4.260%		
General Fund			11,662,503.61	
Special Revenue Funds			6,042,452.00	
Internal Service Funds			6,079,765.00	
Capital Projects Funds			6,665,361.00	
Total CAMP Funds				30,450,081.61

INVESTMENTS: FISCAL AGENT ACCOUNTS**US Bank Corporate Trust Services (Community Facilities Districts)****Community Facilities District (CFD) 90-1**

Administrative Expense Fund #128262-011				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	118,309.79	118,309.79
Fire Protection Expense Fund #128262-012				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	8,595.41	8,595.41
Police Protection Expense Fund #128262-013				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	3,179.61	3,179.61

Community Facilities District (CFD) 2001-1

Special Tax Fund #217795000				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	17,477.46	17,477.46
Interest Account #217795001				
US Bank Money Market Account CUSIP #60934N872	n/a	3.60%	3.33	3.33
Principal Account #217795002				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	70.57	70.57
Administrative Expense Account #217795003				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	14,744.46	14,744.46
Surplus Fund #217795004				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	31,810.67	31,810.67

Community Facilities District (CFD) 2007-1

Administrative Expense Fund #260722000				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	7,787.35	7,787.35
Fire Expense Fund #260722001				
US Bank Money Market Account CUSIP #60934N872	n/a	3.64%	199.04	199.04
Police Expense Fund #260722002				
US Bank Money Market Account CUSIP #60934N872	n/a	3.65%	74.33	74.33

TOTAL INVESTMENTS US BANK (COMMUNITY FACILITIES DISTRICTS)				202,252.02
---	--	--	--	------------

DESCRIPTION	MATURITY PERIOD	YIELD	PAR VALUE	ORIGINAL COST
INVESTMENTS: FISCAL AGENT ACCOUNTS (continued)				
<u>US Bank Corporate Trust Services (SARDA)</u>				
2004B Tax Allocation Refunding Bonds				
Special Fund 786709001				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	180,454.66	180,454.66
Interest Fund 786709002				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
Principal Fund 786709003				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
Reserve Fund 786709004				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
2015A Tax Allocation Refunding Bonds				
Special Fund 268777000				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	978.36	978.36
Interest Fund 268777001				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	679.18	679.18
Principal Fund 268777002				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
Reserve Fund 268777004				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	1,023,782.55	1,023,782.55
Expense Account 268777006				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	15,490.26	15,490.26
2017 Tax Allocation Refunding Bonds				
Debt Service Fund 259928000				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	18,006.19	18,006.19
Interest Fund 259928001				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	318.45	318.45
Principal Fund 259928002				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.64%	1,145.10	1,145.10
Reserve Fund 259928004				
Assured Guaranty Municipal Bond Insurance	n/a	0.00%	-	-
TOTAL INVESTMENTS US BANK (SARDA)				<u>1,240,854.75</u>
TOTAL CASH AND INVESTMENTS				<u><u>110,255,088.35</u></u>

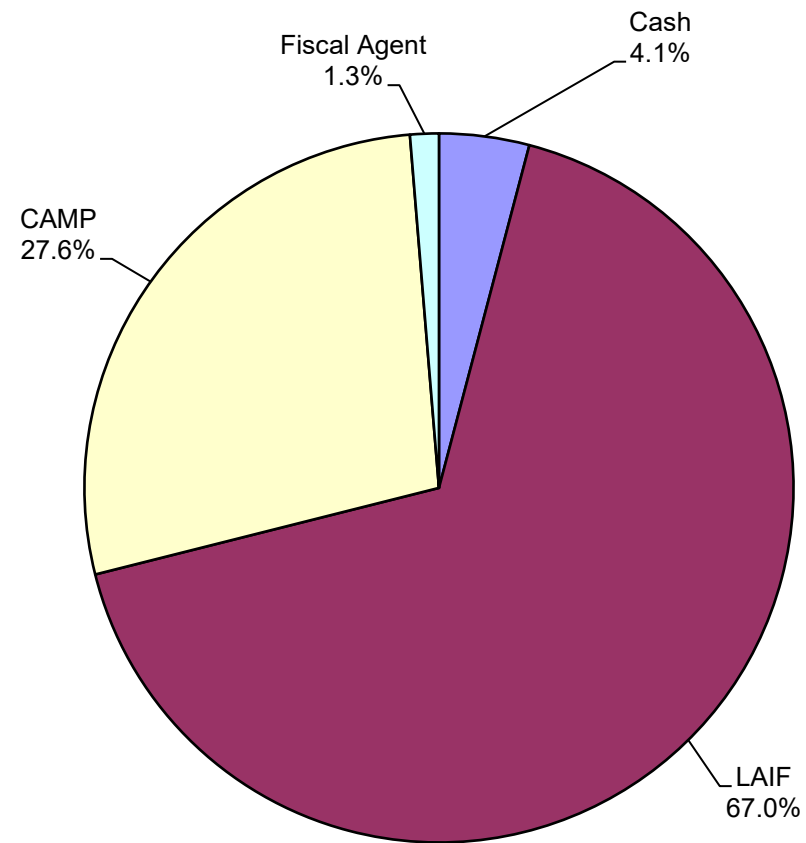
All investments are placed in accordance with City of Highland's Investment Policy and Guidelines. The above summary provides sufficient cash flow liquidity to meet the next six month's estimated expenditures. This report is in accordance with Government Code Section 53646.

SIGNED: _____
Carlos Zamano
CITY MANAGER

SIGNED: Leticia Nava-Cruz
Leticia Nava-Cruz
DIRECTOR OF ADMINISTRATIVE
SERVICES/CITY TREASURER

Attachment 2
Treasurer's Report Graph

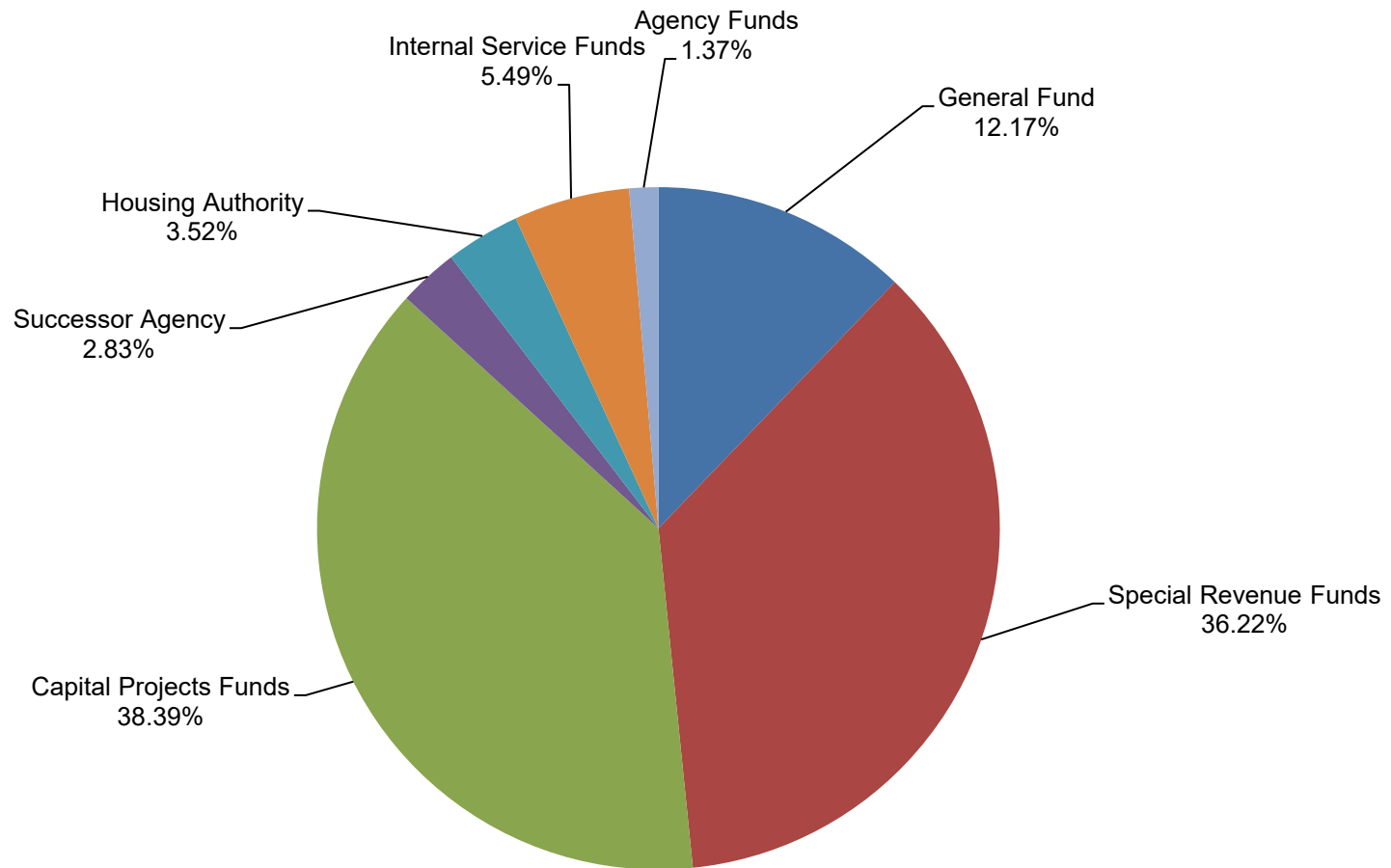
Treasurer's Report



Attachment 3

Cash and Investments Graph

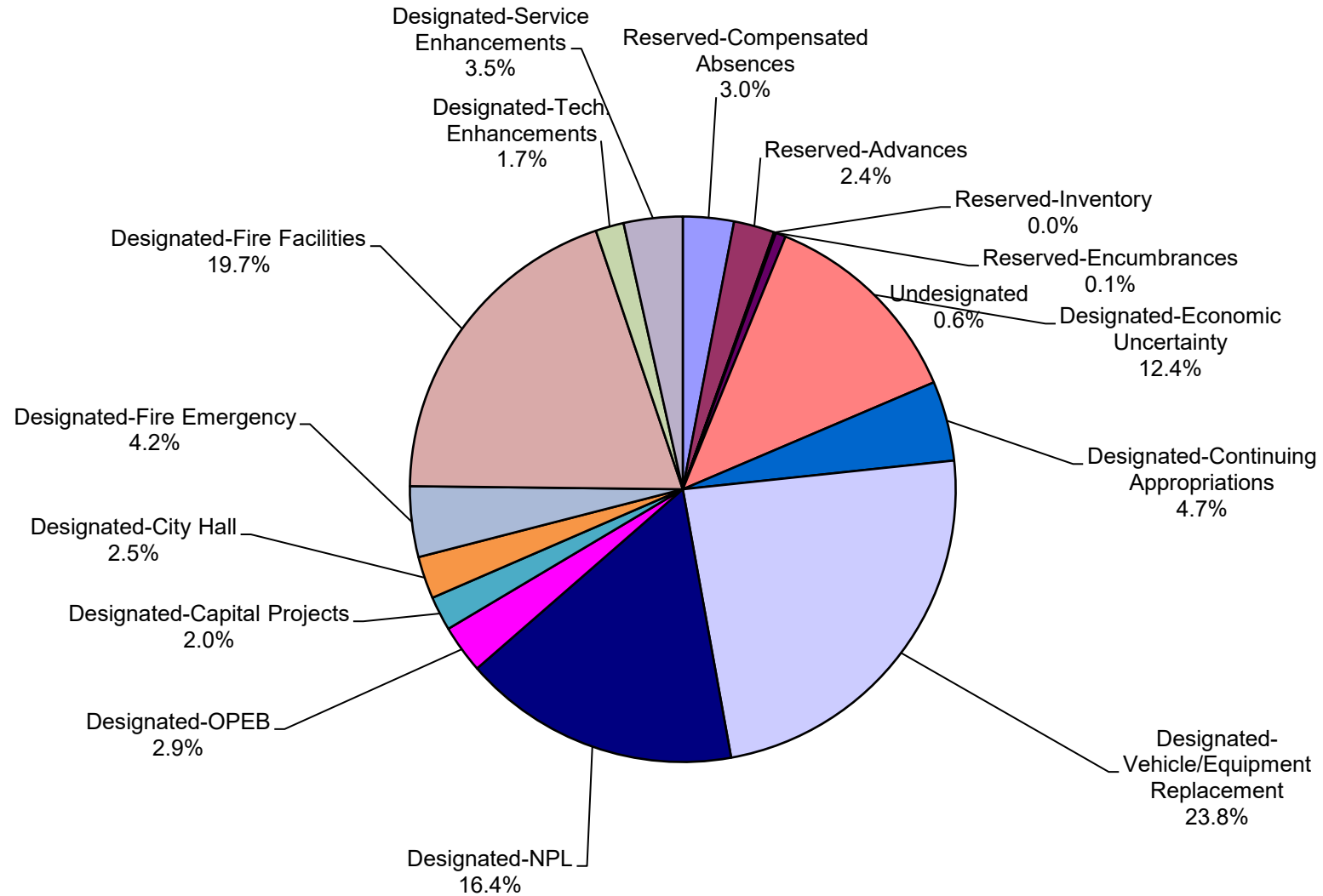
Cash & Investments



Attachment 4

General Fund Reserves Graph

General Fund Reserves





Staff Report

to the City Council

**Agenda
Item
No.9.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Maricela Marroquin, City Attorney
Prepared By: Alondra Muñoz, City Clerk
Subject: Records Destruction Authorization

Recommendation:

That the City Council approve the destruction of certain records.

Fiscal Impact:

Minimal - utilizing existing service with Corodata.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

In compliance with the citywide records retention schedule adopted by the City Council on February 25, 2020, the City Clerk requests approval to destroy records. The list has been reviewed and approved by the City Attorney.

Record	Retention	Date of Document
Permit, Encroachment	Closed/Completion + 5 years	1996-2019

Attachments:

1. Records Destruction Form



CITY OF HIGHLAND RECORDS DESTRUCTION FORM

DEPARTMENT/DIVISION <i>PUBLIC WORKS / ENGINEERING</i>	Total # of Boxes: <i>8</i>
---	--------------------------------------

DEPARTMENT HEAD APPROVAL: I hereby certify that the records to be disposed of are in compliance with the current retention schedule for the City of Highland. I certify these records are not the subject of any claim, litigation, investigation or audit. Department Head Signature <i>11/26/2025</i> Date	DESTRUCTION METHOD: The scheduled records listed below are to be disposed of in the manner checked below: ☒ Shredding (outside vendor) ☐ Discard ☐ Electronic File(s)
---	--

A. Description of Record(s)	B. Inclusive Dates of Documents
<i>ENCROACHMENT PERMITS</i>	<i>1996-2019</i>

APPROVALS:

City Attorney _____

Date

I certify that such destruction meets the requirements of the City's Records Retention Schedule approved by City Council Resolution No. 2020-008.

City Clerk _____

Date



Staff Report

to the City Council

**Agenda
Item
No.10.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject: Developer In-Lieu Fee Annual Report for Fiscal Year 2024-2025

Recommendation:

The Finance/Personnel Subcommittee recommends the City Council receive and file the Developer In-Lieu Fee Annual Report for Fiscal Year 2024-2025.

Fiscal Impact:

The fund balance as of June 30, 2025, on all accounts is \$7,677,775.14.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The Developer In-Lieu Fee fund is used to hold funds paid by developers for projects the city will construct later. For example, the city may accept in-lieu fees by several developers to construct a signal when needed in the future. It is more cost-effective to have the developers pay the in-lieu fee to the city than to have each developer construct a portion of the signal as their project is finished.

Attachments:

1. Proposed Developer In-Lieu Annual Report FY 2024-2025

Attachment #1

Proposed Developer in Lieu Annual Report
2024/2025

**Developer In Lieu Fee Annual Report
For June 30, 2025**

Project #	Title	Balance 7/1/2024	Revenues	Interest	GASB 31 Int. Inc. Adj.	Expenditures	Transfers	Balance 6/30/2025
9543	Microfilm	168,753.86	27,570.44	6,428.81	672.55	31,968.75	-	171,456.92
9647	Street/Trees	362,056.36	27,386.19	15,233.11	1,593.62	-	-	406,269.28
9648	Signals	2,017,360.81	650,000.00	104,334.25	10,914.99	-	-	2,782,610.05
9650	Bledsoe Creek	5,899.39	-	230.76	24.14	-	-	6,154.29
9651	Medians	768,449.92	262,990.00	40,344.94	4,220.71	-	-	1,076,005.56
9653	Underground Utilities	627,449.49	27,900.00	25,634.11	2,681.73	-	-	683,665.33
9654	Landscaping	18,052.45	-	706.12	73.87	-	-	18,832.45
9720	Inclusionary Housing	2,244,129.34	183,750.00	94,966.91	9,935.02	-	-	2,532,781.27
		6,212,151.63	1,179,596.63	287,879.00	30,116.63	31,968.75	-	7,677,775.14
		7,677,775.14						
		Summary of expenditures:						
		a Salaries for interns and equipment for scanning project						
		31,968.75						
		-						
		31,968.75						



Staff Report

to the City Council

**Agenda
Item
No.11.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject: AB1600 Development Impact Fee Annual Report for Fiscal Year 2024-2025 per Government Code Section 66006

Recommendation:

The Finance/Personnel Subcommittee recommends the City Council receive and file the AB1600 Development Impact Fee Annual Report for Fiscal Year 2024-2025.

Fiscal Impact:

The fund balance as of June 30, 2025, on all accounts is \$25,811,728.79.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The collection of Development Impact Fees began after Ordinance No. 45 and Resolution No. 88-46 was approved on November 8, 1988. Government Code Section 66006 (b)(1) requires that the City make available to the public within 180 days of the close of each fiscal year an accounting of all the activity that has occurred within the accounts that the City set up by way of Resolution No. 88-46.

This item was reviewed by the Finance/Personnel Subcommittee on November 12, 2025, and they recommend the item be approved by City Council.

Attachments:

1. Proposed AB1600 Development Impact Fee Annual Report 2024-2025

Attachment #1

Proposed AB1600 Development Impact Fee Annual Report 2024/2025

AB 1600 Development Impact Fees Annual Report
Government Code Section 66006
For June 30, 2025

Project #	Title	Balance 6/30/2024	Transfers	Revenues	Interest	GASB 31 Int. Inc. Adj.	Expenditures	Key	Balance 6/30/2025
9700	Law Enforcement Facilities & Equipment	479,180.31	-	58,724.78	14,885.27	1,456.10	125,606.74	B	428,639.72
9701	Fire Facilities & Equipment	720,531.91	-	136,269.36	23,709.97	2,319.35	-		882,830.59
9702	General Facilities	748,010.70	-	230,323.99	27,073.13	2,648.33	-		1,008,056.15
9703	Parks & Recreation Facilities	1,810,351.57	-	95,582.87	52,742.28	5,159.33	60,887.45	C	1,902,948.60
9711	Library Facilities	786,290.64	-	56,875.41	23,332.65	2,282.43	-		868,781.14
9712	Local Circulation	1,758,530.32	-	2,491,242.43	117,602.53	11,504.06	17,545.17	D-F	4,361,334.16
9713	Regional Flood	909,012.63	-	177,702.02	30,072.29	2,941.72	6,167.79	G	1,113,560.87
9714	Public Use Facilities	1,835,200.25	-	68,942.24	52,692.69	5,154.48	-		1,961,989.67
9715	Regional Circulation-Victoria	467,559.02	-	263,797.63	20,238.59	1,979.77	-		753,575.01
9716	Regional Circulation-Base Line	1,063,924.55	-	645,272.49	47,298.03	4,626.76	-		1,761,121.83
9717	Regional Circulation-Fifth Street	1,046,049.37	-	592,395.66	45,340.14	4,435.24	-		1,688,220.41
9718	Regional Circulation-Arterials	2,940,392.00	-	5,872,306.61	243,870.84	23,855.81	-		9,080,425.27
9719	Park Land Acquisition & Fac. (Quimby Act)	238.15	-	-	6.59	0.64	-		245.38
9845	SBCTA Agreement 18-1001978	-	-	71,744.62	-		71,744.62	A	-
		14,565,271.43	-	10,761,180.11	698,865.00	68,364.02	281,951.77		25,811,728.79
									25,811,728.79

Summary of expenditures:

A Project ICH 09-001 DIF Agreement 18-1001978	71,744.62
B Police Supervisor Vehicle	125,606.74
C YMCA HVAC	60,887.45
D Project SDR 17-001	12,377.50
E Project STR 20-002 Pacific Street Pavement Rehab	67.67
F Project STR 17-001	5,100.00
G Project BRG12001	6,167.79
	<u>281,951.77</u>



Staff Report

to the City Council

**Agenda
Item
No.12.**

Date: December 9, 2025

From: Carlos Zamano, City Manager

Reviewed By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer

Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer

Subject: The Annual Comprehensive Financial Report (ACFR), the Independent Auditor's Report on Internal Controls, the Audit Conclusion Letter, and the Gann Limit (Appropriations Limit) Letter; All Reports are for Fiscal Year Ended June 30, 2025

Recommendation:

The Finance/Personnel Subcommittee recommends the City Council receive and file the Annual Comprehensive Financial Report (ACFR), the Independent Auditor's Report on Internal Controls, the Audit Conclusion letter, and the Gann Limit (Appropriations Limit) letter. All reports are for Fiscal Year Ended June 30, 2025.

Fiscal Impact:

None; reports only.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The Finance/Personnel Subcommittee reviewed the draft reports on November 12, 2025, in detail with the City's auditors, Van Lant and Fankhanel, LLP, and recommends that the City Council receive and file the following:

- The Annual Comprehensive Financial Report (ACFR)
- The Independent Auditor's Report on Internal Controls
- The Audit Conclusion Letter
- The Gann Limit (Appropriations Limit) Letter

Also, attached is a copy of the presentation that was delivered by our auditors.

In previous years, the Single Audit Report on Federal Award Programs has also been available for review at this time. However, due to delays in the release of the federal compliance supplement, we are postponing the presentation of the draft Single Audit Report.

The delay is related to the ongoing government shutdown, and at this time, it is unclear when

the supplement will be issued.

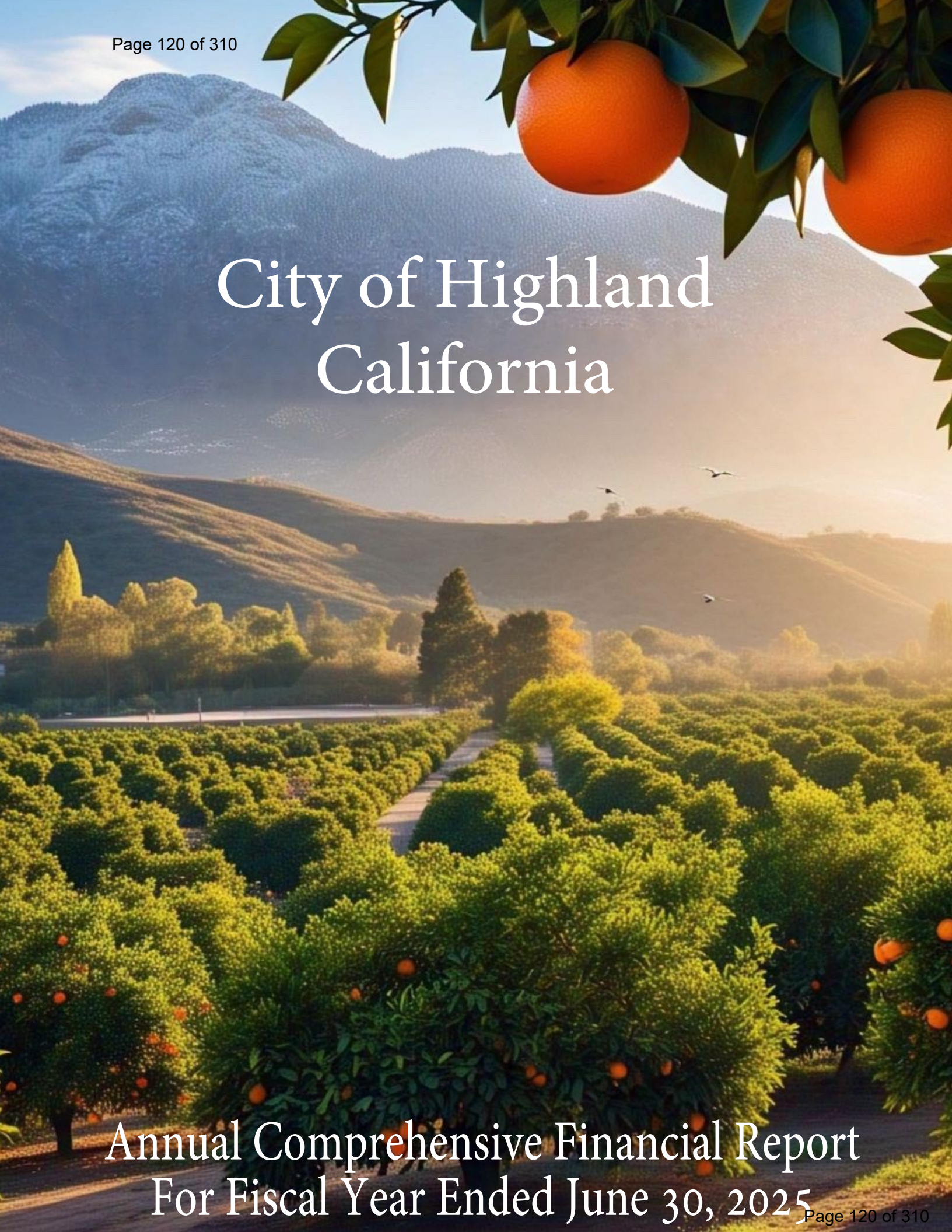
The Single Audit Report remains due by March 31, 2026. We will continue to work closely with our auditors to meet that deadline and will bring the report back to the Finance/Personnel Subcommittee once it becomes available.

Attachments:

1. Annual Comprehensive Financial Report (ACFR)
2. Internal Control Report FY25
3. Audit Conclusion Letter FY25
4. Appropriations Limit FY25
5. Auditors' Presentation

Attachment 1

Annual Comprehensive Financial Report (ACFR)



City of Highland California

Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2025

CITY OF HIGHLAND
Highland, California

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025



27215 Base Line
Highland, California 92346
Phone: 909.864.6861
Fax: 909.862.3180
www.cityofhighland.org

Prepared by the Finance Department:

Leticia "Tish" Nava-Cruz
Director of Administrative Services/City Treasurer

Michelle Gomez
Assistant Director of Administrative Services

Debbie Ludolph
Accountant

City of Highland
Annual Comprehensive Financial Report
Year Ended June 30, 2025

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City of Highland
Annual Comprehensive Financial Report
Year Ended June 30, 2025

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INTRODUCTORY SECTION



November 20, 2025

To the Honorable Mayor, Members of the City Council, and the Citizens of Highland:

We are proud to present the City of Highland's 2024-2025 Annual Comprehensive Financial Report (ACFR), a document that shows how the City collected and spent money during the fiscal year ending June 30, 2025. It includes an independent audit to provide confidence that the report is trustworthy. Information presented in the ACFR aims to share the City's financial decisions and health in a clear and transparent way to build trust between the City and the people who live, work, and invest here.

The information in the ACFR may be used to make informed decisions about budgets and projects. Citizens may use it to learn how their tax money is spent and to see if the City is being responsible. Investors and businesses may use the ACFR to decide if they want to invest or do business here. In short, the ACFR is a helpful guide for anyone who wants to understand the City's finances and make informed choices for the future.

State law mandates that every general-purpose local government publish a complete set of audited financial statements within six months after the fiscal year ends. This report fulfills that requirement for the fiscal year ending June 30, 2025.

Management is responsible for the completeness and reliability of the information, supported by an internal control framework designed to provide reasonable assurance of the financial statements' accuracy. The cost of these controls is balanced against their expected benefits.

Van Lant & Fankhanel LLP, an independent firm of certified public accountants, reviewed the City's financial statements and its internal controls and has issued an unmodified opinion. An unmodified opinion means the auditors have concluded that the City's financial statements are presented reasonably accurately and in accordance with the appropriate accounting rules. This type of opinion is significant because it gives you confidence that you can trust what you see in the financial statements. The independent auditor's report is included at the front of the financial section.

Additionally, Management's Discussion and Analysis (MD&A) follows the auditor's report, offering an overview and analysis of the financial statements, complementing the letter of transmittal.

Profile of the Government

The City of Highland, incorporated on November 24, 1987, is situated at the foothills of the San Bernardino Mountains in the Inland Empire, which encompasses parts of San

Mayor	Mayor Pro Tem	City Council	City Council	City Council	City Manager
Penny Lilburn	Larry McCallon	Gregory Hogan	Jimmy Saldana	John P. Timmer	Carlos Zamano
27215 Base Line • Highland, CA 92346					
Tel: 909.864.6861 • Fax: 909.862.3180 • www.cityofhighland.org					



Bernardino and Riverside Counties. With a population of 57,088 and covering approximately 18 square miles, Highland has expanded its boundaries through annexation, notably adding 3,200 acres in October 2000, which increased its size by about 33%.

Additionally, in 2022, 1,658 acres within the annexed area was purchased by the San Bernardino Valley Municipal Water District (District) for a future corporate campus, water storage facilities and recharge, and conservation efforts. The District is collaborating with urban planning and architectural consultants to produce a Comprehensive Master Plan (Sunrise Ranch Master Plan) and required Environmental Impact Report for the property.

The City of Highland operates as a general law city with a council-manager government structure. The City Council, composed of five members, is responsible for adopting ordinances, resolutions, the budget, setting fees, appointing for committees and commission, hiring the City Manager, and providing policy direction to staff as well as other various duties. The Mayor and Mayor Pro-tem are selected annually by the elected City Council Members. The City Manager implements the Council's policies and oversees daily operations.

The City Council serves as Board Members for the Successor Agency to the Redevelopment Agency (SARDA), the Highland Public Financing Authority (HPFA), and the Highland Housing Authority (HA). As SARDA Board Members, they direct activities related to the former Redevelopment Agency's project area, as the former Redevelopment Agency is dissolved. The HPFA had no activities during the year, while the HA oversees housing initiatives previously managed by the former RDA Board and the Low and Moderate Income Housing Fund.

The City of Highland offers a comprehensive range of services, including police protection, fire suppression, paramedic services, animal control and licensing, street construction and maintenance, planning and zoning, building safety, engineering and inspection, code enforcement, business licensing, and general administration. Additional services within the city are provided by external entities such as San Bernardino County, San Bernardino Valley Water Conservation District, San Bernardino Unified School District, Redlands Unified School District, the YMCA of the East Valley (provides the City's recreational programs), and East Valley Water District.

The biennial budget is essential for the City's financial planning and control, incorporating the City Council's goals into departmental objectives through a process known as the Work Program. This program identifies key goals, programs, and projects to be funded in the budget.

Major initiatives in the upcoming fiscal year include:

- Implement a new Financial Management Software
- Improve City Hall and Aurantia Park Solid Waste Enclosure
- Replace Fuel Dispensing System at Police Station

- Continued Delivery of the 5-Year Capital Improvement Program including, but not limited to:
 - Construction of the Natural Parkland Trail Project, 5th Street Storm Drain Project, Elder Creek Storm Drain Project and several pavement management program projects
 - Progressing on environmental assessments and design for regionally significant projects such as the Orange Street Bridge over Plunge Creek, Base Line Bridge over City Creek, SR-210/5th Street Interchange, and Victoria Street Improvements
 - Annexing the southeast corner of Victoria and 5th Street (approximately one acre for economic development purposes).

The City Council must hold public hearings on the proposed budget and adopt a final budget by June 30th, marking the end of the fiscal year. The budget is organized by fund and department, with the City Manager authorized to approve transfers within departments. However, transfers between departments require City Council approval. The report includes budget-to-actual comparisons for each governmental fund with an adopted budget. For the General Fund and Major Special Revenue Funds, these comparisons are part of the required supplementary information in the financial statements. For other governmental funds with appropriated budgets, the comparisons are presented in the supplementary section of the financial statements.

The City maintains budgetary controls to ensure compliance with the legal provisions of the annual appropriated budget approved by its governing body. Annual budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Internal Service Funds. A mid-year budget review is conducted by the City Manager and Director of Administrative Services to assess the City's financial position.

In addition to annual budgets, a five-year financial plan is adopted for capital projects, with the Capital Improvement Plan (CIP) updated annually as needed. Budgetary control is established at the departmental level, where department heads are responsible for ensuring expenditures do not exceed Council-approved amounts. The City uses an encumbrance accounting system to aid in budgetary control, allowing encumbered amounts to lapse at year-end but be re-appropriated in the following budget.

The budget is prepared using the modified accrual basis of accounting, recognizing revenues when they become available and measurable, and expenditures when a liability is incurred. The General Fund, Special Revenue Funds, Capital Projects Funds, Internal Service Funds, Housing Authority Funds, and Successor Agency Funds are all subject to appropriations.

Local Economy

Over the past several years, Highland has experienced steady growth in General Fund revenues, driven largely by property taxes and vehicle license fees. Sales and use tax

revenues have also shown consistent increases, supported by development in the light industrial, manufacturing, and commercial retail sectors. Additional revenue sources—including charges for services, extraction tax, transient occupancy tax, and franchise fees—have also grown during this period.

Despite expenditures rising at a faster rate than revenues, careful financial management has enabled the City to maintain a balanced General Fund budget for FY 2024/2025—without layoffs, pay cuts, furloughs, or reductions in public services. As a primarily residential community, property taxes remain Highland’s largest revenue source. However, the unexpected growth in sales tax revenues over the past five years has been especially beneficial, helping to support jobs and maintain a stable local economy.

Looking ahead, however, Highland faces growing financial pressures—particularly related to the rising costs of essential public safety services. Public Safety services account for a significant portion of the General Fund, and the City is contractually obligated to maintain certain levels of service to meet community expectations and ensure public safety. These costs continue to rise annually, and without a corresponding increase in sustainable revenue, it will become increasingly difficult to maintain current service levels.

For the future, there are several projects that continue to hold economic development potential for the community. Primarily, a commercial development area located on Greenspot Road, east of State Route 210 (SR-210), referred to as the “Golden Triangle Policy Area.” In 2007, the City spent approximately \$13 million on improving Greenspot Road east of SR-210 and undergrounding utility infrastructure to help facilitate future economic growth in this area. The investment in this area attracted the following store/restaurant openings within the past few years along Greenspot Road between SR-210 and Boulder Avenue: Lowe’s Home Improvement Center, In-N-Out, a Fitness club, Wing Stop, Jersey Mikes, Trendsetter Salon & Day Spa, Mountain Mikes Pizza, 7-Eleven, Einstein Bagels, Grocery Outlet, Starbuck’s, Chipotle, Ono Hawaiian Barbeque, Dave’s Hot Chicken, Corky’s Kitchen & Bakery, Greenspot Crossing Dentistry, Verizon and a Stater Bros market. In addition, the 120,000 square foot “Extra Space” self-storage facility on the southside of Greenspot Road is anticipated to open by the end of 2025, and a drive-through “Quick Quack” car wash opened for business October 2025.

A true highlight of 2025 was the ribbon cutting ceremony held on March 8th for a COSTCO Wholesale warehouse store in the heart of the Greenspot Village and Marketplace Specific Plan. The COSTCO store includes approximately 161,000 square feet of retail and grocery shopping, an Optical Center, a Pharmacy, a Tire Center and Vehicle Fueling Stations.

Regarding the residential side of the “Golden Triangle Policy Area,” in September 2020, the City approved a 200-unit townhome style apartment project, called San Carlo I, at the northwest corner of Greenspot Road and Webster Street. The project consists of 40 residential buildings, a community recreation room, pool, barbeque area, tot lot, dog park, and courtyard amenities. The units range from 915 and 1,430 square feet and offer garage parking. The project comprises twenty acres of the 105-acre project known as the

“Greenspot Village & Marketplace Specific Plan” located on the northside of Greenspot Road. The San Carlo I was completed in the Summer of 2024. In 2023, the developer received approval from the City to expand the San Carlo I and construct an additional 272 units to the north. San Carlo II is currently under construction and will be similar in size and massing of the first phase and will have its own access and recreational amenities.

An additional 746 multi-family units were approved in the Greenspot Village and Marketplace Specific Plan by the City in 2021 and 2022 by TREH Partners Development and Alliance Residential Company. These two projects have high level amenities, upscale architecture, multiple club houses, outdoor recreation, pools, trails, and gathering areas. In conjunction with the residential development.

There are three (3) residential projects anticipated to be completed in 2025. The first is “Century Homes” currently constructing 42 small-lot single family detached homes on the north side of Base Line west of Weaver Street. This small-lot single family subdivision includes a new mini park, offering a tot lot, open play area, barbecue, shaded picnic area and walking trail open to the public. The second development is a projected called “Messina by Beazer Homes” located along Santa Ana Canyon Road between Northfork and Alta Vista Roads. Beazer Homes constructed 54 large single family detached homes on 10,000 square foot minimum lots with 360 degree views of the San Bernardino Mountains and Santa Ana Riverbed. The third development is the “Mediterra” Planned Residential Development with its highly anticipated 316 detached single family residential units located generally on the eastly end of Greenspot Road. Mediterra phases 1 and 2 with 99 housing units were constructed by DR Horton Homes, and Phases 3 and 4 with 50 additional units are anticipated to be completed by December 2025.

In terms of Multi-family housing development outside of the Greenspot Village and Marketplace Specific Plan, in October 2023 the City approved a four story 220 unit apartment development called “Halcyon” located on Sterling Avenue across from Warm Spring Elementary School. Although no permits have been issued, the project will have a modern design and amenities including clubhouse, pool, two (2) tot lots, gathering spaces, dog run, and gymnasium.

The Town Center Policy Area on Base Line west of SR-210 is home to Smart N Final Extra market, CVS Pharmacy, Baker’s and Family Dollar. On May 3, 2025, a ribbon cutting ceremony was held for “Tractor Supply Company” next to a handful of future sit-down restaurant pads. Opening five years ago on Base Line just off SR-210 was Jack in the Box and Panda Express. Mi Cocina Mexican Restaurant and the Bear Springs Bistro & Lounge in the newly renovated Bear Springs Hotel (owned and operated by the Yuhaaviatam of San Manuel Nation) on Highland Avenue near SR-330 gives residents additional sit-down restaurant options in the city.

The City’s Housing Authority continues to pursue and evaluate opportunities to construct affordable housing options for city residents. On May 9, 2023, the Housing Authority executed a Disposition and Development Agreement/Affordable Housing Agreement with

Wakeland Housing and Development Corporation to construct 90 affordable senior housing units. Wakeland has extensive experience in constructing and managing affordable housing projects in Southern California. The project is estimated to cost approximately \$38 million to construct. Wakeland is currently seeking funding for the project and is expected to start construction no later than January 2027.

Long-term Financial Planning

When Highland incorporated in 1987, initial analyses suggested it was financially unfeasible. However, today, Highland is fiscally healthy. A study by the California State Auditor ranked Highland 326 out of 430 cities in terms of financial risk, indicating it has a "low overall risk." This success is attributed to conservative expenditure practices over the past 38 years. While many cities depend heavily on sales tax, Highland has primarily relied on vehicle license fees and property tax for revenue. Its sales tax potential was diminished in 1987 when the City of San Bernardino annexed areas that could have generated sales tax for Highland.

Highland is actively developing marketing plans for its major thoroughfares—Base Line, Greenspot Road, and Fifth Street—as part of its long-term financial planning. With SR-210 running through the city and intersecting these corridors, enhancing their development is crucial for increasing the sales tax base in Highland.

In 2023, the San Bernardino County Transportation Authority (SBCTA), in cooperation with the California Department of Transportation (DOT), completed the widening of SR-210 from Sterling Avenue to San Bernardino Avenue in the cities of San Bernardino, Highland and Redlands, as well as an unincorporated portion of San Bernardino County to improve traffic flow with an additional lane. The project included pavement rehab on local streets including Highland Avenue and 5th St.

In addition to the SR-210 widening and pavement rehabilitation, the City partnered with San Bernardino County Transportation Authority, and California Department of Transportation to improve the Base Line Interchange. The project widened Base Line from Buckeye Street to Seine Avenue, widened three of the four existing SR-210 interchange ramps, providing overpass aesthetics, and replacing landscape. The purpose of the project was to reduce congestion and improve operational efficiency throughout the Base Line corridor at the SR-210 interchange.

The City of Highland in collaboration with the Yuhaaviatam of San Manuel nation is currently working on the planning and environmental clearance phase for a new interchange at SR-210 and Victoria Avenue. Environmental clearance is anticipated to be completed in the fourth quarter of 2027. The project would improve access to and from Victoria Avenue and relieve congestion to the nearby Highland Ave interchange. The project is not fully funded, and the City and Tribal Government will be seeking grant funding to complete the work.

The City also recently received federal funding that partially fund improvements to the State Route 210 at 5th Street Interchange to improve traffic flow and staff has initiated the planning

and environmental phase. The project includes widening 5th Street to its ultimate width, an additional lane on the eastbound on and off-ramps and the westbound on-ramp. The project is critical as it provides access to the southern side of the City with growing residential, commercial and industrial uses, and to the San Bernardino International Airport. The project is not fully funded, and staff will continue to seek additional funding to complete all project phases.

Highland's key goals include maintaining a strong fiscal base, ensuring adequate public facilities and infrastructure, providing public safety and health, enhancing the city's image, and fostering good relations among staff, commissions, and citizens. The city has demonstrated sound financial management, adhering to a pay-as-you-go philosophy since incorporation. The General Fund has no bonded debt, and reserves are used for capital projects, avoiding future debt burdens. Additionally, Highland has secured state and federal grants to maximize local tax dollars and collaborates effectively with neighboring agencies on projects that benefit the community.

Financial Impacts of COVID-19

As the COVID-19 pandemic continues to recede into the fiscal distance, the City of Highland has effectively utilized federal relief funds to support both community needs and essential City services. Through CARES Act grants, the City acquired personal protective equipment (PPE) for staff and provided direct assistance to the business community—issuing 200 small business grants of \$2,500 each to help local establishments impacted by the pandemic.

In addition, the American Rescue Plan Act (ARPA) provided Highland with two installments totaling \$7,447,553.50. These funds were strategically invested in ventilation improvements at public facilities, PPE, legal services, cybersecurity upgrades, various public works projects, mortgage assistance for households, and continued small business support. Notably, a substantial portion of ARPA funds was used to cover public safety payroll costs, helping the City maintain critical police and fire services during a time of extraordinary strain on local budgets.

All federal COVID-19 relief funds were fully expended by December 31, 2024. With those one-time funds no longer available, the City can no longer rely on temporary support to offset the rising and ongoing costs of public safety and other essential services. This reality underscores the need to explore long-term, locally controlled revenue solutions to ensure Highland can continue to meet service expectations and maintain fiscal stability well into the future.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada has awarded the Distinguished Budget Presentation Award to the City for fiscal years 2025–2027. This prestigious honor represents the highest form of recognition in governmental budgeting. The City has earned this distinction every year since fiscal year 1989–1990, reflecting a long-standing commitment to excellence in financial planning.

Additionally, the City anticipates receiving the Excellence in Operational Budgeting Award from the California Society of Municipal Finance Officers (CSMFO) for fiscal years 2025–2027. The City has been recognized with this award each year since first applying in fiscal year 1991–1992.

Both awards are valid for a two-year period and are granted only to agencies that meet strict criteria. To qualify, a budget document must serve effectively as a policy document, an operational guide, a financial plan, and a communication tool. Earning these awards is a significant accomplishment and underscores the City's dedication to transparency, accountability, and responsible financial stewardship.

Further demonstrating the City's commitment to financial excellence, the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2024. This award is the highest form of recognition in the area of state and local government financial reporting. The City has now received this honor for thirty-three consecutive years.

To be considered for this award, the City must publish a comprehensive annual financial report that is clearly written, well-organized, and conforms to both generally accepted accounting principles and all applicable legal requirements. The recognition is valid for one year, and I believe our current Annual Comprehensive Financial Report continues to meet these standards. I will submit it to the GFOA once again for consideration.

The preparation of the Annual Comprehensive Financial Report would not have been possible without the dedicated efforts of Assistant Director of Administrative Services Michelle Gomez, Accountant Debbie Ludolph and Accounting Technician Bianey Fleming. I want to thank them for overseeing the compilation of the financial data and coordinating with our auditors.

I also want to express my appreciation to Finance/Personnel Subcommittee members Mayor Pro Tem Larry McCallon and Councilmember John Timmer for their guidance and support throughout the process. The leadership of the entire City Council has been essential in maintaining the City's strong financial foundation.

Finally, I would like to thank City Manager Carlos Zamano for his commitment to high standards in financial management, leadership, and integrity. His continued efforts are vital to sustaining the fiscal health and long-term stability of the City of Highland.

Respectfully submitted,



Leticia “Tish” Nava-Cruz
Director of Administrative Services/City Treasurer

**City of Highland
List of City Officials
Year ended June 30, 2025**

City Council (Elected)

Penny Lilburn, Mayor
Larry McCallon, Mayor Pro Tem
Gregory Hogan, Councilmember
Jimmy Saldana, Councilmember
John Timmer, Councilmember

Finance/Personnel Subcommittee

Larry McCallon John Timmer

Management

City Manager	Carlos Zamano
Community Development Director	Lawrence Mainez
Director of Administrative Services/City Treasurer	Tish Nava-Cruz
Public Works Director/City Engineer	Octavio Duran
Assistant Community Development Director	Kim Stater
Assistant Public Works Director	Brian Wolfe
Assistant Director of Administrative Services	Michelle Gomez
Public Works Manager	Jim Richardson
Public Services Manager	Melissa Morgan
City Clerk	Alondra Muñoz
Building Official	Matt Wirz
Police Chief (Captain)	Jeremy Dean
Lieutenant	Phill Dupper
Fire Chief (Battalion Chief)	Liz Brown

Support

Accountant	Debra Ludolph
Accountant (Temporary)	Marlenne Castro
Accountant (Temporary)	Jasmine Hill
Accounting Assistant I (Temporary)	Veronica Navarro

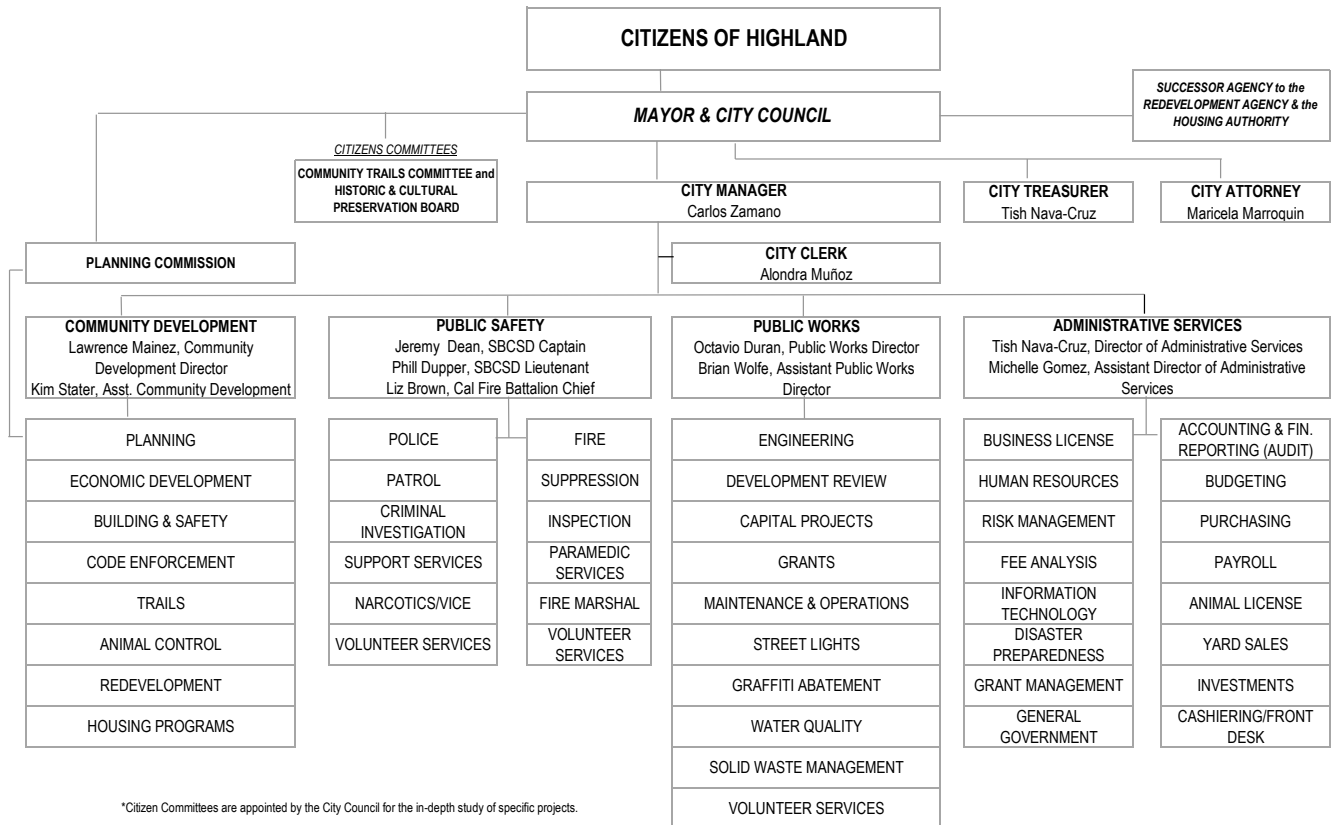
Accounting Assistant I (Temporary)	Annastasia Barrera
Accounting Assistant II	Lia Dominguez
Accounting Technician I	Bianey Fleming
Administrative Assistant I	Eileen Prado
Administrative Assistant III	Jacqueline Avila
Administrative Assistant III	Camille Goritz
Assistant Engineer	Jay Tuttle
Assistant Engineer	Lucia Mendez
Assistant Planner	Tiffany Martinez
Assistant Planner	Travis Trejo
Code Compliance Officer	Justin Ramirez
Code Compliance Officer	Gary Chambers
Code Compliance Officer	Salli Wilson
Community Volunteer Services Coordinator	Denise Moreno
Deputy City Clerk	Lisette Nock
Engineering Technician I	Chastity Scott
Finance Intern	Valentina Quinones
Information Technology Technician	Manuel Tapia-Vera
Maintenance Worker I	Jack Avon
Maintenance Worker I	Erik Araus
Permit Technician I	Marissa Beltran-Quiroz
Permit Technician II	Cortney Croslin
Public Services Coordinator	Ryan Ramos
Senior Code Compliance Officer	Barrie Owens
Senior Maintenance Worker	Brandon Coleman
Senior Maintenance Worker	Kevin Layne
Senior Maintenance Worker	Gerald Peck
Senior Planner	Angela Tafolla
Scanning Intern	Jonah Nava
Scanning Intern	Ariel Martinez-Leon

CITY OF HIGHLAND

Annual Comprehensive Financial Report

Department and Divisions Organizational Chart

June 30, 2025





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Highland
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

The Honorable City Council
City of Highland, California

Report on 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 Highland (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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Highland, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 these 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 error or fraud.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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, budgetary schedules and pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and budget schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 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 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 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.

Van Lant & Fankhaed, LLP

November 20, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the City of Highland's financial performance for the fiscal year ending June 30, 2025, offers an overview of the city's financial activities. It should be read alongside the transmittal letter and financial statements in the report.

Using the Accompanying Financial Statements

The annual report includes various financial statements, notably the Statement of Net Position and the Statement of Activities, which present a comprehensive view of the city's finances over the long term. Fund financial statements provide insights into how governmental services were funded in the short term and detail remaining resources for future spending. These statements focus on the city's most significant funds, offering more granular information compared to the broader government-wide statements. Additionally, some statements detail activities where the city serves as a trustee or agent for external beneficiaries.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report is structured into four main parts: management's discussion and analysis, basic financial statements, required supplementary information, and optional combining statements for non-major governmental and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

1. **Government-wide Financial Statements:** These two statements offer a comprehensive view of the City's financial status, covering both long-term and short-term aspects.
2. **Fund Financial Statements:** These statements focus on specific parts of the city government, providing detailed reports:
 - o **Governmental Funds:** Show how short-term financing supports services like public safety and what funds remain for future use.
 - o **Proprietary Funds:** Present financial information about government-operated services (e.g., water and sewer systems).
 - o **Fiduciary Funds:** Detail the city's role as a trustee or agent for resources belonging to others.

The financial statements are accompanied by notes that clarify the information presented and offer further details. Additionally, a section required supplementary information provides extra financial and budgetary insights.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the city government they cover and the types of information they contain.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of the City's Government-wide and Fund Financial Statements

Fund Statements				
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenditures, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's fiduciary funds do not currently contain capital assets.
Type of inflow/ outflow information	All revenues and expenditures during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenditures during the year, regardless of when cash is received or paid	All revenues and expenditures during year, regardless of when cash is received or paid.

Reporting the City as a Whole

The **Government-wide Financial Statements** consist of two key reports: the Statement of Net Position and the Statement of Activities, which provide an overall view of the City's financial status. A critical question these statements address is whether the City is better or worse off after a year of activities.

These statements utilize accrual basis accounting, similar to private-sector practices, accounting for all current year revenues and expenditures regardless of when cash is received or paid. They detail the City's net position—the difference between assets & deferred outflows of resources and liabilities & deferred inflows of resources—which serves as a measure of financial health of the City. Changes in net position over time indicate trends in financial health, but it's essential to consider additional nonfinancial factors, such as property tax and sales tax base changes, as well as the condition of city infrastructure, to fully assess the City's overall well-being.

The Statement of Net Position and the Statement of Activities:

- Governmental Activities encompass the City's primary services, including general government, community development, public safety, and maintenance of highways and streets. These activities are mainly funded through sales taxes, property taxes, state subventions, charges for services, and other revenue sources.

Reporting the City's Most Significant Funds

The **Fund Financial Statements** focus on the City's most significant funds rather than its overall financial status. Some funds are mandated by state law or bond covenants, while others are established by the City Council to manage specific resources and demonstrate accountability for taxes, grants, and other revenues.

1. **Governmental Funds:** These funds report most basic city services, detailing how money flows in and out and the available year-end balances. They use modified accrual accounting, which measures cash and other current financial assets easily convertible to cash. Governmental Fund Statements provide a short-term view of operations, helping assess available financial resources for future programs. Reconciliation at the bottom of the statements clarifies the relationship between governmental activities and funds.
2. **Proprietary Funds:** These funds account for services the City charges customers for, whether external or internal. Proprietary funds follow the same reporting approach as the Government-wide Statements. The City does not have enterprise funds but utilizes internal service funds to report activities that supply services to other City programs.

Reporting the City's Fiduciary Responsibilities

The City acts as an agent for certain assets held for other organizations and individuals, which are reported separately in a Statement of Fiduciary Assets. These fiduciary activities are excluded from the City's other financial statements because the City cannot use these assets for its own operations. The City is responsible for ensuring that these assets are used as intended. Currently, the fiduciary funds include three Community Facilities Districts and the Successor Agency to the City of Highland Redevelopment Agency Private Purpose Trust Fund.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the Government-wide *Statement of Net Position* follows:

Net Position June 30, 2025 Governmental Activities			
	2025		2024
Current and Other Assets	\$ 123,274,999	\$	106,234,148
Capital Assets, Net	232,200,057		233,584,917
Total Assets	355,475,056		339,819,065
Deferred Outflows of Resources	2,153,431		2,832,704
Long-term Liabilities	14,658,985		14,533,394
Other Liabilities	8,172,344		13,303,144
Total Liabilities	22,831,329		27,836,538
Deferred Inflows of Resources	2,272,532		2,573,896
Net Position:			
Net Investment in Capital Assets	225,925,791		227,382,396
Restricted	73,995,683		37,579,260
Unrestricted	32,603,152		47,279,679
Total Net Position	\$ 332,524,626	\$	312,241,335

The City's net position consists of three main components:

1. **Investments in Capital Assets (67.9%):** This portion reflects investments in assets like land, buildings, and infrastructure, minus any outstanding debt related to these assets.

These assets are used to provide services to citizens and are not available for future spending.

2. **Restricted Net Position (22.3%):** This represents resources that are subject to external restrictions on their use, such as funds for gas taxes, development impact fees, and special revenue funds.
3. **Unrestricted Net Position (9.8%):** This portion can be used for day-to-day operations without restrictions on debt covenants or legal requirements. An example is the general fund.

A summary of the government-wide *statement of activities* follows:

Changes in Net Position

June 30, 2025

Governmental Activities

	2025	2024
Program Revenues:		
Charges for Services	\$ 18,470,868	\$ 14,032,601
Operating Contributions & Grants	4,403,377	3,725,597
Capital Contributions & Grants	9,605,235	9,625,434
Total Program Revenues	32,479,480	27,383,632
General Revenues:		
Property Taxes	18,824,160	18,199,744
Sales & Use Tax	3,907,308	3,846,323
Transient Occupancy Tax	301,600	272,875
Franchise Fees	2,033,925	2,056,095
Business License Tax	399,152	471,486
Other	89,660	70,325
Investment Income	2,146,498	2,064,776
Miscellaneous	311,302	170,325
Total General Revenues	28,013,605	27,151,949
Total Revenues	60,493,085	54,535,581
Expenses:		
General Government	3,448,991	2,785,024
Public Safety	20,216,643	20,687,768
Public Works	10,944,381	9,721,374
Community Development	5,599,779	4,199,576
Total Expenses	40,209,794	37,393,742
Changes in Net Position	20,283,291	17,141,839
Beginning Net Position	312,241,335	295,099,496
Ending Net Position	\$ 332,524,626	\$ 312,241,335

The Change in Net Position indicates whether the City's overall financial health improved or declined over the year. For the City's Governmental Activities, Net Position increased by 6.5%,

rising from \$312.2 million to \$332.5 million. This change reflects fluctuations in revenue and expenditure during the year.

- **Revenue Increase:** Total program revenues rose due to higher charges for services and property taxes. Grants both operating and capital, can vary yearly and affect program revenues based on their timing. Overall, general revenues increased in 2024/2025, largely driven by a rise in Property Tax, with additional slight growth in interest income and sales and use tax. These increases contributed significantly to the overall revenue growth for this fiscal year
- **Expenditure Increase:** Total expenditures increased in 2024/2025, due to higher spending in general government, public works and community development. Public work expenditures rose, as they can fluctuate annually based on the availability of grant funds and resources like the Measure I fund, Development Impact Fee fund, and Capital Improvements fund. In contrast, Public Safety expenditures decreased slightly compared to the prior year, largely due to American Rescue Plan (ARPA) monies being used to help pay for police, fire suppression, and paramedic support. ARPA funds have been fully expended so they City will not see a decrease in Public Safety expenditures in the future.

For the reasons stated above, the City's Net Position increased by \$20.3M (\$312.2M to \$332.5M).

Revenues & Expenses by Source
Governmental Activities

	2025	%	2024	%
Revenues By Source				
Charges for Services	\$ 18,470,868	30.5%	\$ 14,032,601	25.7%
Operating Contributions & Grants	4,403,377	7.3%	3,725,597	6.8%
Capital Contributions & Grants	9,605,235	15.9%	9,625,434	17.6%
Property Taxes	18,824,160	31.1%	18,199,744	33.4%
Sales & Use Tax	3,907,308	6.5%	3,846,323	7.1%
Transient Occupancy Tax	301,600	0.5%	272,875	0.5%
Franchise Fees	2,033,925	3.4%	2,056,095	3.8%
Business License Tax	399,152	0.7%	471,486	0.9%
Other	89,660	0.1%	70,325	0.1%
Investment Income	2,146,498	3.5%	2,064,776	3.8%
Miscellaneous	311,302	0.5%	170,325	0.3%
Total Revenues	\$ 60,493,085	100.0%	\$ 54,535,581	100.0%
Expenses By Source				
General Government	3,448,991	8.6%	2,785,024	7.4%
Public Safety	20,216,643	50.3%	20,687,768	55.3%
Public Works	10,944,381	27.2%	9,721,374	26.0%
Community Development	5,599,779	13.9%	4,199,576	11.2%
Total Expenses	\$ 40,209,794	100.0%	\$ 37,393,742	100.0%

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper fiscal management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds

The **General Fund** serves as the City's primary operating fund, with a total fund balance of \$29,404,061 at the end of the fiscal year. This balance is divided into two categories: Nonspendable and Spendable.

- **Nonspendable** funds cannot be used because they are not in a spendable form, such as inventory.
- **Spendable** funds are further classified into three sub-categories:
 - **Restricted:** Funds with limitations on their use.
 - **Committed:** Funds that the City Council has dedicated to specific projects or purposes.
 - **Assigned:** Funds that the City Council has authorized the City Manager to allocate for specific projects or intents.

Significant changes in the revenues and expenditures of the City's General Fund from the prior year are as follows:

- **Revenue Increase:** Total revenues (excluding transfers) rose by \$635,326. Taxes increased by 2.4% (\$584,984) due to rising property values. Licenses and Permits saw a 9% increase (\$108,784) from more building permit activity. Fines and forfeitures increased by 26.3% (\$5,140) due to higher citation collections. Interest income rose 2.4% (\$39,534) as a result of higher interest rates, and rental income increased by 10.8% (\$14,900).
- **Expenditure Decrease:** Total expenditure (excluding transfers) dropped by \$4,238,452. General government expenditures decreased by 0.9% (\$20,052), public safety expenditures (including police, fire, and animal control) decreased by 23.9% (\$4,050,374) due to American Rescue Plan money helping to offset some of the expenditures, and capital outlay decreased by 83.3% because a fire vehicle was purchased in 2023/2024.

Fund balance in the general fund increased by \$5,497,933 due to the reasons stated above.

The **Grants** fund accounts for non-federal grants that do not require separate tracking, as well as joint projects with local municipalities, providing a more efficient and manageable approach to fund management.

Key Changes:

- **Revenue Decrease:** Total revenues decreased by \$1,522,306, mainly due to the timing of fund receipts and expenditures.
- **Expenditure Decrease:** Overall expenditures declined by \$2,977,976, driven by lower grant and joint project activity in 2024/2025 compared to 2023/2024. Decreased capital project activity included initiatives like the Mobile Source Reduction Committee (MSRC), Rubberized Asphalt Concrete (RAC), and the State & Local Partnership Program (SLPP). Joint projects involved street improvements with neighboring cities, the Inland Valley Development Agency (IVDA), and the San Manuel Band of Mission Indians.

- **Fund Balance Increase:** The fund balance increased by \$902,808, primarily as a result of work performed and reimbursed during 2024/2025.

The **Major Grants** fund is used to manage federal grants that do not require separate accounting, making it more efficient to track these funds collectively.

- **Revenue and Expenditure Dynamics:** Typically, revenues should match expenditures in this fund. However, delays in reimbursement for certain projects can lead to expenditures exceeding revenues, resulting in negative fund balances. Occasionally, revenue may be received before project expenditures are incurred. Grants not received in 2024/2025 are anticipated to be collected in fiscal year 2025/2026.
- **Expenditure Increase:** Expenditures in this fund increased by \$2,742,417, primarily due to more capital projects constructed in the current year. The use of grants can fluctuate from year to year.

The **Housing Authority** fund is responsible for administering programs that provide and support affordable housing within the City.

Key changes

- **Revenue Decrease:** Total revenues slightly decreased by \$130.
- **Expenditure Increase:** Expenditures increased by \$4,422 reflecting higher administrative and program-related costs.
- **Fund Balance Increase:** The fund balance increased by \$109,690 in 2024/2025, mainly due to consistent revenue performance.

The **Capital Improvements** fund was established on January 1, 2016, to manage the former RDA bond proceeds transferred to the City and Housing Authority with the Department of Finance's approval.

Key Changes:

- **Revenue Decrease:** Revenues in the fund dropped by \$16,572 in 2024/2025.
- **Expenditure Increase:** Expenditures increased by \$461,542, as the fund continues to utilize the former RDA bond proceeds. Capital project construction activity is expected to rise in fiscal year 2025/2026.
- **Fund Balance Decrease:** The fund balance decreased by \$1,123,123 as expenditures continue to outpace revenues. With interest income being the primary revenue source, the fund balance is projected to decrease over the coming years as expenditure continues.

The projects that made up the majority of Capital Improvement expenditures include STR 23-002 Greenspot Road Parkway and Median Improvements, STR 18-001 3rd Street-5th Street Corridor Improvements and BRG 07-001 Base Line Bridge.

The **Development Impact Fee (DIF)** fund is designed to finance the construction or expansion of off-site capital improvements needed for new development.

Key Changes:

- **Revenue Increase:** In 2024/2025, revenues rose by \$4,317,885, reflecting a higher amount of development impact fees received.
- **Expenditure Decrease:** Expenditures decreased by \$207,346, as the fund was more actively used for capital projects in 2023/2024 compared to 2024/2025.
- **Fund Balance Increase:** The fund balance increased by \$11,246,458, with expectations of heightened activity in fiscal year 2025/2026.

GENERAL FUND-BUDGET

The total expenditures of the General Fund for 2024/2025 did not exceed total appropriations. Key differences between the original and final amended budgets include:

Significant Increases in Expenditures:

- A \$1,900,000 transfer from the General Fund to the General Capital Financing fund to support future capital project expenditures.
- A \$1,400,000 transfer to the General Services fund to help with current and future expenditures.

Budgetary Variances:

- The City received two allocations from the American Rescue Plan Act (ARPA), each for \$7,447,553.50, in June 2021 and June 2022. These allocations were used in FY 2024/2025 to help offset costs in the Police and Fire Departments, leading to significant expenditure variances. These funds have been fully expended as of December 31, 2024.

Revenue Changes:

- The City experienced an increase in actual revenues compared to budgeted revenues, with some revenues rising, some declining, and many remaining stable.

Additional information on the City's budget adjustments and policies can be found in the notes to required supplementary information on page 80.

CAPITAL ASSETS

Capital Assets (net of depreciation) Governmental Activities

	2025	2024
Land	\$ 4,485,030	\$ 4,485,030
Rights of Way	90,490,553	90,490,553
Construction in Progress	20,858,878	18,503,772
Buildings & Improvements	18,688,163	19,816,658
Equipment, Furniture & Software	869,105	1,089,773
Vehicles	2,167,346	1,909,586
Infrastructure	94,640,982	97,289,545
Total	<u>\$ 232,200,057</u>	<u>\$ 233,584,917</u>

The major additions to capital assets during the year ended June 30, 2025, were as follows:

- YMCA HVAC Controls.
- Emergency Response Message Board
- Type 6 Wildland Fire Engine Engine (Brush Patrol)

Infrastructure additions include but are not limited to:

- Project No. OLA 24-001 CDBG Streets FY 2024-2025 Cunningham/Fleming/7th/Colwyn
- Project No. SIG 21-001 City-Wide Pedestrian Head Installation
- Project No. STR 23-002 Greenspot Road Parkway and Median Improvements

Additional information on the City's capital assets can be found in the notes to the financial statements starting on page 56.

LONG-TERM DEBT

Additional information on the City's long-term liabilities can be found in the notes to the accompanying financial statements starting on page 57.

Contacting the City's Financial Management:

This financial report aims to provide citizens, taxpayers, customers, investors, and creditors with an overview of the City's finances and demonstrate accountability for the funds received. For questions or additional financial information, contact Leticia Nava-Cruz, Director of Administrative Services/City Treasurer, at the City of Highland, 27215 Base Line, Highland, California, 92346.

BASIC FINANCIAL STATEMENTS

**City of Highland
Statement of Net Position
June 30, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 113,914,686
Receivables:	
Accounts	1,416,469
Interest	854,215
Property Taxes	219,165
Loans	695,728
Leases	1,982,627
Due from Other Governments	3,670,363
Advance to Successor Agency	503,719
Prepaid Items	18,027
Capital Assets, Not Being Depreciated	115,834,461
Capital Assets, Net of Depreciation	<u>116,365,596</u>
Total Assets	<u>355,475,056</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB Related Items	134,847
Pension Related Items	<u>2,018,584</u>
Total Deferred Outflows of Resources	<u>2,153,431</u>
LIABILITIES	
Accounts Payable	4,849,233
Accrued Liabilities	241,046
Retention Payable	593,695
Deposits Payable	1,406,097
Unearned Revenue	1,082,273
Noncurrent Liabilities:	
Due Within One Year	169,706
Due in More Than One Year	<u>14,489,279</u>
Total Liabilities	<u>22,831,329</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB Related Items	215,616
Pension Related Items	74,289
Lease Related	<u>1,982,627</u>
Total Deferred Inflows of Resources	<u>2,272,532</u>
NET POSITION	
Net Investment in Capital Assets	225,925,791
Restricted for:	
Public Safety	-
Public Works	69,313,686
Community Development	4,681,997
Unrestricted	<u>32,603,152</u>
Total Net Position	<u><u>\$ 332,524,626</u></u>

The accompanying notes are an integral part of this statement.

**City of Highland
Statement of Activities
Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 3,448,991	\$ 3,545,534	\$ 66,341	\$ -	\$ 162,884
Public Safety	20,216,643	1,905,498	277,796	-	(18,033,349)
Public Works	10,944,381	10,608,543	3,262,921	9,605,235	12,532,318
Community Development	5,599,779	2,411,293	796,319	-	(2,392,167)
Total Governmental Activities	<u>\$ 40,209,794</u>	<u>\$ 18,470,868</u>	<u>\$ 4,403,377</u>	<u>\$ 9,605,235</u>	<u>(7,730,314)</u>
General Revenues:					
Taxes:					
Property Tax					18,824,160
Sales and Use Tax					3,907,308
Transient Occupancy Tax					301,600
Franchise Tax					2,033,925
Business Licenses Tax					399,152
Other					89,660
Gain on Sale of Capital Assets					-
Investment Income					2,146,498
Miscellaneous					311,302
Total General Revenues					<u>28,013,605</u>
Change in Net Position					20,283,291
Net Position - Beginning of Year					<u>312,241,335</u>
Net Position - End of Year					<u>\$ 332,524,626</u>

The accompanying notes are an integral part of this statement.

**City of Highland
Balance Sheet
Governmental Funds
June 30, 2025**

	General	Grants	Special Revenue	
			Major Grants	Housing Authority
ASSETS				
Cash and Investments	\$ 31,336,053	\$ 11,556,381	\$ -	\$ 3,851,937
Receivables:				
Accounts	1,307,525	-	-	-
Interest	279,996	-	-	43,086
Property Taxes	193,299	-	-	-
Loans	-	-	-	695,728
Leases	1,133,334	-	-	849,293
Due from Other Governments	893,651	514,793	769,800	578,950
Due from Other Funds	264,302	-	-	-
Advance to Successor Agency	402,975	-	-	100,744
Prepaid Items	18,027	-	-	-
Total Assets	\$ 35,829,162	\$ 12,071,174	\$ 769,800	\$ 6,119,738
LIABILITIES				
Accounts Payable	\$ 2,829,580	\$ 99,248	\$ 249,790	\$ 93
Accrued Liabilities	170,014	-	-	9,405
Retention Payable	-	216,348	229,065	-
Deposits Payable	1,406,097	-	-	-
Unearned Revenue	886,076	196,197	-	-
Due to Other Funds	-	-	95,108	-
Total Liabilities	5,291,767	511,793	573,963	9,498
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	514,648	754,927	578,950
Lease Related	1,133,334	-	-	849,293
Total Deferred Inflows of Resources	1,133,334	514,648	754,927	1,428,243
FUND BALANCES (DEFICITS)				
Nonspendable	421,002	-	-	-
Restricted	-	11,044,733	-	4,681,997
Committed	-	-	-	-
Assigned	22,089,497	-	-	-
Unassigned	6,893,562	-	(559,090)	-
Total Fund Balances	29,404,061	11,044,733	(559,090)	4,681,997
Total Liabilities, Deferred Inflows and Fund Balances	\$ 35,829,162	\$ 12,071,174	\$ 769,800	\$ 6,119,738

The accompanying notes are an integral part of this statement.

Capital Projects		Total Non-major Governmental Funds	Total Governmental Funds
Capital Improvements	Development Impact Fees		
\$ 4,870,873	\$ 25,648,992	\$ 29,597,623	\$ 106,861,859
-	-	87,479	1,395,004
37,270	162,737	262,898	785,987
-	-	25,866	219,165
-	-	-	695,728
-	-	-	1,982,627
-	-	913,169	3,670,363
-	-	-	264,302
-	-	-	503,719
-	-	-	18,027
<u>\$ 4,908,143</u>	<u>\$ 25,811,729</u>	<u>\$ 30,887,035</u>	<u>\$ 116,396,781</u>
\$ 36,187	\$ -	\$ 1,596,167	\$ 4,811,065
6,706	-	33,853	219,978
102,881	-	45,401	593,695
-	-	-	1,406,097
-	-	-	1,082,273
-	-	169,194	264,302
<u>145,774</u>	<u>-</u>	<u>1,844,615</u>	<u>8,377,410</u>
-	-	170,107	2,018,632
-	-	-	1,982,627
<u>-</u>	<u>-</u>	<u>170,107</u>	<u>4,001,259</u>
-	-	-	421,002
4,762,369	25,811,729	18,305,485	64,606,313
-	-	-	-
-	-	10,737,311	32,826,808
-	-	(170,483)	6,163,989
<u>4,762,369</u>	<u>25,811,729</u>	<u>28,872,313</u>	<u>104,018,112</u>
<u>\$ 4,908,143</u>	<u>\$ 25,811,729</u>	<u>\$ 30,887,035</u>	<u>\$ 116,396,781</u>

City of Highland
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances of Governmental Funds	\$ 104,018,112
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When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the City as a whole.

Capital Assets, Not Being Depreciated	115,834,461	
Capital Assets, Being Depreciated	228,171,599	
Accumulated Depreciation	<u>(111,806,003)</u>	
		232,200,057

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.

Compensated Absences	(781,075)	
SBCTA Loan Payable	(6,274,266)	
Net Pension Liability	(6,230,264)	
Total OPEB Liability	<u>(1,188,380)</u>	
		(14,473,985)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Outflows Related to Pensions	2,018,584	
Deferred Inflows Related to Pensions	(74,289)	
Deferred Outflows Related to OPEB	134,847	
Deferred Inflows Related to OPEB	(215,616)	

In governmental funds, other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,018,632
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Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance, self-insurance, and information technology, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Net Position of Governmental Activities	<u>\$ 332,524,626</u>
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The accompanying notes are an integral part of this statement.

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

	General Fund	Special Revenue		
		Grants	Major Grants	Housing Authority
REVENUES				
Taxes	\$ 25,181,249	\$ -	\$ -	\$ -
Licenses and Permits	1,322,308	-	-	-
Intergovernmental	465,201	1,720,584	7,853,518	-
Charges for Services	1,989,760	-	-	763
Fines and Forfeitures	24,647	-	-	-
Investment Income	1,657,976	-	-	219,338
Rental Income	152,501	-	-	120,000
Miscellaneous	145,918	-	-	4,599
Total Revenues	30,939,560	1,720,584	7,853,518	344,700
EXPENDITURES				
Current:				
General Government	2,335,867	-	-	-
Public Safety	12,912,196	-	4,578,056	-
Public Works	2,017,535	24,007	14,873	-
Community Development	3,170,276	-	1,240,950	235,010
Capital Outlay	73,007	793,769	1,065,695	-
Total Expenditures	20,508,881	817,776	6,899,574	235,010
Excess (Deficiency) of Revenues Over Expenditures	10,430,679	902,808	953,944	109,690
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(4,932,746)	-	-	-
Total Other Financing Sources (Uses)	(4,932,746)	-	-	-
Net Change in Fund Balances	5,497,933	902,808	953,944	109,690
Fund Balances, Beginning, as previously reported	23,906,128	10,141,925	(1,513,034)	-
Change within financial reporting entity (nonmajor to major)	-	-	-	4,572,307
Fund Balances, Beginning, as adjusted	23,906,128	10,141,925	(1,513,034)	4,572,307
Fund Balances, End of Year	\$ 29,404,061	\$ 11,044,733	\$ (559,090)	\$ 4,681,997

Capital Projects		Total Non-major Governmental Funds	Total Governmental Funds
Capital Improvements	Development Impact Fees		
\$ -	\$ -	\$ 1,434,841	\$ 26,616,090
-	-	-	1,322,308
-	-	5,741,854	15,781,157
-	10,689,435	1,472,916	14,152,874
-	-	16,005	40,652
419,622	767,230	1,192,246	4,256,412
-	-	-	272,501
7,698	-	57,295	215,510
<u>427,320</u>	<u>11,456,665</u>	<u>9,915,157</u>	<u>62,657,504</u>
-	-	-	2,335,867
-	-	1,979,297	19,469,549
231,788	-	3,568,810	5,857,013
-	-	215,627	4,861,863
<u>1,318,655</u>	<u>281,952</u>	<u>1,826,141</u>	<u>5,359,219</u>
<u>1,550,443</u>	<u>281,952</u>	<u>7,589,875</u>	<u>37,883,511</u>
<u>(1,123,123)</u>	<u>11,174,713</u>	<u>2,325,282</u>	<u>24,773,993</u>
-	71,745	-	71,745
-	-	3,677,771	3,677,771
-	-	(145,025)	(5,077,771)
-	71,745	3,532,746	(1,328,255)
<u>(1,123,123)</u>	<u>11,246,458</u>	<u>5,858,028</u>	<u>23,445,738</u>
5,885,492	14,565,271	27,586,592	80,572,374
-	-	(4,572,307)	-
<u>5,885,492</u>	<u>14,565,271</u>	<u>23,014,285</u>	<u>80,572,374</u>
<u>\$ 4,762,369</u>	<u>\$ 25,811,729</u>	<u>\$ 28,872,313</u>	<u>\$ 104,018,112</u>

The accompanying notes are an integral part of this statement.

City of Highland
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

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

Net Changes in Fund Balances - Total Governmental Funds \$ 23,445,738

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period, and also the net effect of various transactions involving capital assets (i.e., sales and donations):

Capital Expenditures	4,861,428
Depreciation Expense	(6,158,771)
Loss on Disposal	(87,517)

Revenues reported in the Statement of Activities, which are not considered available to finance current expenditures, are not reported as revenues in the governmental funds. (2,164,419)

The expenses below included in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (net change):

Compensated Absences	(59,775)
Net Pension Liability	120,700
Total OPEB Liability	(80,771)

The issuance of long-term debt (e.g., bonds, loans, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

SBCTA Loan Payable	(71,745)
--------------------	----------

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability:

Deferred Outflows Related to Pensions	(635,313)
Deferred Inflows Related to Pensions	109,142
Deferred Outflows Related to OPEB	(43,960)
Deferred Inflows Related to OPEB	41,474

Internal Service Funds are used by management to charge the costs of certain activities, such as information technology and self-insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

1,007,080

Change in Net Position of Governmental Activities

\$ 20,283,291

The accompanying notes are an integral part of this statement.

**City of Highland
Statement of Net Position
Proprietary Funds
June 30, 2025**

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current:	
Cash and Investments	\$ 7,052,827
Receivables:	
Accounts	21,465
Interest	<u>68,228</u>
Total Assets	<u>7,142,520</u>
LIABILITIES	
Current:	
Accounts Payable	38,168
Accrued Liabilities	21,068
Claims Payable	<u>25,171</u>
Total Current Liabilities	<u>84,407</u>
Noncurrent:	
Claims Payable	<u>159,829</u>
Total Noncurrent Liabilities	<u>159,829</u>
Total Liabilities	<u>244,236</u>
NET POSITION	
Unrestricted	<u>6,898,284</u>
Total Net Position	<u><u>\$ 6,898,284</u></u>

The accompanying notes are an integral part of this statement.

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

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$ 997,749
Miscellaneous	9,123
Total Operating Revenue	1,006,872
OPERATING EXPENSES	
Salaries and Benefits	129,231
Insurance Premiums	595,763
Claims and Judgments	39,000
Legal Fees	20,171
Administrative Expenses	925,509
Insurance Adjusting Fees	-
Total Operating Expenses	1,709,674
Operating Income (Loss)	(702,802)
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	309,882
Total Nonoperating Revenues (Expenses)	309,882
Income (Loss) before Contributions and Transfers	(392,920)
Transfers in	1,400,000
Change in Net Position	1,007,080
Total Net Position, Beginning of Year	5,891,204
Total Net Position, End of Year	\$ 6,898,284

The accompanying notes are an integral part of this statement.

**City of Highland
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Services	\$ 992,801
Cash Payments to Employees for Services	(115,459)
Cash Payments Made to Suppliers/Vendors	<u>(1,539,629)</u>
Net Cash Provided (Used) by Operating Activities	<u>(662,287)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Received from Other Funds	<u>1,400,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,400,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>305,452</u>
Net Cash Provided (Used) by Investing Activities	<u>305,452</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,043,165
Cash and Cash Equivalents, Beginning of the Year	<u>6,009,662</u>
Cash and Cash Equivalents, End of the Year	<u><u>\$ 7,052,827</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>\$ (702,802)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(14,071)
Increase (Decrease) in Accounts Payable	6,814
Increase (Decrease) in Accrued Liabilities	13,772
Increase (Decrease) in Claims Payable	<u>34,000</u>
Total Adjustments	<u>40,515</u>
Total Cash Provided (Used) by Operating Activities	<u><u>\$ (662,287)</u></u>

The accompanying notes are an integral part of this statement.

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

	Successor Agency Private-purpose Trust Fund	Custodial Fund
ASSETS		
Cash and Investments	\$ 2,288,572	\$ -
Restricted Assets:		
Cash and Investments with Fiscal Agents	<u>1,224,543</u>	<u>1,320,056</u>
Total Assets	<u>3,513,115</u>	<u>1,320,056</u>
LIABILITIES		
Accounts Payable	-	-
Accrued Interest Payable	388,362	-
Advance from City of Highland	503,719	-
Long Term Liabilities:		
Due within one year	2,128,800	-
Due in more than one year	<u>31,638,592</u>	<u>-</u>
Total Liabilities	<u>34,659,473</u>	<u>-</u>
NET POSITION		
Net Position Held for the Benefit of Others	-	1,320,056
Net Position (Deficit) Held in Trust for Successor Agency	<u>(31,146,358)</u>	<u>-</u>
Total Net Position	<u><u>\$ (31,146,358)</u></u>	<u><u>\$ 1,320,056</u></u>

The accompanying notes are an integral part of this statement.

City of Highland
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2025

	Successor Agency Private-purpose Trust Fund	Custodial Fund
ADDITIONS		
Taxes and Assessments	\$ 3,618,122	\$ 45,945
Interest Income	73,624	-
Total Additions	<u>3,691,746</u>	<u>45,945</u>
DEDUCTIONS		
Administrative Expenses	19,581	-
Interest and Fiscal Charges	<u>1,320,247</u>	<u>-</u>
Total Deductions	<u>1,339,828</u>	<u>-</u>
Change in Net Position	2,351,918	45,945
Net Position, Beginning of Year	<u>(33,498,276)</u>	<u>1,274,111</u>
Net Position, End of Year	<u><u>\$ (31,146,358)</u></u>	<u><u>\$ 1,320,056</u></u>

The accompanying notes are an integral part of this statement.

**City of Highland
Notes to Financial Statements
Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) Description of Reporting Entity

The City (the primary government) has included within its reporting entity, for financial reporting purposes, all component units over which the City exercises financial accountability. Financial accountability is defined as follows: The level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for government organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The following component units meet the above-mentioned criteria, and are therefore included within the financial reporting entity of the City of Highland: the City of Highland Public Financing Authority and City of Highland Housing Authority.

The City of Highland Public Financing Authority (the Authority) was created for the purpose of assisting the financing or refinancing of certain public capital facilities by the City. The Authority is governed by a five-member Board of Directors which consists of members of the City Council. During the current fiscal year, the Authority had no fiscal activity.

The City of Highland Housing Authority (the Housing Authority) was established by the City Council in 2011, and is responsible for the administration of providing affordable housing in the City. The Housing Authority is governed by a five-member Board of Directors which consists of members of the City Council. The Housing Authority's financial transactions are reported in a special revenue fund. The Housing Authority does not prepare separate financial statements.

Since the City Council serves as the governing board for these component units, and there is a financial benefit/burden relationship between the City and these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and are reported with the interfund data of the primary government. These component units do not issue separate component unit financial statements.

B) Basis of Accounting and Measurement Focus

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

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

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as discretely presented component units. The City of Highland has no business-type activities and no discretely presented component units.

As a general rule, the effect of interfund activity has been eliminated in the Statement of Activities. An exception to this general rule would be for interfund services provided and used, which are not eliminated in the consolidation process. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported instead as *general revenues*.

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

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

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

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund financial statements for governmental funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate. Proprietary fund statements include financial information for internal service funds. Financial statements for fiduciary funds include financial information for private-purpose trust funds and custodial funds. Fiduciary funds of the City represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days, except for grants which are considered available if they are collected within 90 days after year-end.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

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

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

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

**City of Highland
Notes to Financial Statements
Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary and Fiduciary Funds

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

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

The fiduciary funds consist of a private-purpose trust fund and custodial fund which are reported using the economic resources measurement focus.

C) Fund Classifications

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenditures and other costs which are not paid through other funds.

Grants Special Revenue Fund - This fund is used to account for any nonfederal grant that is not required to be accounted for in its own fund. Also, included in this fund are joint projects with the County of San Bernardino, City of San Bernardino, East Valley Water District (EVWD), the Inland Valley Development Agency (IVDA), etc.

Major Grants Special Revenue Fund - This fund accounts for federal grants that are not required to be maintained in their own fund.

Housing Authority - This fund accounts for the housing funds and certain housing assets of the dissolved RDA after the date of dissolution.

Capital Improvements Capital Projects Fund - This fund is used to account for the non-housing bond proceeds of the former redevelopment agency.

**City of Highland
Notes to Financial Statements
Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Development Impact Fees Capital Projects Fund - This fund is used to account for AB 1600 fees collected that are restricted for capital improvements for police facilities, fire facilities, general facilities, parks & recreation facilities, storm drains, streets/sidewalks, traffic control, bridges/culverts, streetlights, medians/landscaping and major arterials.

The City also reports the following fund types:

Proprietary Funds:

Internal Service Funds are used to finance and account for activities involved in rendering self-insurance and building maintenance services to departments within the City. Costs of materials and services used are accumulated in these funds and charged to the user departments as such goods are delivered or services rendered.

Fiduciary Funds:

The Private-purpose Trust Fund is used to account for the activities of the Successor Agency to the Highland Redevelopment Agency.

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Cash and deposits are maintained for debt for which the City is not obligated.

D) Cash and Investments

Cash includes amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. 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, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. 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.

E) Advances to Successor Agency

The portion of fund balance associated with amounts that have been disbursed to the Successor Agency in the form of long-term advances have been classified as nonspendable unless the funds associated with repayment of the advances are otherwise restricted for specific purposes.

**City of Highland
Notes to Financial Statements
Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F) Inventory and Prepaid Items

Inventory held by the general fund is stated at average cost using the consumption method. Prepaid items are for payments to vendors for costs applicable to future accounting periods. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G) Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date:	January 1
Levy Year:	July 1 to June 30
Due Dates:	First Installment – November 1 Second Installment – March 1
Delinquent Dates:	First Installment – December 10 Second Installment – April 10

Under California law, property taxes are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to cities based on complex formulas prescribed by state statutes.

H) Claims and Judgments

The City records a liability for litigation, judgments, and claims including losses incurred but not yet reported when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the insurance internal service fund that accounts for the City's self-insurance activities.

I) Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

J) Compensated Absences

Permanent City employees earn from 80 to 160 vacation hours a year, depending upon their length of employment, and 96 sick hours a year. Employees can carry forward up to 400 hours in earned but unused vacation hours. Any regular full-time employee who voluntarily separates or retires from the City after a minimum of 10 years of service can be compensated for 40% of all unused sick leave at their current rate of pay. Floating holidays may be accumulated up to 45 hours, comp time earned up to 80 hours, and administration time may be accumulated up to 200 hours.

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. Also, eligible for compensation are floating holidays, comp time, and administrative leave.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets received prior to the implementation of GASB 72 are valued at their estimated fair market value at the date of the contribution. Contributed capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Generally, capital asset purchases in excess of \$30,000 and infrastructure greater than \$100,000 are capitalized.

Capital assets include public domain (infrastructure) assets consisting of certain improvements including roads, streets, curbs, gutters, sidewalks, street lights, signs and signals, parks equipment, and storm drains. Depreciation has been provided using the straight-line method over the estimated useful lives of the assets in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported in the respective statement of net position.

The following schedule summarizes capital asset useful lives:

Buildings and Improvements	20 - 50 years
Equipment, Furniture and Software	3 - 20 years
Vehicles	3 - 15 years
Infrastructure - road system and storm drains	25 - 75 years

L) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

M) Leases

Lessor: The City is a lessor for noncancellable leases of land owned by the City. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**City of Highland
Notes to Financial Statements
Year Ended June 30, 2025**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

N) Net Position Flow Assumption

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

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 statement of net position, 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.

O) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently reports deferred outflows related to the net pension and Total OPEB liabilities in accordance with GASB Statements No. 68 and 75.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68 and 75.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**P) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Highland's California Public Employees' Retirement System (CalPERS) 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.

Q) Other Postemployment Benefits (OPEB)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2023 Valuation Date, June 30, 2024 Measurement Date, and July 1, 2023 through June 30, 2024 Measurement Period.

R) Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 113,914,686
Statement of Fiduciary Net Position:	
Cash and Investments	2,288,572
Cash and Investments with Fiscal Agents	2,544,599
Total Cash and Investments	<u>\$ 118,747,857</u>

Cash and Investments consist of the following:

Cash on Hand	\$ 1,150
Deposits with Financial Institutions	17,906,653
Investments	100,840,054
Total Cash and Investments	<u>\$ 118,747,857</u>

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

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

Investment Types Authorized by State Law	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
California Local Agency Bonds	5 years	None	None
United States Treasury Obligations	5 years	None	None
Securities of the State of California	5 years	None	None
United States Agency Securities	5 years	None	None
Commercial Paper	270 days	25%	10%
Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Bankers Acceptances	180 days	40%	None
Repurchase Agreements	92 days	None	None
Reverse Repurchase Agreements	1 year	20% Base Value	None
Mutual Funds	5 years	15%	10%
Medium Term Notes	5 years	30%	None
Mortgage Securities / Asset Backed	5 years	20%	None
California Asset Management Program (CAMP)	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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

N/A - Not Applicable

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	None	None	None
United States Agency Securities	None	None	None
Municipal Obligations	None	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	360 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	Life of Bonds	None	None

Disclosures Relating to Interest Rate Risk

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

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

Investment Type	Total June 30, 2025	Remaining Maturity		
		12 Months or Less	1 to 2 Years	2 to 5 Years
CAMP	\$ 22,060,657	\$ 22,060,657	\$ -	\$ -
LAIF	76,234,798	76,234,798	-	-
Held by Bond Fiscal Agent:				
Money Market Mutual Funds:				
Successor Agency	1,224,543	1,224,543	-	-
CFD	1,320,056	1,320,056	-	-
Total Pooled Investments	<u>\$ 100,840,054</u>	<u>\$ 100,840,054</u>	<u>\$ -</u>	<u>\$ -</u>

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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total June 30, 2025	Minimum Legal Rating	AAA	
			AAA	Not Rated
CAMP	\$ 22,060,657	N/A	\$ 22,060,657	\$ -
LAIF	76,234,798	N/A	-	76,234,798
Held by Bond Fiscal Agent:				
Money Market Mutual Funds:				
Successor Agency	1,224,543	A	-	1,224,543
CFD	1,320,056	A	-	1,320,056
Total Pooled Investments	<u>\$ 100,840,054</u>		<u>\$ 22,060,657</u>	<u>\$ 78,779,397</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments (other than LAIF and CAMP external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2025, the City's and the Successor Agency's deposits (bank balances) were either insured by the Federal Depository Insurance Corporation or collateralized under California Law.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investments in LAIF, CAMP, and money market mutual funds are not subject to the fair value hierarchy.

Investment in State Investment Pool

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

California Asset Management Program

The City invests in this investment trust, which is similar to a money market mutual fund. The fund invests primarily in certificates of deposit, commercial paper, and U.S. Government and Agency obligations. The City is a voluntary participant in the investment pool.

The CAMP Cash Reserve Portfolio (the Pool) is exempt from registration with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940, but operates in a manner consistent with SEC Rule 2a-7, "Money Market Funds," of that Act. Accordingly, the Pool meets the definition of a "2a7-like pool" set forth in GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools."

While the Pool itself is exempt from SEC registration, the Pool's investment advisor and administrator, PFM Asset Management, LLC, is registered with the SEC as an investment advisor under the Investment Advisors Act of 1940. PFM Asset Management, LLC has also filed a notice with the California Department of Corporations, as well as various other states, as an investment advisor under state securities laws.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS - Continued

In addition, the Pool also meets the definition of "Municipal Fund Security" outlined by Municipal Securities Rulemaking Board (MSRB) Rule 0-12, therefore contracts with prospective investors relating to shares of the Pool are conducted through PFM Asset Management's wholly-owned subsidiary, PFMAM, Inc., a broker-dealer which is registered with the SEC and MSRB, and is a member of the National Association of Securities Dealers (NASD). The Pool also files an income tax return annually with the Internal Revenue Service, though the net income of the Pool is generally exempt from federal income tax.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2025 are as follows:

Due From (Receivable)	Due to (Payable)	Amount
General Fund	Major Grants	\$ 95,108
	Other Governmental Funds	169,194
		<u>\$ 264,302</u>

Interfund balances are composed of short-term borrowings to cover deficit cash. Borrowings are expected to be repaid in the 2025-26 fiscal year.

Advances to Successor Agency consist of the following:

Advances From	Amount
General Fund	\$ 402,975
Housing Authority Special Revenue Fund	100,744
Total	<u>\$ 503,719</u>

The advances from the General Fund were made to the Successor Agency to finance activities in the project areas. The advances from the Housing Authority Special Revenue Fund to the Successor Agency represents 20% of the total advances made by the General Fund.

The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by the funds deposited into the Local Agency Investment Fund. The annual advance repayments are subject to certain limitations, are subject to a formula distribution, and have a lower priority for repayment as described in AB 1484 (Health and Safety Code Section 34191.4(2)(A)).

Interfund transfers for the 2024-25 fiscal year consist of the following:

Transfer Out	Transfer In	Amount
General Fund	Other Governmental Funds	\$ 3,532,746
	Internal Service Funds	1,400,000
Other Governmental Funds	Other Governmental Funds	145,025
		<u>\$ 5,077,771</u>

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The transfer from the General Fund to the General Capital Financing Fund included \$1,900,000 for Future Projects. The General Fund (Fire Department) transferred \$1,311,341 to the Paramedic Department Special Revenue Fund to fund a shortage of medic tax revenue. The General Fund transferred \$1,400,000 to the Internal Service Funds (General Services and Insurance Services Fund) to fund future expenditures. The General Fund transferred \$64,656 to the Parks Maintenance District to fund a shortage in operating costs. The General Fund also transferred \$202,057 to other nonmajor governmental funds to cover current year operating costs.

The General Capital Financing Fund also transferred \$145,025 to the Gas Tax Fund to meet the SB 1 maintenance of effort requirement.

4) CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	\$ 4,485,030	\$ -	\$ -	\$ -	\$ 4,485,030
Rights of Way	90,490,553	-	-	-	90,490,553
Construction in Progress	18,503,772	4,686,025	-	(2,330,919)	20,858,878
Total Capital Assets, Not Being Depreciate	113,479,355	4,686,025	-	(2,330,919)	115,834,461
Capital Assets Being Depreciated:					
Buildings and Improvements	40,822,283	60,887	-	-	40,883,170
Equipment, Furniture, and Software	5,471,911	39,647	-	-	5,511,558
Vehicles	3,954,129	32,410	(15,085)	474,608	4,446,062
Infrastructure - Road System	155,468,428	-	(256,160)	1,811,496	157,023,764
Infrastructure - Storm Drains	20,219,771	42,459	-	44,815	20,307,045
Total Capital Assets Being Depreciated	225,936,522	175,403	(271,245)	2,330,919	228,171,599
Less Accumulated Depreciation:					
Buildings and Improvements	(21,005,625)	(1,189,382)	-	-	(22,195,007)
Equipment, Furniture, and Software	(4,382,138)	(260,315)	-	-	(4,642,453)
Vehicles	(2,044,543)	(249,258)	15,085	-	(2,278,716)
Infrastructure - Road System	(73,665,925)	(4,180,307)	168,643	-	(77,677,589)
Infrastructure - Storm Drains	(4,732,729)	(279,509)	-	-	(5,012,238)
Total Accumulated Depreciation	(105,830,960)	(6,158,771)	183,728	-	(111,806,003)
Net Capital Assets Being Depreciated	120,105,562	(5,983,368)	(87,517)	2,330,919	116,365,596
Total Governmental Activities Capital Asset	\$ 233,584,917	\$ (1,297,343)	\$ (87,517)	\$ -	\$ 232,200,057

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

General Government	\$ 171,701
Public Safety	747,094
Public Works	4,502,060
Community Development	737,916
Total	<u>\$ 6,158,771</u>

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

5) LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2025:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Claims Payable	\$ 151,000	\$ 59,171	\$ 25,171	\$ 185,000	\$ 25,171
Compensated Absences	721,300	59,775	-	781,075	107,752
SBCTA Loan Payable	6,202,521	71,745	-	6,274,266	-
Total OPEB Liability	1,107,609	80,771	-	1,188,380	36,783
Net Pension Liability	6,350,964	-	120,700	6,230,264	-
Total	\$ 14,533,394	\$ 271,462	\$ 145,871	\$ 14,658,985	\$ 169,706

Claims Payable

The City retains the risk of loss for general liability and workers' compensation claims as described in Note 9. These amounts represent estimates of amounts to be paid for reported general liability and workers' compensation claims including incurred-but-not-reported claims based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2025 is dependent on future developments, based upon information from the City's attorneys, the City's claims administrators and others involved with the administration of the programs, City management believes the accrual is adequate to cover such losses. The estimated liability at June 30, 2025 for general liability claims amounted to \$185,000 and none for workers' compensation claims.

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. J. The net change in compensated absences is included in the long-term debt note.

SBCTA Loan Payable

In 2018, the City entered into a non-interest-bearing term Loan Agreement with the San Bernardino County Transportation Authority (SBCTA) to fund project costs for the *State Route 210 Baseline Interchange Project*. Per Article 2.2 of the agreement, SBCTA is authorized to withhold *Valley Major Street Program – Arterial Sub-Program* funds available to the City to pay the City's share of costs.

The amount withheld is equal to the loan payable amount. The maximum amount of the loan will not exceed \$9,682,383, which is two-thirds of the estimated City share of project costs. There is currently no repayment schedule for the loan.

The loan is secured by Measure I Local Funds and payable from *Regional Transportation Development Impact Fees* (DIF), unless the DIF is required by the City to complete other committed projects. The loan has a maximum 10-year term, which begins at the completion of the construction of the project, with the first payment coming due no later than the end of construction. Per the terms of the agreement, the City is in default if funds are not repaid by the end of the term, at which point the terms would be renegotiated. SBCTA is authorized to withhold *Measure I* funds upon default, to satisfy the loan payments. If full repayment of the loan is not made by the end of the *Measure I 2010 – 2040* sales tax, SBCTA will forgive the loan obligation. The loan balance at June 30, 2025 is equal to \$6,274,266.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

6) FIDUCIARY FUND LONG-TERM DEBT

The following is a summary of long-term debt for the Successor Agency Private-purpose Trust Fund:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
2004B Refunding	\$ 275,000	\$ -	\$ 275,000	\$ -	\$ -
2015A	9,195,000	-	455,000	8,740,000	710,000
Unamortized Premium	621,550	-	58,112	563,438	58,112
2017 Refunding	26,115,000	-	1,335,000	24,780,000	1,385,000
Unamortized Discount	(340,358)	-	(24,312)	(316,046)	(24,312)
Total	<u>\$ 35,866,192</u>	<u>\$ -</u>	<u>\$ 2,098,800</u>	<u>\$ 33,767,392</u>	<u>\$ 2,128,800</u>

2004B Tax Allocation Refunding Bonds

In December 2004, the City of Highland Redevelopment Agency issued \$3,690,000 Tax Allocation Refunding Bonds Series 2004B. Proceeds from the bonds were used to refund the Agency's Highland Redevelopment Project Area No. 1, 1994 Tax Allocation Refunding Bonds.

The bonds consist of \$2,250,000 of serial bonds and \$1,440,000 of term bonds. The serial bonds accrue interest at rates between 1.35% and 5.30% and the principal amounts mature between December 1, 2004 and December 1, 2018 in amounts ranging from \$115,000 to \$200,000. Term bonds of \$1,440,000 accrue interest at 5.65% and mature on December 1, 2024.

The term bonds maturing in the years 2019 and 2024 are subject to mandatory sinking account redemption on each December 1, commencing on December 1, 2019 and December 1, 2029, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium. The bonds matured during the fiscal year and the remaining balance is \$0.

2015A Tax Allocation Bonds

In February 2015, the Successor Agency to the Highland Redevelopment Agency issued \$12,340,000 Tax Allocation Refunding Bonds Series 2015A for the purpose of refunding the outstanding balance of the Tax Allocation Bonds Series 2004A.

The bonds consist of \$8,405,000 of serial bonds and \$3,935,000 of term bonds. The serial bonds accrue interest at rates between 2.00% and 5.00% and the principal amounts mature between December 1, 2015 and December 1, 2030 in amounts ranging from \$180,000 to \$890,000.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

6) FIDUCIARY FUND LONG-TERM DEBT – Continued

Term bonds of \$3,935,000 accrue interest at 3.5% and mature on December 1, 2034. At June 30, 2025, the outstanding balance of the bonds was \$8,740,000, with future debt service requirements as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 710,000	\$ 345,875	\$ 1,055,875
2027	750,000	309,375	1,059,375
2028	785,000	271,000	1,056,000
2029	820,000	238,050	1,058,050
2030	850,000	203,475	1,053,475
2031	890,000	159,975	1,049,975
2032	935,000	121,363	1,056,363
2033	965,000	88,113	1,053,113
2034	1,000,000	53,725	1,053,725
2035	1,035,000	18,113	1,053,113
Totals	<u>\$ 8,740,000</u>	<u>\$ 1,809,064</u>	<u>\$ 10,549,064</u>

2017 Tax Allocation Refunding Bonds

In September 2017, the Successor Agency to the Highland Redevelopment Agency issued \$33,515,000 Tax Allocation Refunding Bonds Series 2017 for the purpose of refunding the outstanding balance of the Tax Allocation Bonds Series 2007. As a result, the 2007 bonds are considered defeased and the liability has been removed from these financial statements.

The 2017 bonds consist of \$11,540,000 of serial bonds and \$21,975,000 of term bonds. The serial bonds accrue interest at rates between 1.50% and 3.125% and the principal amounts mature between February 1, 2019 and February 1, 2027 in amounts ranging from \$1,180,000 to \$1,420,000. Term bonds of \$7,850,000 and \$14,125,000, accrue interest at 3.375%, maturing on February 1, 2032 and 3.625%, maturing on February 1, 2038, respectively.

At June 30, 2025, the outstanding balance of the bonds was \$24,780,000. Future debt service requirements for the 2017 Bonds are as follows:

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,385,000	\$ 862,894	\$ 2,247,894
2027	1,420,000	821,344	2,241,344
2028	1,465,000	776,969	2,241,969
2029	1,515,000	727,525	2,242,525
2030	1,570,000	676,394	2,246,394
2031	1,625,000	623,406	2,248,406
2032	1,675,000	568,562	2,243,562
2033	1,735,000	512,031	2,247,031
2034	1,800,000	449,138	2,249,138
2035	1,860,000	383,887	2,243,887
2036	2,805,000	316,462	3,121,462
2037	2,910,000	214,781	3,124,781
2038	3,015,000	109,294	3,124,294
Totals	<u>\$ 24,780,000</u>	<u>\$ 7,042,687</u>	<u>\$ 31,822,687</u>

7) PENSION PLAN**General Information about the Defined Benefit Pension Plan**

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. The City sponsors two rate plans. 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 – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2023 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2023 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

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

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

7) PENSION PLAN - Continued

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	1-year average	Last 36 Mos. of Service
Required employee contribution rates	7%	8.25%
Required employer contribution rates	13.31% + \$546,411	8.18% + \$5,193

CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$551,604 in fiscal year 2025.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

As of June 30, 2025, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$6,230,264.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2024 and 2025 was as follows:

Proportion - June 30, 2024	0.12701%
Proportion - June 30, 2025	0.12881%
Change - Increase (Decrease)	0.00180%

For the year ended June 30, 2025, the City recognized pension expense of \$1,322,251. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

7) PENSION PLAN - Continued

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 916,781	\$ -
Differences between actual and expected experience	538,663	21,018
Changes in assumptions	160,131	-
Differences between employer's contributions and proportionate share of contributions	257	53,271
Change in employer's proportions	44,083	-
Net differences between projected and actual earnings on plan investments	358,669	-
Total	<u>\$ 2,018,584</u>	<u>\$ 74,289</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$916,781 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2026	\$ 341,295
2027	800,939
2028	8,191
2029	(122,911)
2030	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

7) PENSION PLAN - 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 best-estimate ranges of 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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Real Return (1,2)
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	27.00%
Mortgage-backed securities	5%	50.00%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.45%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management Study

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

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

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

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

7) PENSION PLAN - Continued

1% Decrease		5.90%
Net Pension Liability	\$	10,027,787
Current Discount Rate		6.90%
Net Pension Liability	\$	6,230,264
1% Increase		7.90%
Net Pension Liability	\$	3,104,343

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan - At June 30, 2025, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2025.

8) OTHER POSTEMPLOYMENT BENEFITS**General Information About the OPEB Plan**

Plan Description – The City has established the Highland Retiree Healthcare Plan (the Plan), and participates in single-employer defined benefit retiree healthcare plan. A separate financial report is not prepared for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – Under the Plan, the City pays \$200 per month for eligible retirees' health coverage, regardless of classification. Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service, and are eligible for a PERS pension. The City benefit is paid for the lifetime of the retiree. The City also pays the PEMCHA administrative fee (0.33% of premium for 2024/25). The City does not provide dental and vision benefits.

Employees Covered by Benefit Terms – As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	11
Active employees	38
Total	<u>49</u>

Contributions – The City contributes to the Plan on a pay-as-you-go basis.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

8) OTHER POST EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – The City's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation dated June 30, 2023 using the entry age, level percent of pay cost method, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age, Level Percent of Pay
Mortality	Pre-retirement: Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019) Post-retirement: Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019)
Health Care Trend Rate	5.50% for 2024, 5.25% for 2025-2029, and 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages 4.50% for 2023-2029 and 4.00% for 2030 and years later
Inflation Rate	2.50%
Salary Increases	3.00%
Discount Rate	3.86% - Fidelity GO AA 20 Years Municipal Index - 2023 3.97% - Fidelity GO AA 20 Years Municipal Index - 2024

Discount Rate – The discount rate used to measure the total OPEB liability was 3.86 percent and is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2024 (June 30, 2023 measurement date)	\$ 1,107,609
Changes in the year:	
Service cost	86,780
Interest on the total OPEB liability	45,400
Difference between expected and actual experience	-
Changes in assumptions or other inputs	(14,626)
Benefit payments, including implicit subsidy	(36,783)
Net changes	80,771
Balance at June 30, 2025 (June 30, 2024 measurement date)	\$ 1,188,380

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 1,315,430	\$ 1,188,380	\$ 1,070,419

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

8) OTHER POST EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$ 1,050,256	\$ 1,188,380	\$ 1,365,230

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$120,703. At June 30, 2025, the City reported deferred outflows and deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 37,446	\$ -
Difference between expected and actual experience	-	53,786
Changes of Assumptions	97,401	161,830
Total	<u>\$ 134,847</u>	<u>\$ 215,616</u>

The \$37,446 reported as deferred outflows related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal ending June 30, 2026. Other amounts reported as deferred outflows and inflows related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2026	\$ (12,841)
2027	(20,773)
2028	(36,220)
2029	(37,268)
2030	(9,021)
Thereafter	(2,092)

9) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

The City is a member of the California Intergovernmental Risk Authority (CIRA), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$100,000 retention limit similar to a deductible with CIRA being responsible for losses above that amount up to \$1 million.

CIRA has additional coverage of \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. CIRA also provides \$1 billion aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

9) RISK MANAGEMENT - Continued

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

CIRA covers workers' compensation claims up to its self-insurance limit of \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The City pays an annual premium to CIRA and may share in any surplus revenues or may be required to pay additional assessments based upon CIRA's operating results. Financial statements of CIRA may be obtained from its administrative office located at 2230 East Bidwell Street, Folsom, California, 95630.

Additional claims and lawsuits have been filed against the City in the normal course of business. It is reasonably possible that the City may be liable for claims not to exceed \$100,000. In the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

The workers' compensation and general liability claims administrators have estimated liabilities for probable future payments including an estimate for claims incurred but not reported. Claims outstanding as of June 30, 2025, and changes during the past fiscal year was as follows:

	General Liability Claims		\$	185,000
	Total		<u>\$</u>	<u>185,000</u>
	Claims Payable			Claims Payable
	Beginning			End
Fiscal Year	of Year	Additions	Deletions	of Year
2024-25	\$ 151,000	\$ 59,171	\$ 25,171	\$ 185,000
2023-24	149,000	11,858	9,858	151,000

10) DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT**2001 Special Tax Bonds (Mello-Roos):**

On September 1, 2001, the City of Highland Community Facilities District No. 2001-1 issued a Special Tax Bonds, Series 2001 in the amount of \$6,655,000. The bonds were issued to finance various public improvements located within the District and to prepay special taxes levied by CFD 90-1. In 2011, the Series 2001 bonds were refunded with the issuance of the Special Tax Refunding Bonds, Series 2011.

In June, 2021, the series 2011 bonds were refunded with the issuance of the CFD 2001-1 Special Tax Refunding Bond, Issue of 2021.

**City of Highland
Notes to Financial Statements
Year Ended June 30, 2025**

10) DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT - Continued

The special term bonds mature on September 1, 2028. Interest rates on the bonds are 1.545% with annual principal and interest payments ranging from \$343,141 to \$353,329. Principal and interest payments on the tax bonds are payable solely from special tax assessments to be levied and collected from property owners within the District. It is management's determination that the City of Highland is in no way liable for repayment, but is only acting as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate.

At June 30, 2025, the amount outstanding was \$1,345,000.

11) COMMITMENTS AND CONTINGENCIES

The City is a defendant in various litigations in the normal course of City operations, which in the opinion of management will not significantly adversely affect the City's financial position. The City participates in various federal and state programs. These programs are subject to examination by the grantors, and the amount of expenditures which may be disallowed by the granting agencies, if any, cannot be determined at this time.

12) LEASES

Lease Receivable - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 20 to 55 years. The City currently receives monthly payments from all leases of \$21,694. The City recognized \$150,748 in lease revenue and \$109,580 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2025, the City's receivable for lease payments was \$1,982,627. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2025, the balance of the deferred inflow of resources was \$1,982,627.

13) FUND BALANCE

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as inventory) or (b) legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation. If the Council action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

13) FUND BALANCE - Continued

Committed Fund Balance - This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance - This classification includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance. Unlike commitments, an additional action does not normally have to be taken for the removal of an assignment.

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

The City's fund balances at June 30, 2025, are presented below:

	General	Special Revenue			Capital Projects Funds		Total Non-major Governmental Funds	Total Governmental Funds
		Grants	Major Grants	Housing Authority	Capital Improvements	Development Impact Fees		
Nonspendable:								
Prepaid Items	\$ 18,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,027
Long-term Advances & Loans	402,975	-	-	-	-	-	-	402,975
Restricted:								
Public Safety Operations	-	-	-	-	-	-	52,746	52,746
Highways and Street Projects	-	11,044,733	-	-	4,762,369	-	10,104,919	25,912,021
Parks and Recreation	-	-	-	-	-	-	470,045	470,045
Capital Improvements	-	-	-	-	-	25,811,729	7,677,775	33,489,504
Low and Moderate Income Housing Activities	-	-	-	4,681,997	-	-	-	4,681,997
Assigned:								
Public Safety:								
Vehicle Replacement	5,425,000	-	-	-	-	-	-	5,425,000
Equipment Replacement	700,000	-	-	-	-	-	-	700,000
Other Purposes:								
Vehicle Replacement	1,175,000	-	-	-	-	-	-	1,175,000
Equipment Replacement	525,000	-	-	-	-	-	-	525,000
Compensated Absences	781,075	-	-	-	-	-	-	781,075
Net Pension Liability	4,827,724	-	-	-	-	-	-	4,827,724
OPEB Liability	834,067	-	-	-	-	-	-	834,067
Capital Projects	1,415,487	-	-	-	-	-	10,737,311	12,152,798
Technical Enhancements	400,000	-	-	-	-	-	-	400,000
Service Enhancements	706,144	-	-	-	-	-	-	706,144
City Hall	1,000,000	-	-	-	-	-	-	1,000,000
Fire Facilities	4,300,000	-	-	-	-	-	-	4,300,000
Unassigned	6,893,562	-	(559,090)	-	-	-	(170,483)	6,163,989
Total Fund Balance (Deficit)	\$ 29,404,061	\$ 11,044,733	\$ (559,090)	\$ 4,681,997	\$ 4,762,369	\$ 25,811,729	\$ 28,872,313	\$ 104,018,112

City of Highland
Notes to Financial Statements
Year Ended June 30, 2025

14) FUND DEFICITS

Deficits in nonmajor funds at June 30, 2025 included the following: Article 3 Special Revenue Fund - \$154,013 and CDBG Fund - \$16,470. These deficits are due to the application of the availability period in governmental funds for grants due from other governments. The related revenues are expected to be received and recognized in the subsequent fiscal year.

15) CHANGES WITHIN THE FINANCIAL REPORTING ENTITY

During the year, the following changes within the financial reporting entity occurred as the result of a previously reported nonmajor fund now reported as a major fund due to quantitative factors.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Newly major Governmental Fund Housing Authority	Other Governmental Funds
Net position or fund balances, Beginning of Year, As previously reported	\$ -	\$ 4,572,307
Change within the reporting entity	4,572,307	(4,572,307)
Net position or fund balances, Beginning of Year, As restated	\$ 4,572,307	\$ -

REQUIRED SUPPLEMENTARY INFORMATION

City of Highland
Budgetary Comparison Schedule By Department
Budget and Actual - General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes	\$ 25,557,970	\$ 25,586,600	\$ 25,181,249	\$ (405,351)
Licenses and Permits	753,200	753,200	1,322,308	569,108
Intergovernmental	315,660	315,660	465,201	149,541
Charges for Services	2,074,065	2,074,065	1,989,760	(84,305)
Fines and Forfeitures	40,000	40,000	24,647	(15,353)
Investment Income	480,495	505,495	1,657,976	1,152,481
Rental Income	140,520	140,520	152,501	11,981
Miscellaneous	34,000	34,000	145,918	111,918
Total Revenues	29,395,910	29,449,540	30,939,560	1,490,020
EXPENDITURES:				
Current:				
General Government:				
City Council	219,785	219,785	217,847	1,938
City Clerk	535,715	535,715	458,723	76,992
General Government	760,880	1,082,510	898,346	184,164
Personnel	88,725	88,725	70,262	18,463
Finance	730,140	730,140	690,689	39,451
Public Safety:				
Police Department	13,766,035	13,819,665	9,348,301	4,471,364
Animal Control	506,380	506,380	448,758	57,622
Fire Department	4,871,040	4,896,465	3,115,137	1,781,328
Public Works:				
Engineering	906,450	906,450	645,284	261,166
Parks	1,303,860	1,303,860	1,226,727	77,133
Graffiti	182,460	182,460	141,496	40,964
Trails	14,500	14,500	4,028	10,472
Community Development:				
Planning	972,465	972,465	928,087	44,378
Public Services	736,690	736,690	684,556	52,134
Building and Safety	737,065	737,065	850,660	(113,595)
Code Enforcement	608,235	608,235	580,635	27,600
Community Volunteer Services	131,235	131,235	126,338	4,897
Capital Outlay	-	73,010	73,007	3
Total Expenditures	27,071,660	27,545,355	20,508,881	7,036,474
Excess (Deficiency) of Revenues over Expenditures	2,324,250	1,904,185	10,430,679	8,526,494
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	(2,318,940)	(5,821,038)	(4,932,746)	888,292
Total Other Financing Sources (Uses)	(2,318,940)	(5,821,038)	(4,932,746)	888,292
Net Change in Fund Balance	5,310	(3,916,853)	5,497,933	9,414,786
Fund Balance, Beginning of Year	23,906,128	23,906,128	23,906,128	-
Fund Balance, End of Year	\$ 23,911,438	\$ 19,989,275	\$ 29,404,061	\$ 9,414,786

City of Highland
Budgetary Comparison Schedule
Budget and Actual - Grants
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 3,201,000	\$ 3,201,000	\$ 1,720,584	\$ (1,480,416)
Investment Income	-	-	-	-
Miscellaneous	35,000	35,000	-	(35,000)
Total Revenues	3,236,000	3,236,000	1,720,584	(1,515,416)
EXPENDITURES:				
Current:				
Public Works	-	-	24,007	(24,007)
Capital Outlay	7,208,000	7,208,000	793,769	6,414,231
Total Expenditures	7,208,000	7,208,000	817,776	6,390,224
Excess (Deficiency) of Revenues over Expenditures	(3,972,000)	(3,972,000)	902,808	4,874,808
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(3,972,000)	(3,972,000)	902,808	4,874,808
Fund Balance, Beginning of Year	10,141,925	10,141,925	10,141,925	-
Fund Balance, End of Year	\$ 6,169,925	\$ 6,169,925	\$ 11,044,733	\$ 4,874,808

City of Highland
Budgetary Comparison Schedule
Budget and Actual - Major Grants
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 8,091,500	\$ 8,091,500	\$ 7,853,518	\$ (237,982)
Miscellaneous	-	-	-	-
Total Revenues	8,091,500	8,091,500	7,853,518	(237,982)
EXPENDITURES:				
Current:				
General Government	1,000	-	-	-
Public Safety	1,162,500	4,579,065	4,578,056	1,009
Public Works	-	-	14,873	(14,873)
Community Development	5,000	1,251,845	1,240,950	10,895
Capital Outlay	6,923,000	6,923,000	1,065,695	5,857,305
Total Expenditures	8,091,500	12,753,910	6,899,574	5,854,336
Excess (Deficiency) of Revenues over Expenditures	-	(4,662,410)	953,944	5,616,354
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(4,662,410)	953,944	5,616,354
Fund Balance, Beginning of Year	(1,513,034)	(1,513,034)	(1,513,034)	-
Fund Balance, End of Year	\$ (1,513,034)	\$ (6,175,444)	\$ (559,090)	\$ 5,616,354

City of Highland
Budgetary Comparison Schedule
Budget and Actual - Housing Authority
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Charges for Services	\$ 4,255	\$ 4,255	\$ 763	\$ (3,492)
Investment Income	117,750	117,750	219,338	101,588
Rental Income	120,000	120,000	120,000	-
Miscellaneous	4,600	4,600	4,599	(1)
Total Revenues	246,605	246,605	344,700	98,095
EXPENDITURES:				
Current:				
Community Development	260,130	260,130	235,010	25,120
Total Expenditures	260,130	260,130	235,010	25,120
Excess (Deficiency) of Revenues over Expenditures	(13,525)	(13,525)	109,690	123,215
Fund Balance, Beginning of Year	4,572,307	4,572,307	4,572,307	-
Fund Balance, End of Year	<u>\$ 4,558,782</u>	<u>\$ 4,558,782</u>	<u>\$ 4,681,997</u>	<u>\$ 123,215</u>

City of Highland
Required Supplementary Information
Year Ended June, 2025
Schedule of Changes in Total OPEB Liability
and Related Ratios - Last Ten Fiscal Years*

	Measurement Period		
	2024	2023	2022
Total OPEB Liability			
Service cost	\$ 86,780	\$ 87,738	\$ 104,696
Interest on total OPEB liability	45,400	41,891	25,612
Difference between expected and actual experience	-	(67,484)	-
Changes in Assumptions	(14,626)	18,954	(270,340)
Benefit payments, including implicit subsidy	(36,783)	(41,623)	(41,944)
Net change in total OPEB liability	80,771	39,476	(181,976)
Total OPEB liability - beginning	1,107,609	1,068,133	1,250,109
Total OPEB liability - ending	<u>\$ 1,188,380</u>	<u>\$ 1,107,609</u>	<u>\$ 1,068,133</u>
Covered-employee payroll	\$ 3,625,005	\$ 3,319,012	\$ 3,142,359
Total OPEB liability as a percentage of covered-employee payroll	32.78%	33.37%	33.99%

*Fiscal year 2018 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to the Schedule of Changes in the City's Total OPEB Liability

No assets are accumulated in a trust that meets the criteria in GASBS NO. 75, paragraph 4, to pay related benefits.

Benefit Changes: None

Changes in Assumptions: In 2019, the accounting discount rate changed from 3.62% to 3.13%. In 2020, the accounting discount rate changed from 3.13% to 2.45%. In 2021, the accounting discount rate changed from 2.45% to 1.92%. In 2022, the accounting discount rate changed from 1.92% to 3.69%. In 2023, the accounting discount rate changed from 3.69% to 3.86%. In 2024, the accounting discount rate changed from 3.86% to 3.97%.

Measurement Period				
2021	2020	2019	2018	2017
\$ 87,235	\$ 66,100	\$ 57,152	\$ 25,712	\$ 24,963
27,404	29,999	30,820	25,599	25,002
(8,350)	-	(18,868)	(40,757)	-
134,241	83,368	65,412	-	-
(43,181)	(37,784)	(35,035)	(33,347)	(28,484)
197,349	141,683	99,481	(22,793)	21,481
1,052,760	911,077	811,596	834,389	812,908
<u>\$ 1,250,109</u>	<u>\$ 1,052,760</u>	<u>\$ 911,077</u>	<u>\$ 811,596</u>	<u>\$ 834,389</u>
\$ 3,119,466	\$ 2,858,967	\$ 2,811,994	\$ 2,668,338	\$ 2,668,273
40.07%	36.82%	32.40%	30.42%	31.27%

City of Highland
Required Supplementary Information
Year Ended June 30, 2025

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2024	0.12881%	\$ 6,230,264	\$ 3,935,612	158.30%	77.86%
2023	0.12701%	6,350,964	3,319,012	191.35%	75.88%
2022	0.12514%	5,855,448	3,142,359	186.34%	76.27%
2021	0.04664%	2,522,435	3,119,466	80.86%	88.91%
2020	0.04632%	5,040,141	2,858,967	176.29%	76.22%
2019	0.04593%	4,706,642	2,811,994	167.38%	76.48%
2018	0.04531%	4,366,668	2,668,338	163.65%	77.17%
2017	0.04585%	4,547,512	2,668,273	170.43%	74.87%
2016	0.04564%	3,949,652	2,518,215	148.02%	75.23%
2015	0.04548%	3,121,917	2,437,659	128.07%	78.40%

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%. In 2022, the accounting discount rate changed from 7.15% to 6.90%.

**City of Highland
Required Supplementary Information
Year Ended June 30, 2025**

**Schedule of Pension Plan Contributions
Last 10 Years**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 916,781	\$ (916,781)	\$ -	\$ 3,648,955	25.12%
2024	836,730	(836,730)	-	3,935,612	21.26%
2023	809,172	(809,172)	-	3,319,012	24.38%
2022	748,452	(748,452)	-	3,142,359	23.82%
2021	728,478	(728,478)	-	3,119,466	23.35%
2020	669,787	(669,787)	-	2,858,967	23.43%
2019	594,646	(594,646)	-	2,811,994	21.15%
2018	515,418	(515,418)	-	2,668,338	19.32%
2017	483,969	(483,969)	-	2,668,273	18.14%
2016	445,379	(445,379)	-	2,518,215	17.69%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/19, 6/30/20, 6/30/21, 6/30/22, 6/30/23

**City of Highland
Notes to Required Supplementary Information
Year Ended June 30, 2025**

Budgetary Information

The City adopts an annual budget prepared on the modified accrual basis for its governmental funds (e.g., General Fund, Special Revenue Funds, and Capital Projects Funds), and on an accrual basis for its Internal Services Funds, which is consistent with generally accepted accounting principles (GAAP). The City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it after adoption.

A two-year budget was adopted by City Council in June 2023 for fiscal years 2023-24 and 2024-25. City Manager approval is required for budget revisions within a department and City Council approval is required for budget revisions that affect the total appropriations of a department. Every fund, except for the General Fund and Capital Improvement Capital Projects Fund, is considered a department. For each department, total expenditures may not legally exceed total appropriations. All annual appropriations lapse at fiscal year-end. Budgeted expenditure amounts in the General Fund represent original appropriations adjusted by \$473,695 for supplemental appropriations during the year ended June 30, 2025.

SUPPLEMENTARY INFORMATION

City of Highland
Budgetary Comparison Schedule
Budget and Actual - Capital Improvements
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Investment Income	\$ 50,000	\$ 419,622	\$ 369,622
Miscellaneous	-	7,698	7,698
Total Revenues	50,000	427,320	377,320
EXPENDITURES:			
Current:			
Public Works	304,560	231,788	72,772
Capital Outlay	1,306,010	1,318,655	(12,645)
Total Expenditures	1,610,570	1,550,443	60,127
Excess (Deficiency) of Revenues over Expenditures	(1,560,570)	(1,123,123)	437,447
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(1,560,570)	(1,123,123)	437,447
Fund Balance, Beginning of Year	5,885,492	5,885,492	-
Fund Balance, End of Year	<u>\$ 4,324,922</u>	<u>\$ 4,762,369</u>	<u>\$ 437,447</u>

City of Highland
Budgetary Comparison Schedule
Budget and Actual - Development Impact Fees
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for Services	\$ 500,000	\$ 10,689,435	\$ 10,189,435
Miscellaneous	-	-	-
Investment Income	60,000	767,230	707,230
Total Revenues	<u>560,000</u>	<u>11,456,665</u>	<u>10,896,665</u>
EXPENDITURES:			
Current:			
Public Works	-	-	-
Capital Outlay	1,032,500	281,952	750,548
Total Expenditures	<u>1,032,500</u>	<u>281,952</u>	<u>750,548</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(472,500)</u>	<u>11,174,713</u>	<u>11,647,213</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	-	71,745	71,745
Total Other Financing Sources (Uses)	<u>-</u>	<u>71,745</u>	<u>71,745</u>
Net Change in Fund Balance	(472,500)	11,246,458	11,718,958
Fund Balance, Beginning of Year	<u>14,565,271</u>	<u>14,565,271</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 14,092,771</u></u>	<u><u>\$ 25,811,729</u></u>	<u><u>\$ 11,718,958</u></u>

NON-MAJOR GOVERNMENTAL FUNDS

City of Highland Non-major Governmental Funds

Special Revenue Funds

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

Measure I - In June 1990, the taxpayers voted for added taxes on gasoline to provide additional monies by approving a one-half cent sales tax increase. In 2004, the taxpayers voted to reauthorize this tax until 2040. These funds are kept locally for major road and transportation expenses and are disbursed to the City by the San Bernardino County Transportation Authority (SBCTA).

Traffic Safety - This fund accounts for the financial transactions as prescribed by the State of California statute on California Vehicle Code Fines. Revenues are collected by the County and remitted to the City for expenditures related to Traffic Safety such as crossing guards and traffic safety improvements.

Gas Tax Fund- This fund accounts for the construction and maintenance of the roads and related road operations in the City. Financing is provided by the City's share of state gasoline taxes from the State of California Transportation Department. This fund also accounts for Prop 1B funds.

Article 3 - These are State funds provided through SBCTA as grants, and are to be used for bikeways & pedestrian ways.

Community Development Block Grant (CDBG) - Received from the County of San Bernardino. The grants are used to develop a viable urban community by providing decent housing and a suitable living environment. The City accomplishes this by providing properly maintained roads and taking care of target areas such as Ward Street and Cunningham Street through code enforcement services and neighborhood revitalization.

Developer Fees - These are fees collected from developers to finish tracts with street lights, trees, street widening, signals, etc., to be done at a later time when areas are totally developed.

Landscape Maintenance District - Different areas of the City have been placed into the Landscape Maintenance District to maintain the landscaping surrounding a particular tract of homes. These funds are used to maintain that level of service that was previously provided by the developer.

Street Light District - This is a citywide assessment for service. These funds are collected to maintain street lights throughout the City. The City adds street lights as the need arises.

Community Trails District - This is funded by assessments to particular property owners who have access to the trails for usage by bicycles, horses, and citizens.

Parks Maintenance District - Certain areas of the City that have access to the Canyon Oaks Park, Cunningham Park, Oak Creek Park & Seeley Park have been placed into the Parks Maintenance District. This assessment is for the maintenance of the parks.

Air Quality Management District (AQMD) - This fund is used to account for the City's share of vehicle registration fees that the State of California has allocated to address air quality concerns in Southern California. These monies are to be used in air quality maintenance programs locally and/or regionally.

City of Highland Non-major Governmental Funds

Special Revenue Funds - Continued

Citizens Option for Public Safety Program (COPS) - This fund is used for front line police services including anti-gang and community crime prevention programs.

Street and Storm Drain Maintenance District - This is funded by special assessments for street and storm drain maintenance within a tract.

Justice Assistance Grant (JAG) - This grant is funded by the U. S. Department of Justice for local law enforcement purposes. This grant mainly aids in equipment purchases and special project over-time.

Paramedic Department - This fund accounts for the monies received through the medic tax. The medic tax partially funds the paramedic program. The City contracts with the State (Cal-Fire) for this service.

CFD Maintenance - This fund accounts for CFD funds to be used to maintain the trails, access roads, parks, storm water facilities, streetlights, parkways and medians.

Capital Projects Funds

The following Capital Projects Funds have been classified as other governmental funds in the accompanying financial statements:

General Capital Financing Capital Projects Fund - This fund is used to match potential competitive grants and fund future capital projects.

Community Facilities District - The Greenspot Corridor (CFD 90-1) in the east end of the City has been placed into a CFD (Mello-Roos) to provide needed infrastructure, housing, and commercial retail growth to that area. Also to be provided are police and fire services. Tract 14326 (CFD 2001-1) is a residential Community Facilities District, as is Tract 17682 (CFD 2007-1).

**City of Highland
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2025**

	Special Revenue					
	Measure I	Traffic Safety	Gas Tax	Article 3	CDBG	Developer Fees
ASSETS						
Cash and Investments	\$ 5,314,593	\$ -	\$ 3,610,337	\$ -	\$ -	\$ 7,607,233
Receivables:						
Accounts	-	-	-	-	-	-
Interest	42,929	-	18,912	-	-	71,691
Property Taxes	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Due From Other Governments	271,291	3,199	420,005	154,013	45,281	-
Advance to Successor Agency	-	-	-	-	-	-
Total Assets	\$ 5,628,813	\$ 3,199	\$ 4,049,254	\$ 154,013	\$ 45,281	\$ 7,678,924
LIABILITIES						
Accounts Payable	\$ 578,493	\$ -	\$ 191,830	\$ 25,900	\$ 13,957	\$ -
Accrued Liabilities	-	-	25,082	-	-	1,149
Retention Payable	36,806	-	7,251	1,344	-	-
Due to Other Funds	-	3,199	-	126,769	31,700	-
Total Liabilities	615,299	3,199	224,163	154,013	45,657	1,149
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	-	-	-	154,013	16,094	-
Lease Related	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	154,013	16,094	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	5,013,514	-	3,825,091	-	-	7,677,775
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(154,013)	(16,470)	-
Total Fund Balances	5,013,514	-	3,825,091	(154,013)	(16,470)	7,677,775
Total Liabilities, Deferred Inflows and Fund Balances	\$ 5,628,813	\$ 3,199	\$ 4,049,254	\$ 154,013	\$ 45,281	\$ 7,678,924

Special Revenue							
Landscape Maintenance District	Street Light District	Community Trails District	Parks Maintenance District	AQMD	COPS	Street and Storm Drain Maintenance	Justice Assistance Grant
\$ 40,719	\$ 47,071	\$ 81,189	\$ 328,064	\$ 393,721	\$ -	\$ 852,128	\$ 73,719
-	-	-	-	-	-	-	-
-	-	-	2,526	3,751	-	12,954	-
6,099	3,978	113	1,237	-	-	212	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	19,380	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 46,818</u>	<u>\$ 51,049</u>	<u>\$ 81,302</u>	<u>\$ 331,827</u>	<u>\$ 416,852</u>	<u>\$ -</u>	<u>\$ 865,294</u>	<u>\$ 73,719</u>
\$ 43,955	\$ 51,049	\$ -	\$ 7,561	\$ 14,725	\$ -	\$ 900	\$ 20,973
2,863	-	-	2,863	-	-	207	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>46,818</u>	<u>51,049</u>	<u>-</u>	<u>10,424</u>	<u>14,725</u>	<u>-</u>	<u>1,107</u>	<u>20,973</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	81,302	321,403	402,127	-	864,187	52,746
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>81,302</u>	<u>321,403</u>	<u>402,127</u>	<u>-</u>	<u>864,187</u>	<u>52,746</u>
<u>\$ 46,818</u>	<u>\$ 51,049</u>	<u>\$ 81,302</u>	<u>\$ 331,827</u>	<u>\$ 416,852</u>	<u>\$ -</u>	<u>\$ 865,294</u>	<u>\$ 73,719</u>

(Continued)

City of Highland
Combining Balance Sheet
Non-major Governmental Funds (Continued)
June 30, 2025

	Special Revenue		Capital Projects		Total
	Paramedic	CFD	General	Community	Non-major
	Department	Maintenance	Capital	Facilities	Governmental
			Financing	District	Funds
ASSETS					
Cash and Investments	\$ 548,357	\$ 66,183	\$ 10,634,309	\$ -	\$ 29,597,623
Receivables:					
Accounts	-	14,207	63,496	9,776	87,479
Interest	-	-	110,135	-	262,898
Property Taxes	-	-	-	14,227	25,866
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Due From Other Governments	-	-	-	-	913,169
Advance to Successor Agency	-	-	-	-	-
Total Assets	\$ 548,357	\$ 80,390	\$ 10,807,940	\$ 24,003	\$ 30,887,035
LIABILITIES					
Accounts Payable	\$ 548,357	\$ 15,300	\$ 68,940	\$ 14,227	\$ 1,596,167
Accrued Liabilities	-	-	1,689	-	33,853
Retention Payable	-	-	-	-	45,401
Due to Other Funds	-	-	-	7,526	169,194
Total Liabilities	548,357	15,300	70,629	21,753	1,844,615
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	-	170,107
Lease Related	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	170,107
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	65,090	-	2,250	18,305,485
Assigned	-	-	10,737,311	-	10,737,311
Unassigned	-	-	-	-	(170,483)
Total Fund Balances	-	65,090	10,737,311	2,250	28,872,313
Total Liabilities, Deferred Inflows and Fund Balances	\$ 548,357	\$ 80,390	\$ 10,807,940	\$ 24,003	\$ 30,887,035

City of Highland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2025

	Special Revenue				
	Measure I	Traffic Safety	Gas Tax	Article 3	Developer Fees
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	1,470,901	-	3,154,927	-	-
Charges for Services	-	-	7,937	-	1,179,597
Fines and Forfeitures	-	16,005	-	-	-
Investment Income	190,419	-	102,923	-	317,995
Rental Income	-	-	-	-	-
Miscellaneous	-	-	8,914	-	-
Total Revenues	1,661,320	16,005	3,274,701	-	1,497,592
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	70,697	-	-	-
Public Works	-	-	1,788,731	-	31,969
Community Development	-	-	-	-	215,627
Capital Outlay	874,288	-	145,025	58,126	581,127
Total Expenditures	874,288	70,697	1,933,756	58,126	31,969
Excess (Deficiency) of Revenues Over Expenditures	787,032	(54,692)	1,340,945	(58,126)	(435)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	54,692	145,025	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	54,692	145,025	-	-
Net Change in Fund Balances	787,032	-	1,485,970	(58,126)	(435)
Fund Balances, Beginning, as previously reported	4,226,482	-	2,339,121	(95,887)	(16,035)
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-
Fund Balances, Beginning, as adjusted	4,226,482	-	2,339,121	(95,887)	(16,035)
Fund Balances, End of Year	\$ 5,013,514	\$ -	\$ 3,825,091	\$ (154,013)	\$ (16,470)

Special Revenue							
Landscape Maintenance District	Street Light District	Community Trails District	Parks Maintenance District	AQMD	COPS	Street and Storm Drain Maintenance	Justice Assistance Grant
\$ 509,308	\$ 340,093	\$ 15,869	\$ 112,404	\$ -	\$ -	\$ 93,691	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	74,212	194,820	-	50,675
-	-	-	12,889	-	-	152	-
-	-	-	-	-	-	-	-
2,286	3,425	1,144	11,438	16,639	-	57,458	-
-	-	-	-	-	-	-	-
12,889	23,216	-	-	-	-	-	-
524,483	366,734	17,013	136,731	90,851	194,820	151,301	50,675
-	-	-	-	-	-	-	-
-	-	-	-	-	194,820	-	38,963
657,803	435,471	2,853	161,640	55,275	-	53,426	-
-	-	-	-	-	-	-	-
-	-	-	-	4,400	-	-	-
657,803	435,471	2,853	161,640	59,675	194,820	53,426	38,963
(133,320)	(68,737)	14,160	(24,909)	31,176	-	97,875	11,712
133,320	68,737	-	64,656	-	-	-	-
-	-	-	-	-	-	-	-
133,320	68,737	-	64,656	-	-	-	-
-	-	14,160	39,747	31,176	-	97,875	11,712
-	-	67,142	281,656	370,951	-	766,312	41,034
-	-	-	-	-	-	-	-
-	-	67,142	281,656	370,951	-	766,312	41,034
\$ -	\$ -	\$ 81,302	\$ 321,403	\$ 402,127	\$ -	\$ 864,187	\$ 52,746

(Continued)

City of Highland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds (Continued)
Year Ended June 30, 2025

	Special Revenue			Capital Projects		Total
	Paramedic Department	Formerly Non-major Housing Auth.	CFD Maintenance	General Capital Financing	Community Facilities District	Non-major Governmental Funds
REVENUES						
Taxes	\$ 363,476	\$ -	\$ -	\$ -	\$ -	\$ 1,434,841
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,741,854
Charges for Services	-	-	121,955	150,386	-	1,472,916
Fines and Forfeitures	-	-	-	-	-	16,005
Investment Income	-	-	-	488,519	-	1,192,246
Rental Income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	12,276	57,295
Total Revenues	363,476	-	121,955	638,905	12,276	9,915,157
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	1,674,817	-	-	-	-	1,979,297
Public Works	-	-	46,968	324,648	10,026	3,568,810
Community Development	-	-	-	-	-	215,627
Capital Outlay	-	-	-	163,175	-	1,826,141
Total Expenditures	1,674,817	-	46,968	487,823	10,026	7,589,875
Excess (Deficiency) of Revenues Over Expenditures	(1,311,341)	-	74,987	151,082	2,250	2,325,282
OTHER FINANCING SOURCES (USES)						
Transfers In	1,311,341	-	-	1,900,000	-	3,677,771
Transfers Out	-	-	-	(145,025)	-	(145,025)
Total Other Financing Sources (Uses)	1,311,341	-	-	1,754,975	-	3,532,746
Net Change in Fund Balances	-	-	74,987	1,906,057	2,250	5,858,028
Fund Balances, Beginning, as previously reported	-	4,572,307	(9,897)	8,831,254	-	27,586,592
Change within financial reporting entity (nonmajor to major)	-	(4,572,307)	-	-	-	(4,572,307)
Fund Balances, Beginning, as adjusted	-	-	(9,897)	8,831,254	-	23,014,285
Fund Balances, End of Year	\$ -	\$ 4,572,307	\$ 65,090	\$ 10,737,311	\$ 2,250	\$ 28,872,313

**City of Highland
Budgetary Comparison Schedule
Measure I - Special Revenue Fund
Year Ended June 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 1,681,315	\$ 1,470,901	\$ (210,414)
Investment Income	27,000	190,419	163,419
Total Revenues	<u>1,708,315</u>	<u>1,661,320</u>	<u>(46,995)</u>
EXPENDITURES:			
Current:			
Public Works	-	-	-
Capital Outlay	<u>2,495,275</u>	<u>874,288</u>	<u>1,620,987</u>
Total Expenditures	<u>2,495,275</u>	<u>874,288</u>	<u>1,620,987</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(786,960)</u>	<u>787,032</u>	<u>(1,667,982)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(786,960)	787,032	1,573,992
Fund Balance, Beginning of Year	<u>4,226,482</u>	<u>4,226,482</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,439,522</u></u>	<u><u>\$ 5,013,514</u></u>	<u><u>\$ 1,573,992</u></u>

City of Highland
Budgetary Comparison Schedule
Traffic Safety - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Fines and Forfeitures	\$ 16,275	\$ 16,005	\$ (270)
Investment Income	-	-	-
Total Revenues	<u>16,275</u>	<u>16,005</u>	<u>(270)</u>
EXPENDITURES:			
Current:			
Public Safety	70,697	70,697	-
Capital Outlay	-	-	-
Total Expenditures	<u>70,697</u>	<u>70,697</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(54,422)</u>	<u>(54,692)</u>	<u>(270)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>53,725</u>	<u>54,692</u>	<u>967</u>
Total Other Financing Sources (Uses)	<u>53,725</u>	<u>54,692</u>	<u>967</u>
Net Change in Fund Balances	(697)	-	697
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u><u>\$ (697)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 697</u></u>

**City of Highland
Budgetary Comparison Schedule
Gas Tax - Special Revenue Fund
Year Ended June 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 3,183,715	\$ 3,154,927	\$ (28,788)
Charges for Services	11,520	7,937	(3,583)
Investment Income	50,400	102,923	52,523
Miscellaneous	30,000	8,914	(21,086)
Total Revenues	<u>3,275,635</u>	<u>3,274,701</u>	<u>(934)</u>
EXPENDITURES:			
Current:			
Public Works	2,184,365	1,788,731	395,634
Capital Outlay	1,388,000	145,025	1,242,975
Total Expenditures	<u>3,572,365</u>	<u>1,933,756</u>	<u>1,638,609</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(296,730)</u>	<u>1,340,945</u>	<u>1,637,675</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	145,025	145,025	-
Total Other Financing Sources (Uses)	<u>145,025</u>	<u>145,025</u>	<u>-</u>
Net Change in Fund Balances	(151,705)	1,485,970	1,637,675
Fund Balance, Beginning of Year	<u>2,339,121</u>	<u>2,339,121</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,187,416</u></u>	<u><u>\$ 3,825,091</u></u>	<u><u>\$ 1,637,675</u></u>

**City of Highland
Budgetary Comparison Schedule
Article 3 - Special Revenue Fund
Year Ended June 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES:			
Capital Outlay	58,127	58,126	1
Total Expenditures	58,127	58,126	1
Excess (Deficiency) of Revenues over Expenditures	(58,127)	(58,126)	1
Fund Balance, Beginning of Year	(95,887)	(95,887)	-
Fund Balance, End of Year	<u>\$ (154,014)</u>	<u>\$ (154,013)</u>	<u>\$ 1</u>

**City of Highland
Budgetary Comparison Schedule
CDBG - Special Revenue Fund
Year Ended June 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 770,935	\$ 796,319	\$ 25,384
Total Revenues	<u>770,935</u>	<u>796,319</u>	<u>25,384</u>
EXPENDITURES:			
Current:			
Community Development	233,685	215,627	18,058
Capital Outlay	<u>581,130</u>	<u>581,127</u>	<u>3</u>
Total Expenditures	<u>814,815</u>	<u>796,754</u>	<u>18,061</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(43,880)</u>	<u>(435)</u>	<u>43,445</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(43,880)	(435)	43,445
Fund Balance, Beginning of Year	<u>(16,035)</u>	<u>(16,035)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (59,915)</u></u>	<u><u>\$ (16,470)</u></u>	<u><u>\$ 43,445</u></u>

**City of Highland
Budgetary Comparison Schedule
Developer Fees - Special Revenue Fund
Year Ended June 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for Services	\$ 10,000	\$ 1,179,597	\$ 1,169,597
Investment Income	40,000	317,995	277,995
Total Revenues	<u>50,000</u>	<u>1,497,592</u>	<u>1,447,592</u>
EXPENDITURES:			
Current:			
Public Works	35,740	31,969	3,771
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>35,740</u>	<u>31,969</u>	<u>3,771</u>
Excess (Deficiency) of Revenues over Expenditures	14,260	1,465,623	1,451,363
Fund Balance, Beginning of Year	<u>6,212,152</u>	<u>6,212,152</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,226,412</u></u>	<u><u>\$ 7,677,775</u></u>	<u><u>\$ 1,451,363</u></u>

City of Highland
Budgetary Comparison Schedule
Landscape Maintenance District - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 555,000	\$ 509,308	\$ (45,692)
Investment Income	-	2,286	2,286
Miscellaneous	5,155	12,889	7,734
Total Revenues	560,155	524,483	(35,672)
EXPENDITURES:			
Current:			
Public Works	667,540	657,803	9,737
Total Expenditures	667,540	657,803	9,737
Excess (Deficiency) of Revenues over Expenditures	(107,385)	(133,320)	(25,935)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	133,320	133,320
Total Other Financing Sources (Uses)	-	133,320	133,320
Net Change in Fund Balances	(107,385)	-	107,385
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ (107,385)	\$ -	\$ 107,385

City of Highland
Budgetary Comparison Schedule
Street Light District - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 410,000	\$ 340,093	\$ (69,907)
Interest	5,000	3,425	(1,575)
Miscellaneous	30,000	23,216	(6,784)
Total Revenues	445,000	366,734	(78,266)
EXPENDITURES:			
Current:			
Public Works	482,100	435,471	46,629
Total Expenditures	482,100	435,471	46,629
Excess (Deficiency) of Revenues over Expenditures	(37,100)	(68,737)	(31,637)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	68,737	68,737
Total Other Financing Sources (Uses)	-	68,737	68,737
Net Change in Fund Balances	(37,100)	-	37,100
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ (37,100)	\$ -	\$ 37,100

City of Highland
Budgetary Comparison Schedule
Community Trails District - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 16,000	\$ 15,869	\$ (131)
Interest	-	1,144	1,144
Total Revenues	<u>16,000</u>	<u>17,013</u>	<u>1,013</u>
EXPENDITURES:			
Current:			
Public Works	<u>27,100</u>	<u>2,853</u>	<u>24,247</u>
Total Expenditures	<u>27,100</u>	<u>2,853</u>	<u>24,247</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,100)</u>	<u>14,160</u>	<u>25,260</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,100)	14,160	25,260
Fund Balance, Beginning of Year	<u>67,142</u>	<u>67,142</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 56,042</u></u>	<u><u>\$ 81,302</u></u>	<u><u>\$ 25,260</u></u>

City of Highland
Budgetary Comparison Schedule
Parks Maintenance District - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 115,000	\$ 112,404	\$ (2,596)
Charges for Services	5,155	12,889	7,734
Investment Income	3,000	11,438	8,438
Total Revenues	<u>123,155</u>	<u>136,731</u>	<u>13,576</u>
EXPENDITURES:			
Current:			
Public Works	<u>165,330</u>	<u>161,640</u>	<u>3,690</u>
Total Expenditures	<u>165,330</u>	<u>161,640</u>	<u>3,690</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(42,175)</u>	<u>(24,909)</u>	<u>17,266</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>55,890</u>	<u>64,656</u>	<u>8,766</u>
Total Other Financing Sources (Uses)	<u>55,890</u>	<u>64,656</u>	<u>8,766</u>
Net Change in Fund Balances	13,715	39,747	26,032
Fund Balance, Beginning of Year	<u>281,656</u>	<u>281,656</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 295,371</u></u>	<u><u>\$ 321,403</u></u>	<u><u>\$ 26,032</u></u>

**City of Highland
Budgetary Comparison Schedule
AQMD - Special Revenue Fund
Year Ended June 30, 2025**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 72,000	\$ 74,212	\$ 2,212
Investment Income	5,000	16,639	11,639
	<u>77,000</u>	<u>90,851</u>	<u>13,851</u>
EXPENDITURES:			
Current			
Public Works	77,000	55,275	21,725
Capital Outlay	76,000	4,400	71,600
	<u>153,000</u>	<u>59,675</u>	<u>93,325</u>
Excess (Deficiency) of Revenues over Expenditures	(76,000)	31,176	107,176
Fund Balance, Beginning of Year	<u>370,951</u>	<u>370,951</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 294,951</u></u>	<u><u>\$ 402,127</u></u>	<u><u>\$ 107,176</u></u>

City of Highland
Budgetary Comparison Schedule
COPS - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 194,825	\$ 194,820	\$ (5)
Total Revenues	<u>194,825</u>	<u>194,820</u>	<u>(5)</u>
EXPENDITURES			
Current:			
Public Safety	<u>194,825</u>	<u>194,820</u>	<u>5</u>
Total Expenditures	<u>194,825</u>	<u>194,820</u>	<u>5</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>

City of Highland
Budgetary Comparison Schedule
Street and Storm Drain Maintenance - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 40,400	\$ 93,691	\$ 53,291
Investment Income	3,400	152	(3,248)
Charges for Services	220	57,458	57,238
Total Revenues	44,020	151,301	107,281
EXPENDITURES:			
Current:			
Public Works	65,480	53,426	12,054
Total Expenditures	65,480	53,426	12,054
Excess (Deficiency) of Revenues over Expenditures	(21,460)	97,875	119,335
Fund Balance, Beginning of Year	766,312	766,312	-
Fund Balance, End of Year	\$ 744,852	\$ 864,187	\$ 119,335

City of Highland
Budgetary Comparison Schedule
Justice Assistance Grant - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Intergovernmental	\$ 50,675	\$ 50,675	\$ -
Total Revenues	<u>50,675</u>	<u>50,675</u>	<u>-</u>
EXPENDITURES:			
Current:			
Public Safety	39,000	38,963	37
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>39,000</u>	<u>38,963</u>	<u>37</u>
Excess (Deficiency) of Revenues over Expenditures	11,675	11,712	37
Fund Balance, Beginning of Year	<u>41,034</u>	<u>41,034</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 52,709</u></u>	<u><u>\$ 52,746</u></u>	<u><u>\$ 37</u></u>

City of Highland
Budgetary Comparison Schedule
Paramedic Department - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 375,000	\$ 363,476	\$ (11,524)
Miscellaneous	-	-	-
Total Revenues	<u>375,000</u>	<u>363,476</u>	<u>(11,524)</u>
EXPENDITURES:			
Current:			
Public Safety	2,611,925	1,674,817	937,108
Capital Outlay	-	-	-
Total Expenditures	<u>2,611,925</u>	<u>1,674,817</u>	<u>937,108</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,236,925)</u>	<u>(1,311,341)</u>	<u>925,584</u>
OTHER FINANCING SOURCES:			
Transfers In	<u>2,209,325</u>	<u>1,311,341</u>	<u>(897,984)</u>
Total Other Financing Sources (Uses)	<u>2,209,325</u>	<u>1,311,341</u>	<u>(897,984)</u>
Net Change in Fund Balance	(27,600)	-	27,600
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u><u>\$ (27,600)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,600</u></u>

City of Highland
Budgetary Comparison Schedule
CFD Maintenance - Special Revenue Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes	\$ 86,720	\$ 121,955	\$ 35,235
Total Revenues	86,720	121,955	35,235
EXPENDITURES:			
Current:			
Public Works	111,070	46,968	64,102
Total Expenditures	111,070	46,968	64,102
Excess (Deficiency) of Revenues over Expenditures	(24,350)	74,987	99,337
Fund Balance, Beginning of Year	(9,897)	(9,897)	-
Fund Balance, End of Year	<u>\$ (34,247)</u>	<u>\$ 65,090</u>	<u>\$ 99,337</u>

City of Highland
Budgetary Comparison Schedule
General Capital Financing - Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Charges for Services	\$ 100,000	\$ 150,386	\$ 50,386
Investment Income	102,995	488,519	385,524
Miscellaneous	5,000	-	(5,000)
Total Revenues	207,995	638,905	430,910
EXPENDITURES:			
Current:			
Public Works	424,895	324,648	100,247
Capital Outlay	677,878	163,175	514,703
Total Expenditures	1,102,773	487,823	614,950
Excess (Deficiency) of Revenues over Expenditures	(894,778)	151,082	1,045,860
OTHER FINANCING SOURCES (USES)			
Transfers In	1,900,000	1,900,000	-
Transfers Out	(145,025)	(145,025)	-
Total Other Financing Sources (Uses)	1,754,975	1,754,975	-
Net Change in Fund Balance	860,197	1,906,057	1,045,860
Fund Balance, Beginning of Year	8,831,254	8,831,254	-
Fund Balance, End of Year	\$ 9,691,451	\$ 10,737,311	\$ 1,045,860

City of Highland
Budgetary Comparison Schedule
Community Facilities District - Capital Projects Fund
Year Ended June 30, 2025

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:			
Miscellaneous	\$ 12,280	\$ 12,276	\$ (4)
Total Revenues	<u>12,280</u>	<u>12,276</u>	<u>(4)</u>
EXPENDITURES:			
Current:			
Public Works	<u>11,100</u>	<u>10,026</u>	<u>1,074</u>
Total Expenditures	<u>11,100</u>	<u>10,026</u>	<u>1,074</u>
Excess (Deficiency) of Revenues over Expenditures	1,180	2,250	1,070
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,180</u></u>	<u><u>\$ 2,250</u></u>	<u><u>\$ 1,070</u></u>

City of Highland Internal Service Funds

The Internal Service Funds are used to allocate the cost of providing goods and services by one department to other departments on a cost reimbursement basis. The City has two internal service funds; the Insurance Fund & the General Services Fund.

Insurance - This fund accounts for all expenditures relating to insurance premiums for both workers compensation and general liability of the City.

General Services - This fund accounts for all expenditures relating to City Hall including; utilities, janitorial services, computer network, copier leases, equipment and building maintenance repairs.

City of Highland
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Governmental Activities Internal Service Funds		Total
	Insurance	General Services	
ASSETS			
Current:			
Cash and Investments	\$ 4,235,606	\$ 2,817,221	\$ 7,052,827
Receivable:			
Accounts	-	21,465	21,465
Interest	49,047	19,181	68,228
Total Assets	4,284,653	2,857,867	7,142,520
LIABILITIES			
Current:			
Accounts Payable	1,203	36,965	38,168
Accrued Liabilities	8,471	12,597	21,068
Claims Payable	25,171	-	25,171
Total Current Liabilities	34,845	49,562	84,407
Noncurrent:			
Claims Payable	159,829	-	159,829
Total Noncurrent Liabilities	159,829	-	159,829
Total Liabilities	194,674	49,562	244,236
NET POSITION			
Unrestricted	4,089,979	2,808,305	6,898,284
Total Net Position	\$ 4,089,979	\$ 2,808,305	\$ 6,898,284

City of Highland
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2025

	Governmental Activities Internal Service Funds		
	Insurance	General Services	Total
OPERATING REVENUES			
Charges for Services	\$ 566,841	\$ 430,908	\$ 997,749
Miscellaneous	9,123	-	9,123
Total Operating Revenues	575,964	430,908	1,006,872
OPERATING EXPENSES			
Salaries and Benefits	129,231	-	129,231
Insurance Premiums	595,763	-	595,763
Claims and Judgments	39,000	-	39,000
Legal Fees	20,171	-	20,171
Administrative Expenses	11,769	913,740	925,509
Insurance Adjusting Fees	-	-	-
Total Operating Expenses	795,934	913,740	1,709,674
Operating Income (Loss)	(219,970)	(482,832)	(702,802)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	219,969	89,913	309,882
Income before Contributions and Transfers	(1)	(392,919)	(392,920)
Transfers in	-	1,400,000	1,400,000
Change in Net Position	(1)	1,007,081	1,007,080
Net Position, Beginning of Year	4,089,980	1,801,224	5,891,204
Net Position, End of Year	\$ 4,089,979	\$ 2,808,305	\$ 6,898,284

City of Highland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025

	Governmental Activities Internal Service Funds		
	Insurance	General Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Services	\$ 575,964	\$ 416,837	\$ 992,801
Cash Payments to Employees for Services	(123,891)	8,432	(115,459)
Cash Payments Made to Suppliers/Vendors	(636,452)	(903,177)	(1,539,629)
Net Cash Provided (Used) By Operations	(184,379)	(477,908)	(662,287)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds	-	1,400,000	1,400,000
Net Cash Provided (Used) By NonCapital Financing Activities	-	1,400,000	1,400,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	216,784	88,668	305,452
Net Cash Provided (Used) By Investing Activities	216,784	88,668	305,452
Net Increase (Decrease) in Cash and Cash Equivalents	32,405	1,010,760	1,043,165
Cash and Equivalents - Beginning of Year	4,203,201	1,806,461	6,009,662
Cash and Equivalents - End of Year	<u>\$ 4,235,606</u>	<u>\$ 2,817,221</u>	<u>\$ 7,052,827</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (219,970)	\$ (482,832)	\$ (702,802)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
(Increase) Decrease in Accounts Receivable		(14,071)	(14,071)
Increase (Decrease) in Accounts Payable	(3,749)	10,563	6,814
Increase (Decrease) in Accrued Liabilities	5,340	8,432	13,772
Increase (Decrease) in Claims Payable	34,000	-	34,000
Net Cash Provided (Used) by Operating Activities	<u>\$ (184,379)</u>	<u>\$ (477,908)</u>	<u>\$ (662,287)</u>

STATISTICAL SECTION

STATISTICAL SECTION

This section of the City of Highland'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 says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends	117 – 120
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	121 – 124
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	125 – 129
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	130 – 131
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	132 – 133
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.	

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

CITY OF HIGHLAND
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year</u>				
	2025	2024	2023	2022	2021
Governmental activities:					
Investment in capital assets	225,925,791	227,382,396	223,919,610	225,235,630	225,865,157
Restricted for:					
Public safety	-	-	30,453	-	4,622
Highways and streets	69,313,686	37,199,325	34,296,922	33,314,130	36,238,519
Community Development	4,681,997	379,935	5,459,347	5,385,260	5,437,302
Unrestricted	32,603,152	47,279,679	31,393,164	25,606,706	19,744,041
Total governmental activities net position	<u>\$ 332,524,626</u>	<u>\$ 312,241,335</u>	<u>\$ 295,099,496</u>	<u>\$ 289,541,726</u>	<u>\$ 287,289,641</u>
	2020	2019	2018	2017	2016
Governmental activities:					
Investment in capital assets	227,112,025	221,003,257	214,466,575	216,035,504	210,865,837
Restricted for:					
Public safety	-	-	26,836	87,188	10,181,809
Highways and streets	38,678,179	42,249,331	41,447,249	30,801,998	35,846,032
Community Development	5,303,599	5,186,442	5,060,289	4,386,881	4,339,917
Unrestricted	18,903,986	21,353,346	24,874,004	28,349,878	16,375,043
Total governmental activities net position	<u>\$ 289,997,789</u>	<u>\$ 289,792,376</u>	<u>\$ 285,874,953</u>	<u>\$ 279,661,449</u>	<u>\$ 277,608,638</u>

CITY OF HIGHLAND
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental activities:										
General government	3,448,991	2,785,024	2,415,060	2,329,674	2,970,378	2,667,209	2,391,929	2,152,914	1,988,317	8,026,419
Public safety	20,216,643	20,687,768	19,982,109	18,165,480	17,233,793	16,849,924	15,621,202	14,542,332	14,411,209	12,958,169
Highways and streets	10,944,381	9,721,374	13,683,221	15,510,734	13,951,011	10,727,700	10,608,389	9,797,412	10,392,619	10,618,305
Community Development	5,599,779	4,199,576	4,022,217	4,845,025	3,610,883	3,254,385	3,424,262	3,473,178	2,471,487	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	40,209,794	37,393,742	40,102,607	40,850,913	37,766,065	33,499,218	32,045,782	29,965,836	29,263,632	31,602,893
Program revenues:										
Governmental activities:										
Charges for services:										
General government	3,545,534	2,481,675	907,887	125,608	362,563	242,669	338,758	761,641	726,087	1,583,415
Public safety	1,905,498	1,990,959	1,750,491	1,511,188	1,307,179	1,248,384	1,284,504	1,279,121	1,266,079	3,679,629
Highways and streets	10,608,543	6,897,184	2,916,475	1,332,697	2,194,101	1,930,553	1,748,406	2,688,276	2,809,938	1,020,765
Community Development	2,411,293	2,662,783	2,197,408	2,135,481	1,234,314	1,183,807	1,300,273	1,721,294	1,574,576	-
Operating grants and contributions	4,403,377	3,725,597	3,956,124	2,811,500	3,909,827	3,097,787	3,305,218	3,206,718	2,204,994	9,032,776
Capital grants and contributions	9,605,235	9,625,434	9,547,768	12,935,771	4,994,406	4,730,717	8,345,767	8,344,599	4,618,091	1,054,688
Total governmental activities program revenues	32,479,480	27,383,632	21,276,153	20,852,245	14,002,390	12,433,917	16,322,926	18,001,649	13,199,765	16,371,273
Net revenues (expenses) governmental activities	(7,730,314)	(10,010,110)	(18,826,454)	(19,998,668)	(23,763,675)	(21,065,301)	(15,722,856)	(11,964,186)	(16,063,867)	(15,231,620)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	18,824,160	18,199,744	16,627,854	15,406,948	14,517,673	14,021,888	13,389,467	13,036,416	11,809,133	8,456,523
Sales and use taxes	3,907,308	3,846,323	4,057,069	4,017,078	3,714,315	3,076,668	2,918,109	2,702,065	2,632,596	2,224,734
Transient occupancy tax	301,600	272,875	265,074	268,259	271,603	264,958	266,893	179,088	302,330	274,410
Franchise taxes	2,033,925	2,056,095	2,091,919	1,930,701	1,825,256	1,615,213	1,587,002	1,502,402	1,535,420	1,587,761
Business license tax	399,152	471,486	546,140	446,810	491,867	536,749	497,286	558,270	173,025	263,489
Other	89,660	70,325	58,359	63,608	40,576	44,146	26,286	28,623	24,032	14,459
Gain on Sale of Capital Assets	-	-	-	-	356,150	-	-	-	-	-
Investment income	2,146,498	2,064,776	570,764	(22,924)	133,727	436,821	522,967	315,496	317,167	104,983
State motor vehicle in lieu, unrestricted	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-
Land contribution from the Successor Agency	-	-	-	-	-	-	-	-	-	-
Miscellaneous	311,302	170,325	167,045	140,273	188,643	189,052	432,269	140,458	133,812	991,825
Total governmental activities	28,013,605	27,151,949	24,384,224	22,250,753	21,539,810	20,185,495	19,640,279	18,462,818	16,927,515	13,918,184
Changes in net position governmental activities	\$ 20,283,291	\$ 17,141,839	\$ 5,557,770	\$ 2,252,085	\$ (2,223,865)	\$ (879,806)	\$ 3,917,423	\$ 6,498,632	\$ 863,648	\$ (1,313,436)
Extraordinary item: Loss on transfer	-	-	-	-	-	-	-	-	-	-
Restatement of Land	-	-	-	-	-	-	-	-	-	-
Restatement of Net Position	-	-	-	-	(484,283)	-	-	(285,128)	1,189,163	-
Extraordinary item: Repayment of Advance	-	-	-	-	-	-	-	-	-	-
Extraordinary item: Bond Proceeds (former RDA)	-	-	-	-	-	-	-	-	-	16,545,772
Implementation of GASB 68 & 71	-	-	-	-	-	-	-	-	-	-
Restatement of Depreciation	-	-	-	-	-	-	-	-	-	-
Restatement of Capital Assets (note 16)	-	-	-	-	-	-	-	-	-	-
Changes in net position governmental activities	\$ 20,283,291	\$ 17,141,839	\$ 5,557,770	\$ 2,252,085	\$ (2,708,148)	\$ (879,806)	\$ 3,917,423	\$ 6,213,504	\$ 2,052,811	\$ 15,232,336

CITY OF HIGHLAND
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>Fiscal Year</u>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund:										
Nonspendable	421,002	587,758	738,375	872,740	974,619	978,226	977,829	999,339	990,099	1,061,528
Spendable:										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	22,089,497	15,061,485	15,061,485	13,880,569	11,680,011	9,840,573	9,872,519	10,070,945	9,293,748	5,004,971
Unassigned	6,893,562	8,256,885	5,314,385	3,931,264	3,265,164	3,057,435	3,020,491	3,178,858	3,198,945	1,108,361
Total general fund	<u>\$ 29,404,061</u>	<u>\$ 23,906,128</u>	<u>\$ 21,114,245</u>	<u>\$ 18,684,573</u>	<u>\$ 15,919,794</u>	<u>\$ 13,876,234</u>	<u>\$ 13,870,839</u>	<u>\$ 14,249,142</u>	<u>\$ 13,482,792</u>	<u>\$ 7,174,860</u>
All other governmental funds:										
Nonspendable:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	1,362,235	1,425,413
Restricted:										
Special revenue funds	34,032,215	29,019,082	25,584,333	25,020,963	26,194,182	26,985,405	28,126,206	27,407,827	27,734,045	35,540,081
Capital projects funds	30,574,098	20,450,763	14,239,062	13,678,427	15,486,261	16,996,373	19,309,569	19,148,448	11,147,755	13,094,825
Committed:										
Assigned:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	10,737,311	8,831,254	7,623,323	6,252,080	5,073,966	5,103,960	6,006,439	7,884,827	6,792,406	7,330,504
Unassigned:										
Special revenue funds	(729,573)	(1,634,853)	(1,449,598)	(427,619)	(694,177)	(411,719)	(746,061)	(943,910)	(882,715)	(525,490)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 74,614,051</u>	<u>\$ 56,666,246</u>	<u>\$ 45,997,120</u>	<u>\$ 44,523,851</u>	<u>\$ 46,060,232</u>	<u>\$ 48,674,019</u>	<u>\$ 52,696,153</u>	<u>\$ 53,497,192</u>	<u>\$ 46,153,726</u>	<u>\$ 56,865,333</u>

CITY OF HIGHLAND
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes	26,616,090	26,002,501	24,909,451	23,163,468	21,885,819	20,541,202	19,710,927	19,013,261	17,458,633	16,070,934
Licenses and permits	1,322,308	1,213,524	1,177,236	1,217,429	618,458	509,501	537,720	855,744	705,796	684,186
Intergovernmental	15,781,157	12,754,229	11,154,120	15,611,819	8,182,201	8,913,837	12,454,853	10,929,304	4,517,927	19,025,112
Charges for services	14,152,874	10,075,238	4,452,340	2,362,870	2,697,541	2,287,702	2,346,284	3,914,972	4,155,849	1,999,287
Fines and forfeitures	40,652	77,755	43,850	121,887	80,226	99,604	73,838	116,380	139,888	182,037
Investment income	4,256,412	3,904,590	1,285,825	(128,949)	454,062	1,184,670	1,482,102	824,331	633,959	217,790
Rental income	272,501	257,768	244,712	251,042	244,930	239,890	227,190	226,068	219,926	120,691
Miscellaneous	215,510	47,411	185,153	86,482	374,675	87,465	398,788	320,619	195,598	671,337
Total revenues	<u>62,657,504</u>	<u>54,333,016</u>	<u>43,452,687</u>	<u>42,686,048</u>	<u>34,537,912</u>	<u>33,863,871</u>	<u>37,231,702</u>	<u>36,200,679</u>	<u>28,027,576</u>	<u>38,971,374</u>
Expenditures:										
Current:										
General government+	2,335,867	2,355,919	1,931,098	1,801,743	2,140,731	1,904,692	2,097,547	1,724,479	1,736,158	8,036,914
Highways and streets+	5,857,013	6,395,277	5,487,701	5,375,194	5,056,624	5,441,043	4,886,690	4,716,911	5,481,471	2,729,393
Public safety+	19,469,549	20,023,689	19,288,972	17,495,556	16,570,676	16,164,583	14,931,777	13,913,656	13,238,605	12,408,648
Community Development+	4,861,863	3,481,851	3,308,114	4,137,401	2,903,259	2,454,195	2,558,426	2,499,347	2,471,487	-
Capital outlay	5,359,219	8,522,499	10,072,822	15,370,721	8,808,826	11,916,097	13,936,604	5,236,471	10,199,258	2,778,168
Debt service:										
Principal*	-	-	-	-	-	-	-	-	-	-
Interest*	-	-	-	-	-	-	-	-	-	-
Pass-through payments*	-	-	-	-	-	-	-	-	-	-
SERAF Payment*	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent*	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>37,883,511</u>	<u>40,779,235</u>	<u>40,088,707</u>	<u>44,180,615</u>	<u>35,480,116</u>	<u>37,880,610</u>	<u>38,411,044</u>	<u>28,090,863</u>	<u>33,126,979</u>	<u>25,953,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,773,993</u>	<u>13,553,781</u>	<u>3,363,980</u>	<u>(1,494,567)</u>	<u>(942,204)</u>	<u>(4,016,739)</u>	<u>(1,179,342)</u>	<u>8,109,816</u>	<u>(5,099,403)</u>	<u>13,018,251</u>
Other financing sources (uses):										
Sale of Capital Assets	-	-	-	-	402,000	-	-	-	-	-
Issuance of long term debt	71,745	207,228	1,643,961	3,397,965	469,081	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	3,677,771	2,610,063	2,998,575	2,456,734	1,864,923	1,919,422	2,995,704	2,191,020	2,017,731	3,448,326
Transfers out	(5,077,771)	(2,910,063)	(4,103,575)	(3,131,734)	(2,364,027)	(1,919,422)	(2,995,704)	(2,191,020)	(2,017,731)	(3,448,326)
Total other financing sources (uses)	<u>(1,328,255)</u>	<u>(92,772)</u>	<u>538,961</u>	<u>2,722,965</u>	<u>371,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary Item	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 23,445,738</u>	<u>\$ 13,461,009</u>	<u>\$ 3,902,941</u>	<u>\$ 1,228,398</u>	<u>\$ (570,227)</u>	<u>\$ (4,016,739)</u>	<u>\$ (1,179,342)</u>	<u>\$ 8,109,816</u>	<u>\$ (5,099,403)</u>	<u>\$ 13,018,251</u>
Debt service* as a percentage of noncapital + expenditures.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt service is for the former RDA.										
The RDA was dissolved on February 1, 2012.										

CITY OF HIGHLAND
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Assessed Value

Category	2025	2024	2023	2022	2021
Residential	4,567,324,876	4,279,019,753	3,960,857,745	3,714,571,853	3,559,231,681
Commercial	329,351,417	324,529,769	291,697,092	277,843,224	260,893,974
Industrial	138,256,150	102,295,267	85,793,793	69,404,126	57,592,686
Irrigated	77,309	75,793	74,307	72,850	438,128
Dry Farm	-	-	-	-	-
Recreational	4,000,731	3,922,285	434,378	1,465,450	2,013,113
Institutional	34,180,446	33,248,855	32,017,491	31,389,694	31,067,831
Miscellaneous	15,633,878	17,899,349	14,109,232	13,667,029	13,595,907
Vacant Land	241,763,167	223,993,732	120,115,497	104,697,062	89,904,034
SBE Nonunitary	-	-	37,800	37,800	37,800
Unsecured	94,528,117	92,983,825	88,477,432	80,602,464	75,228,717
Govt. Owned	25,885,848	25,228,285	24,733,613	24,248,640	24,000,000
Unknown	-	-	-	-	-
Exemptions	<u>(116,473,798)</u>	<u>(136,300,607)</u>	<u>(117,980,381)</u>	<u>(115,727,998)</u>	<u>(111,624,080)</u>
Total	<u>5,334,528,141</u>	<u>4,966,896,306</u>	<u>4,500,367,999</u>	<u>4,202,272,194</u>	<u>4,002,379,791</u>
Total direct rate	0.24648	0.24740	0.24883	0.24875	0.24871

Category	2020	2019	2018	2017	2016
Residential	3,421,547,404	3,235,632,104	3,058,458,940	2,906,523,051	2,773,541,762
Commercial	262,495,563	232,261,059	221,613,336	210,815,100	198,338,374
Industrial	52,476,393	51,299,293	48,639,494	48,108,184	46,948,732
Irrigated	680,270	666,931	655,502	642,650	632,998
Dry Farm	-	-	129,918	127,371	200,535
Recreational	2,010,581	1,327,099	1,324,666	1,322,280	1,519,489
Institutional	30,851,503	30,051,724	28,952,472	28,702,907	28,271,761
Miscellaneous	13,035,651	9,917,709	9,841,856	9,906,629	9,556,408
Vacant Land	91,922,879	88,609,668	88,183,693	82,278,983	76,496,990
SBE Nonunitary	37,800	18,900	18,900	18,900	18,900
Unsecured	68,665,836	61,381,977	56,298,251	58,764,229	62,288,201
Govt. Owned	-	-	-	-	-
Unknown	-	-	-	-	-
Exemptions	<u>(97,885,315)</u>	<u>(82,876,255)</u>	<u>(79,270,623)</u>	<u>(73,367,998)</u>	<u>(72,450,406)</u>
Total	<u>3,845,838,565</u>	<u>3,628,290,209</u>	<u>3,434,846,405</u>	<u>3,273,842,286</u>	<u>3,125,363,744</u>
Total direct rate	0.24924	0.23904	0.23904	0.23903	0.23904

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 re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL

CITY OF HIGHLAND
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
City Direct Rate:								
<u>Property Tax General Fund</u>								
Assessed value of City basic rate	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400
Total City Direct Rate	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400	\$ 0.24400
Overlapping Rates:								
County Free Library	\$ 0.01344	\$ 0.01344	\$ 0.01344	\$ 0.01344	\$ 0.01344	\$ 0.01344	\$ 0.01344	\$ 0.01344
County General Fund	\$ 0.13880	\$ 0.13880	\$ 0.13880	\$ 0.13880	\$ 0.13880	\$ 0.13880	\$ 0.13880	\$ 0.13880
County Superintendent	\$ 0.00712	\$ 0.00712	\$ 0.00712	\$ 0.00712	\$ 0.00712	\$ 0.00712	\$ 0.00712	\$ 0.00712
Inland Empire Joint Resource Conservation District	\$ 0.00049	\$ 0.00049	\$ 0.00049	\$ 0.00049	\$ 0.00049	\$ 0.00049	\$ 0.00049	\$ 0.00049
Education Revenue Augmentation Fund	\$ 0.21010	\$ 0.21010	\$ 0.21010	\$ 0.21010	\$ 0.21010	\$ 0.21010	\$ 0.21010	\$ 0.21010
Flood Control Administration 3-6	\$ 0.00080	\$ 0.00080	\$ 0.00080	\$ 0.00080	\$ 0.00080	\$ 0.00080	\$ 0.00080	\$ 0.00080
Flood Control Zone 3	\$ 0.02430	\$ 0.02430	\$ 0.02430	\$ 0.02430	\$ 0.02430	\$ 0.02430	\$ 0.02430	\$ 0.02430
Redlands Unified	\$ 0.28670	\$ 0.28670	\$ 0.28670	\$ 0.28670	\$ 0.28670	\$ 0.28670	\$ 0.28670	\$ 0.28670
San Bernardino Community College	\$ 0.04880	\$ 0.04880	\$ 0.04880	\$ 0.04880	\$ 0.04880	\$ 0.04880	\$ 0.04880	\$ 0.04880
San Bernardino Valley Municipal Water	\$ 0.02510	\$ 0.02510	\$ 0.02510	\$ 0.02510	\$ 0.02510	\$ 0.02510	\$ 0.02510	\$ 0.02510
San Bernardino Valley Water Conservation District	\$ 0.00043	\$ 0.00043	\$ 0.00043	\$ 0.00043	\$ 0.00043	\$ 0.00043	\$ 0.00043	\$ 0.00043
Total Direct rates	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000
Redlands Unified School Bond 1993	\$ 0.02770	\$ 0.03160	\$ 0.02790	\$ 0.06620	\$ 0.03600	\$ 0.03390	\$ 0.03240	\$ 0.04940
San Bernardino Community College Bond	\$ 0.03700	\$ 0.04520	\$ 0.04500	\$ 0.05340	\$ 0.06510	\$ 0.05620	\$ 0.04070	\$ 0.03760
San Bernardino Unified School Bond	\$ 0.09360	\$ 0.06880	\$ 0.08780	\$ 0.10890	\$ 0.10340	\$ 0.09690	\$ 0.11260	\$ 0.10070
San Bernardino Valley Muni Water District Bond	\$ 0.11000	\$ 0.12000	\$ 0.13000	\$ 0.13000	\$ 0.14250	\$ 0.14250	\$ 0.15250	\$ 0.15250
Total Overlapping Rates	\$ 0.26830	\$ 0.26560	\$ 0.29070	\$ 0.35850	\$ 0.34700	\$ 0.32950	\$ 0.33820	\$ 0.34020
Total Direct & Overlapping Tax Rates	\$ 1.26830	\$ 1.26560	\$ 1.29070	\$ 1.35850	\$ 1.34700	\$ 1.32950	\$ 1.33820	\$ 1.34020
Redevelopment Rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Direct Rate	\$ 0.24648	\$ 0.24740	\$ 0.24883	\$ 0.24875	\$ 0.24871	\$ 0.24924	\$ 0.23904	\$ 0.23904

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property taxes reside in. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of other bonds of overlapping governments.

The RDA was dissolved on February 1, 2012.

The Total Direct rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section.

Information for additional years is unavailable.

Source: HdL

CITY OF HIGHLAND
Principal Property Tax Payers
Current Fiscal Year & Nine Years Ago

	<u>2025</u>		<u>2016</u>	
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Victoria Development Company	31,228,479	0.59%	26,120,265	0.84%
QR LI Highland California Commerce Center	43,288,290	0.81%		
Lowes HIW Inc.			15,959,020	0.51%
CHIPT Highland 210 LP	60,162,033	1.13%		
Greenspot Village & Marketplace LLC			11,472,960	0.37%
Greenspot Ranch Investors			10,450,498	0.33%
RRM Properties Limited	25,989,480	0.49%	13,588,274	0.43%
Cole LA Highland California LP			9,897,205	0.32%
Boulder Baseline Investors			9,818,017	0.31%
Patriot USICVI 5th Street	37,355,902	0.70%		
Miracle Mile Properties LP			16,884,205	0.54%
Highland AL-MC Group			12,826,063	0.41%
ACAA LP			8,865,161	0.28%
San Carlo Apartment Homes LLC	37,152,092	0.70%		
KAGR2 Highland 7000 LP	26,374,140	0.49%		
HVP Associates LLC	31,055,940	0.58%		
Real Journey Properties LLC	26,153,899	0.49%		
RLIF 2024 1031-3 LLC	25,468,992	0.48%		
	<u>\$ 344,229,247</u>	<u>6.45%</u>	<u>\$ 135,881,668</u>	<u>4.35%</u>

The amounts shown above include assessed value (secured & unsecured) data for both the City and the former Redevelopment Agency.

Source: HdL

CITY OF HIGHLAND
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Amount Collected	Percent of Levy	Property Tax Collections in Subsequent Years	Amount Collected	Percent of Levy
2016	\$ 7,625,888	5,943,945	77.94%	61,230	6,005,175	78.75%
2017	\$ 7,988,175	6,241,970	78.14%	59,210	6,301,180	78.88%
2018	\$ 8,381,025	6,520,591	77.80%	41,528	6,562,119	78.30%
2019	\$ 8,853,028	6,546,737	73.95%	266,468	6,813,206	76.96%
2020	\$ 9,383,846	6,975,060	74.33%	39,387	7,014,447	74.75%
2021	\$ 9,765,807	7,337,106	75.13%	47,591	7,384,697	75.62%
2022	\$ 10,253,544	7,689,449	74.99%	45,215	7,734,665	75.43%
2023	\$ 10,980,898	8,148,129	74.20%	41,079	8,189,208	74.58%
2024	\$ 12,119,227	8,746,931	72.17%	49,216	8,796,147	72.58%
2025	\$ 13,016,249	9,024,553	69.33%	46,141	9,070,694	69.69%

The amounts presented include City property taxes (24.4%) of the 1% general levy.

Source: San Bernardino County Auditor Controller's Office and City records.

CITY OF HIGHLAND
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities

Fiscal Year Ended June 30	Former RDA Tax Allocation Bonds	Percentage of Personal Income ¹	Debt Per Capita ¹
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-
2024	-	0.00%	-
2025	-	0.00%	-

¹ These ratios are calculated using personal income and population for the prior calendar year.

Notes: Details regarding the Successor Agency to the Highland Redevelopment Agency's outstanding debt can be found in the notes to the financial statements.

CITY OF HIGHLAND
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Outstanding General Bonded Debt

Fiscal Year Ended June 30	Former RDA Tax Allocation Bonds	Percent of Assessed Value ¹	Per Capita
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-
2024	-	0.00%	-
2025	-	0.00%	-

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Notes: Details regarding the Successor Agency to the Highland Redevelopment Agency's outstanding debt can be found in the notes to the financial statements.

CITY OF HIGHLAND
Overlapping Tax & Assessment Debt
June 30, 2025

2024-2025 Assessed Valuation \$ 5,334,528,141

	Percentage Applicable ¹	Outstanding Debt 6/30/2025	City's Share of Overlapping Debt
<u>Overlapping Tax and Assessment Debt</u>			
San Bernardino Community College District	4.905%	\$ 880,363,439	43,181,827
Redlands Unified School District	11.732%	142,943,512	16,770,133
San Bernardino Unified School District	9.577%	299,021,967	28,637,334
City of Highland CFD 90-1	100.00%	-	-
City of Highland CFD 2001-1	100.00%	1,345,000	1,345,000
Redlands Unified School District CFD 2001-1 and 2006-1	100.00%	15,360,000	15,360,000
East Valley Water CFD No 2021-1 I.A.1	100.00%	5,585,000	5,585,000
Total Overlapping Tax and Assessment Debt			110,879,294
<u>Direct & Overlapping General Fund Obligation Debt</u>			
San Bernardino County General Fund Obligations	1.561%	100,765,000	1,572,942
San Bernardino County Flood Control District COP	1.561%	37,295,000	582,175
Redlands Unified School District COP	11.732%	21,210,000	2,488,357
San Bernardino Unified School District COP	9.577%	149,245,000	14,293,194
City of Highland	100.000%	-	-
Total Direct & Overlapping General Fund Obligation Debt			18,936,668
<u>Overlapping Tax Increment Debt (Successor Agencies)</u>			
Successor Agency to the Highland RDA (SARDA)	100.00%	33,520,000	33,520,000
San Bernardino County (IVDA) Tax Allocation Bonds	0.004%	203,740,000	8,150
Total Overlapping Tax Increment Debt (Successor Agencies)			33,528,150
TOTAL DIRECT DEBT			-
TOTAL OVERLAPPING DEBT			163,344,112
COMBINED TOTAL DEBT		²	163,344,112

1. The percentage of overlapping debt applicable to the city is estimated using taxable assessed property values. 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, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-2024 Assessed Valuation:

Total Overlapping Tax & Assessment Debt	2.08%
Total Direct Debt	0.00%
Combined Total Debt	3.06%

Details regarding the Successor Agency to the Highland Redevelopment Agency's (SARDA) outstanding debt can be found in the notes to the financial statements.

Source: California Municipal Statistics, Inc.

CITY OF HIGHLAND
Legal Debt Margin Information
Last Ten Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assessed Valuation	\$ 5,334,528,141	\$ 4,966,896,306	\$ 4,500,367,999	\$ 4,202,272,194	\$ 4,002,379,791	\$ 3,845,838,565	\$ 3,273,842,286	\$ 3,434,846,405	\$ 3,273,842,286	\$ 3,125,363,744
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 1,333,632,035	\$ 1,241,724,077	\$ 1,125,092,000	\$ 1,050,568,049	\$ 1,000,594,948	\$ 961,459,641	\$ 818,460,572	\$ 858,711,601	\$ 818,460,572	\$ 781,340,936
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	200,044,805	186,258,611	168,763,800	157,585,207	150,089,242	144,218,946	122,769,086	128,806,740	122,769,086	117,201,140
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 200,044,805	\$ 186,258,611	\$ 168,763,800	\$ 157,585,207	\$ 150,089,242	\$ 144,218,946	\$ 122,769,086	\$ 128,806,740	\$ 122,769,086	\$ 117,201,140
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Source: City of Highland
San Bernardino County Tax Assessor

CITY OF HIGHLAND
Pledged-Revenue Coverage
Last Ten Fiscal Years

Tax Allocation Bonds

Fiscal Year Ended June 30	Former RDA Tax Increment	<u>Debt Service</u>		Coverage
		Principal	Interest	
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

Note: Details regarding the SARDA's outstanding debt can be found in the notes to the financial statements. The RDA was dissolved on 2/1/2012.

In January of 2011, the RDA Board approved the re-payment of \$6,021,420 of advances (loans) from the City.

CITY OF HIGHLAND
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capital Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	54,033	1,173,489	21,718	10.6%
2015	53,340	1,121,794	21,031	7.0%
2016	53,645	1,165,867	21,733	5.6%
2017	54,377	1,170,411	21,524	5.0%
2018	54,761	1,215,505	22,196	5.1%
2019	55,778	1,278,521	22,921	4.1%
2020	55,323	1,353,800	24,470	3.8%
2021	55,060	1,471,700	26,729	10.0%
2022	56,546	1,552,565	27,456	7.9%
2023	55,984	1,722,559	30,768	4.1%
2024	55,676	1,884,675	33,850	4.8%
2025	57,088	1,945,762	34,083	5.1%

Sources: (1) State Department of Finance/HdL
(2) Calculated using City of Highland per capital personal income
(3) HdL
(4) HdL

CITY OF HIGHLAND
Full-time City Employees only
by Department
Last Ten Fiscal Years

<u>Full-Time Equivalent Employees as of June 30</u>										
<u>Department</u>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City clerk	2.500	2.500	1.950	1.950	1.950	1.950	1.950	1.950	1.850	1.850
General government	2.150	2.150	3.750	3.750	3.750	3.750	3.850	3.850	3.800	3.800
Personnel	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Finance	4.000	4.000	4.500	4.500	4.500	4.500	4.500	4.475	4.125	4.150
Public works (Gas tax)	4.900	4.900	4.350	4.350	4.350	4.350	4.300	4.300	4.300	4.300
Engineering	2.150	2.150	1.350	1.350	1.350	1.350	0.350	0.350	0.350	0.350
Planning	5.250	5.250	5.050	5.050	5.050	5.050	5.050	5.050	5.150	5.150
Public services	2.800	2.800	3.000	3.000	3.000	3.000	3.000	3.000	2.000	2.000
Building and safety	2.050	2.050	2.050	2.050	2.050	2.050	2.050	2.050	2.050	1.550
Code enforcement	4.050	4.050	2.900	2.900	2.900	2.900	2.900	2.900	1.900	2.400
Parks and trails	1.150	1.150	1.150	1.150	1.150	1.150	1.150	1.150	1.150	1.150
Graffiti	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
CDBG	-	-	1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400
Street/Storm Drain	0.050	0.050	0.050	0.050	0.050	0.050	-	-	-	-
HUD grant	-	-	-	-	-	-	-	-	-	-
Assessment districts	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200
Capital improvements	1.200	1.200	1.150	1.150	1.150	1.150	1.150	1.175	1.175	-
AQMD AB 2766	-	-	-	-	-	-	-	-	-	-
Volunteer Services	0.750	0.750	0.750	0.750	0.750	0.750	-	-	-	-
General capital financing	0.450	0.450	0.250	0.250	0.250	0.250	-	-	-	-
General liability	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350
Building services	1.000	1.000	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Housing authority	0.750	0.750	0.700	0.700	0.700	0.700	0.700	0.700	0.450	0.450
Redevelopment/Successor agency	-	-	-	-	-	-	-	-	0.650	1.800
	<u>38.000</u>	<u>38.000</u>	<u>38.000</u>	<u>38.000</u>	<u>38.000</u>	<u>38.000</u>	<u>36.000</u>	<u>36.000</u>	<u>34.000</u>	<u>34.000</u>

Source: City of Highland.

CITY OF HIGHLAND
Operating Indicators
by Department
Last Ten Fiscal Years

	<u>Fiscal Year</u>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police department:										
Calls for service	38,456	38,763	42,729	42,729	47,283	47,083	46,493	48,187	46,337	48,204
Adult Bookings	1,346	1,446	1,577	1,577	1,377	1,342	1,787	1,344	1,673	1,557
Animal control services:										
Calls for service	2,904	2,969	2,809	2,860	2,488	2,668	3,149	3,076	3,310	3,650
Impounds	1,354	1,666	1,376	1,523	1,170	1,266	1,467	1,453	1,540	1,556
Dog licenses issued	947	947	1,135	1,113	1,205	1,267	1,501	1,627	1,787	1,968
Public works:										
Roadway maintained (miles)	143.60	143.60	143.47	143.47	143.47	143.35	142.67	142.67	142.67	142.67
Planning:										
Applications	104	104	290	115	110	62	95	121	130	139
Building and safety:										
Building permits issued	1,485	1,485	1,789	1,894	1,208	957	1,263	1,336	1,268	1,389
Administration:										
New business licenses	456	456	474	283	503	316	312	343	247	366
Renewed business licenses	3,030	3,030	3,379	2,522	2,971	2,973	2,949	2,499	2,219	1,842
Parks:										
Number of parks	7	7	7	7	7	7	7	7	7	7
Acreage	37.25	37.25	37.25	37.25	37.25	37.25	37.25	37.25	37.25	37.25

CITY OF HIGHLAND
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	<u>Fiscal Year</u>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public works:										
Corporation yards	1	1	1	1	1	1	1	1	1	1
Streets (miles)	143.60	143.60	143.47	143.47	143.47	143.35	142.67	142.67	142.67	142.67
Street lights	3,499	3,499	3,495	3,495	3,495	3,495	3,495	3,495	3,490	3,455
Traffic signals	57	57	57	57	57	57	57	56	55	54

Source: City of Highland

THE CITY OF HIGHLAND MISSION AND VALUES

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of the City of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

This Mission is established to reflect the following beliefs which represent the predominant beliefs of the community. They express what matters most in the conduct of public affairs affecting the citizenry of Highland.

RESPONSIBILITY

Everyone in the community has rights and is responsible for their own actions.

SERVICE

Volunteer service is a valued community resource.

ACCOUNTABILITY

Public resources and finances are to be stewarded carefully and conservatively-we live within our means and will not place huge debts on future generations.

CREATIVITY

Creative solutions are the norm, not the exception.

NEIGHBORHOOD STABILITY

Neighborhood stability and a sense of ownership are to be encouraged and strengthened.

VISION

The community has a vision of the future and how it will get there.

FAMILY

Families are the basic unit of society and the essence of what makes our community. All values should be encouraged at this family level.

Attachment 2
Internal Control Report FY25

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

City Council
City of Highland
Highland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Highland (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, and have issued our report thereon dated November 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Van Lant & Fankhaenel, LLP

November 20, 2025

Attachment 3
Audit Conclusion Letter FY25

November 20, 2025

City Council
City of Highland
Highland, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Highland (City) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 29, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimates for the net pension and total OPEB liabilities are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions to develop these liabilities in determining that the estimated liabilities are reasonable in relation to the financial statements as a whole.

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Murrieta, CA 92563
909.856.6879

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net pension and total OPEB liabilities in Notes 5, 7 and 8 to the financial statements are based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities if different assumptions are used in estimating these liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and other required supplementary information, as listed in the City's financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (e.g., budgetary schedules, combining statements, individual fund statements), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

Van Lant & Frankhamel, LLP

Attachment 4
Appropriations Limit FY25

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Highland
Highland, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of the City of Highland, for the year ended June 30, 2025. These procedures, which were agreed to by the City of Highland and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. This report may not be suitable for any other purpose. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

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

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

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

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

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

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

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

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

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

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

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

Van Lant & Fankhauser, LLP

November 20, 2025

CITY OF HIGHLAND
APPROPRIATIONS LIMIT COMPUTATION
 2024 – 2025

	<u>2024-25</u>
Change in Per Capita Personal Income	3.62%
Population Change	
City Population Growth	0.12%
A. Change in Per Capita Personal Income Converted to a Ratio	1.0362
B. Population Growth Converted to a Ratio	1.0012
Calculation of Growth Factor (A x B)	1.0374
2023 - 2024 Appropriations Limit	<u>\$ 45,115,652</u>
2024 - 2025 Appropriations Limit (45,115,652 x 1.0374)	<u>\$ 46,802,639</u>

Attachment 5
Auditors' Presentation

City of Highland

Annual Comprehensive Financial
Report

2024-25 Fiscal Year



Status of the Audit

- Audit fieldwork has been completed
- Reports are in draft form
- Issuance of final reports on schedule for early December





Various Reports Issued

Opinion on Financial
Statements

Internal Control/Compliance
Report and Single Audit

Letter to the Finance
Committee

Appropriations Limit Report

Opinion on Financial Statements

- Management's Financial Statements
- Auditor's Responsibilities
 - Express opinion
 - Reasonable assurance
 - Conduct audit in accordance with applicable standards; obtain evidence
 - Procedures involve auditor judgment
 - Risk assessment

Opinion on Financial Statements - Continued

- Unmodified (clean) Opinion
- Required Supplementary Information
 - MD&A Budgetary schedule, Pension and OPEB schedules
 - Limited audit procedures – no opinion expressed
- Other Supplementary Information
- No new accounting pronouncements required to be implemented this year

Financial Statement Key Figures

- Governmental Accounting Standards Board (GASB) Statement No. 68 (Pensions)
 - City has a Net Pension Liability of \$6,230,264, a decrease of \$120,700 compared to prior year
- Revenues exceeded expenditures in the General Fund by \$10.4 Million (before transfers)
- Unrestricted Fund Balance in General Fund (assigned and unassigned) is approximately 141% of FY 2024-25 expenditures (16+ months reserves).
 - GFOA best practices recommends a minimum of 2 months operating reserves

Financial Statement Key Figures

- General Fund Budget
 - Revenues exceeded budgeted revenues by \$1.49 million
 - Expenditures under budgeted expenditures by \$7.04 million
 - Expenditures under budget by a large margin mainly due to the use of one-time revenues (ARPA)



Report on Internal Controls and Compliance and Single Audit

- Internal control over financial reporting
- Consider internal control to determine what audit procedures to perform
- Not to express an opinion
- Compliance testing – no opinion
 - Test for noncompliance that could be have a material impact on the financial statements
- Opinion on compliance with federal grant awards

Letter to Board of Directors

- Required Communication from auditors directly to “those charged with governance” – Finance Committee and City Council
- Estimates
- Sensitive Disclosures
- Difficulties or Disagreements
- Other Audit Findings or Issues

Appropriations Limit Report

- Required by Article XIII B of the California Constitution
- Specific procedures to test the calculation for the fiscal year ended June 30, 2025
 - Agreed-Upon Procedures Report
 - No exceptions to the City's calculation
- Spending Limit from proceeds of taxes
 - City is well below the appropriations limit



Thank you

- Thank you to City staff, including Tish and Michelle for their efficiency and assistance throughout the audit!



Questions?



Staff Report

to the City Council

**Agenda
Item
No.13.**

Date: December 9, 2025

From: Carlos Zamano, City Manager

Reviewed By: Octavio Duran, Public Works Director/City Engineer

Prepared By: Chastity Scott , Engineering Technician I

Subject: Notice of Completion: Bid No. 2024-07, "9th Street Transit Stops, Sidewalk and Bikeway Improvements Project" (Project No. swk19001)

Recommendation:

1. Accept Bid No.2024-07, "9th Street Transit Stops, Sidewalk and Bikeway Improvements Project" (Project No. swk19001) as complete;
2. Authorize the Mayor to sign the Notice of Completion; and
3. Direct the City Clerk to file the Notice of Completion.

Fiscal Impact:

The original construction contract to Gentry General Engineering, Inc was \$744,131.00. The final contract amount is \$712,944.92, with a \$31,186.08 (4.2%) savings. This project was funded with San Bernardino County Transportation Authority (SBCTA) Transportation Development Act (TDA) Article 3 Grant Funds \$356,472.46 (50%) and Measure I Pass Thru Funds \$356,472.46 (50%).

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

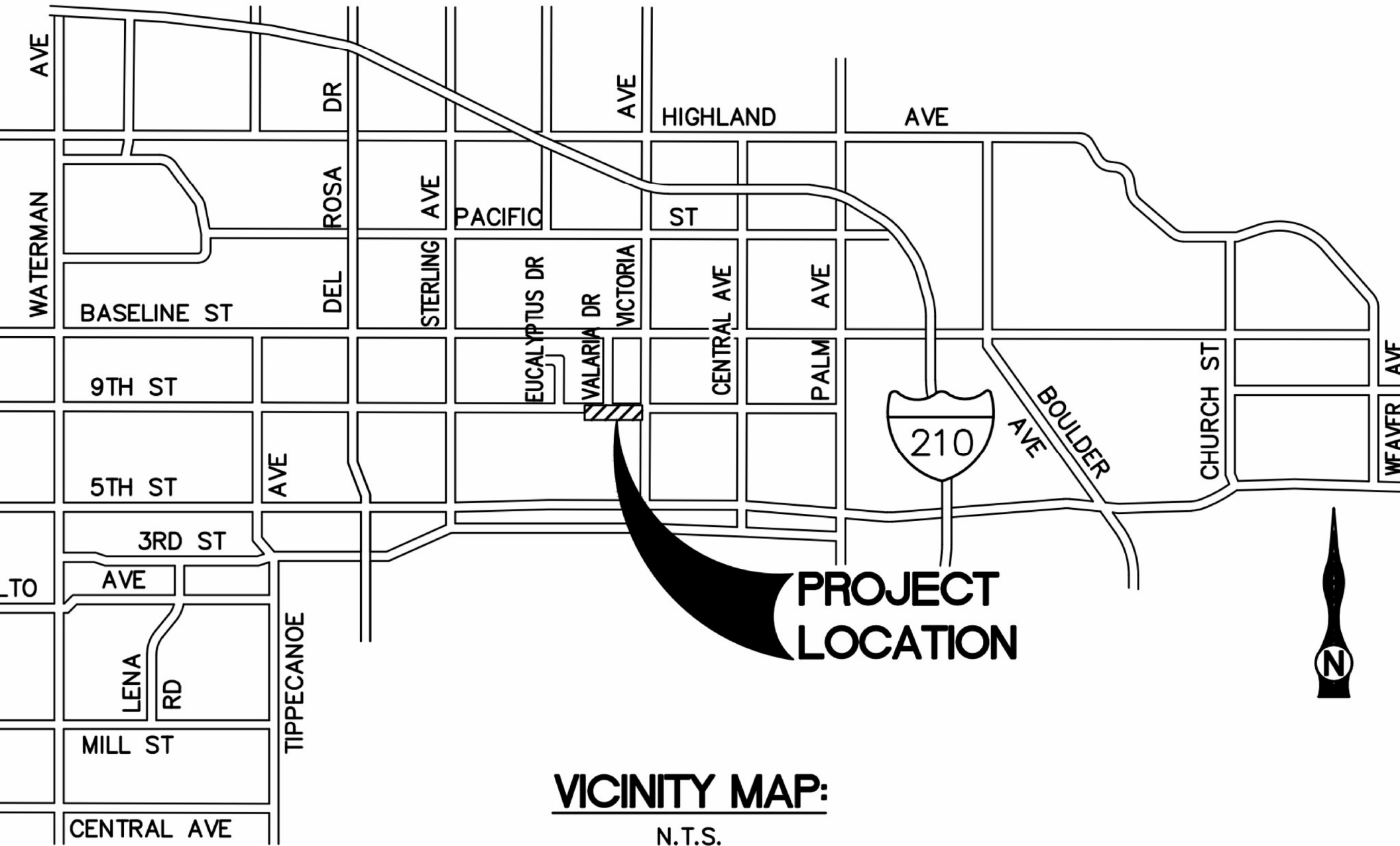
Background:

The Project completed approximately 1/4 mile of bikeways and sidewalk on the south side of 9th Street between Eucalyptus Drive and Victoria Avenue to complete a gap in the pedestrian and bicycle network. The scope included roadway widening, construction of new pavement, curb and gutter, sidewalk, drive approaches, striping and signage.

Attachments:

1. Project Map Location
2. Notice of Completion

Attachment 1



Attachment 2

RECORDING REQUESTED BY &
WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF HIGHLAND
27215 BASE LINE
HIGHLAND, CA 92346

No APN

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is owner or agent of the owner of the interest or estate stated below in the property hereinafter described.
2. The full name of the owner is City of Highland.
3. The full address of the owner is 27215 Base Line, Highland, CA 92346.
4. All work of improvement on the property hereinafter described was substantially completed on or before October 10, 2025.
5. The work of improvement completed is described as follows: Project No. SWK19001, "9th Street Transit Stops, Sidewalk and Bikeway Improvements Project" (Bid No. 2024-07).
6. The name of the original contractor for such work of improvement is Gentry General Engineering Inc.
7. The property on which said work of improvement is located at 9th Street between Eucalyptus Drive and Victoria Avenue in the City of Highland.

Date and Place

Penny Lilburn
Mayor, City of Highland

I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the Mayor of the aforesaid interest or estate in the property described in the above notice; that I have read the said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

Date and Place

Penny Lilburn
Mayor, City of Highland



Staff Report

to the City Council

**Agenda
Item
No.14.**

Date: December 9, 2025

From: Carlos Zamano, City Manager

Reviewed By: Maricela Marroquin, City Attorney

Prepared By: Lawrence Mainez, Community Development Director

Subject: Amendment to (1) an Agreement between the San Bernardino County Flood Control District and the City Pertaining to the Purchase and Sale of 8.61 Acres of Vacant San Bernardino County Flood Control District Property Located Generally North of Greenspot Road and East of the SR 210 Freeway to Effectuate a 12-month Escrow Extension, and (2) an Agreement between the City and TREH Partners XV, LLC to Effectuate a 12-Month Escrow Extension as to the Same Property

Recommendation:

Authorize the City Manager to execute the necessary agreements and escrow documents to effectuate the subject escrow extension, including an amendment to the First Amended and Restated Purchase and Sales Agreement and Joint Escrow Instructions between the City and the San Bernardino County Flood Control District, and the Purchase and Sale Agreement between the City and TREH Partners XV, LLC, once the agreements are approved as to form by the City Attorney.

Fiscal Impact:

All costs related to the purchase of the subject San Bernardino County Flood Control District ("District") property, including due diligence, escrow closing costs, and CEQA costs (inclusive of mitigation related costs) will be paid by TREH Partners XV, LLC ("TREH Partners") as required under a separate Purchase and Sales Agreement between the City of Highland and TREH Partners. More recently, the District requested an "escrow extension fee" in the amount of \$50,000.00, which will also be paid by TREH Partners directly to the District. The subject action is intended to extend the escrow closing date by twelve (12) months, and all provisions related to the Purchase and Sales Agreement and Habitat Mitigation Reimbursement Agreement remain the same. Since all costs will be paid by TREH Partners, there is no impact on the City's General Fund. Only nominal administrative City costs related to the review and approval of the amendments to the agreements to effectuate the subject escrow extension are anticipated.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

This twelve (12) month escrow extension request relates to a 8.6 acre parcel located in the City of Highland ("subject property") (See Attachment 1 - Property Location Exhibit) owned by the District. On January 17, 2018, the City and the District entered into a Purchase and Sale Agreement (PSA) and Joint Escrow Instructions that was further amended by the "First Amended and Restated Purchase Agreement" entered into on January 28, 2020 whereby the City agreed to purchase the subject property from the District. Concurrently, the City and the District entered into a Habitat Mitigation Reimbursement Agreement whereby the City agreed to perform certain mitigation work, with the District agreeing to reimburse the City if the work was completed by a certain date. The City also entered into a purchase and sale agreement with TREH Partners, whereby the City agreed to sell the subject property to TREH Partners through a double escrow. The parties approved extending the closing date of the double escrow through January 27, 2026.

On October 14, 2025, the City Council took action to authorize the City Manager to execute the necessary escrow documents to effectuate a 12-month escrow extension through January 27, 2027. However, since that action, the District has requested an "escrow extension fee" in the amount of \$50,000.00 (as noted in the Fiscal Impact Section above). In addition, one of the responsible work items required of the District includes the removal of rock berms on the subject property. The timing for removal of the rock berm will be included in the necessary amendment documents as well.

Reason for Escrow Extension Request:

TREH Partners is purchasing the subject property from the City of Highland through a double escrow process with the District. TREH Partners has made significant progress with both the California Department of Fish and Wildlife Department (CDFW) and the US Fish and Wildlife Service (USFWS) on the finalizing the mitigation required by the Purchase and Sales Agreement with the City. TREH Partners has agreed to the Incidental Take Permit with CDFW and in May 2025 they purchased the parcel being conserved as the requirement for the Take Permit. Although TREH Partners has agreed in concept with the USFWS Palm Springs Office, the agency has been slow in processing the Habitat Conservation Plan (HCP). TREH Partners has made significant progress meeting its obligations under the Purchase and Sales Agreement, but still needs additional time to complete the associated USFWS Take Permit documents. In addition, the City and TREH Partners learned earlier in September that although a Cultural Resource Assessment was completed for the associated Greenspot Village and Marketplace Specific Plan Environmental Impact Report it is no longer acceptable to the USFWS due to it being 13 years old (the typical shelf life is 10 years). The City and TREH Partners were advised it will take 90 to 120 days for the USFWS to do the research and draft an updated Cultural Resource Assessment, and there is only one person assigned to the California area that does those types of reports/assessments. A Tribal Consultation will also now be required. Finally, the USFWS has significantly reduced its staffing, and the US Government shutdown during the month of October has significantly added to the slowdown in processing the HCP.

Based on the facts outlined above, staff is requesting the City Council again authorize the City Manager to execute the necessary agreements to effectuate the subject escrow extension for an additional twelve (12) months, which includes the \$50,000 escrow payment (which will be paid by TREH Partners to the District) and the changes to extend the timeline for performance by the parties. This action will involve the City Manager approving the necessary amendment documents between the two parties; one between the San Bernardino County Flood Control District and the City of Highland, and one between TREH Partners and the City of Highland.

Once executed, the amendments will be submitted to escrow to extend the closing date to January 27, 2027.

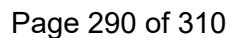
Attachments:

1. Property Location Exhibit

ATTACHMENT - 1

Property Location Exhibit







Staff Report

to the City Council

**Agenda
Item
No.15.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Octavio Duran, Public Works Director/City Engineer
Prepared By: Jim Richardson, Public Works Manager
Subject: 2025-06 Highland City Hall Fence and Gates Contract Amendment

Recommendation:

1. Approve a contract amendment to the 2025-06 "Highland City Hall Fence and Gates Project" construction contract with Golden West Fence in the amount of \$118,731 to provide additional fence and gate work at City Hall, Highland Police Department, and Lillian Lane at Hibiscus Street;
2. Authorize the City Manager to approve additional contract amendments up to 10% of the revised contract amount of \$312,355 (\$193,624+\$118,731);
3. Approve a budget adjustment of \$73,538 from 023-2505 Unreserved Designated Public Improvement account to 023-3890-6030 for the portion of work at the Highland Police Station: and
4. Approve a budget adjustment of \$45,193 from the Unreserved/Undesignated Development Impact Fee (DIF) fund balance (Acct # 007.2100) to be expended from Facility Construction (Acct # 007-8330-6803) for City Hall and Lillian Lane at Hibiscus Street work.

Fiscal Impact:

The requested amendment in the amount of \$118,731 is proposed to be expensed from the Development Impact Fee Public Improvements and Facility Construction Accounts.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

On October 14, 2025, the City Council awarded a contract to the lowest responsive bidder, Golden West Fence, in the amount of \$193,624 to install a 7' high perimeter fence and gates around the rear of City Hall. This is a High Priority item in the 2025/2026 Work Program. This project will enhance security for both personnel and property and allow for safer and more convenient parking for City vehicles.

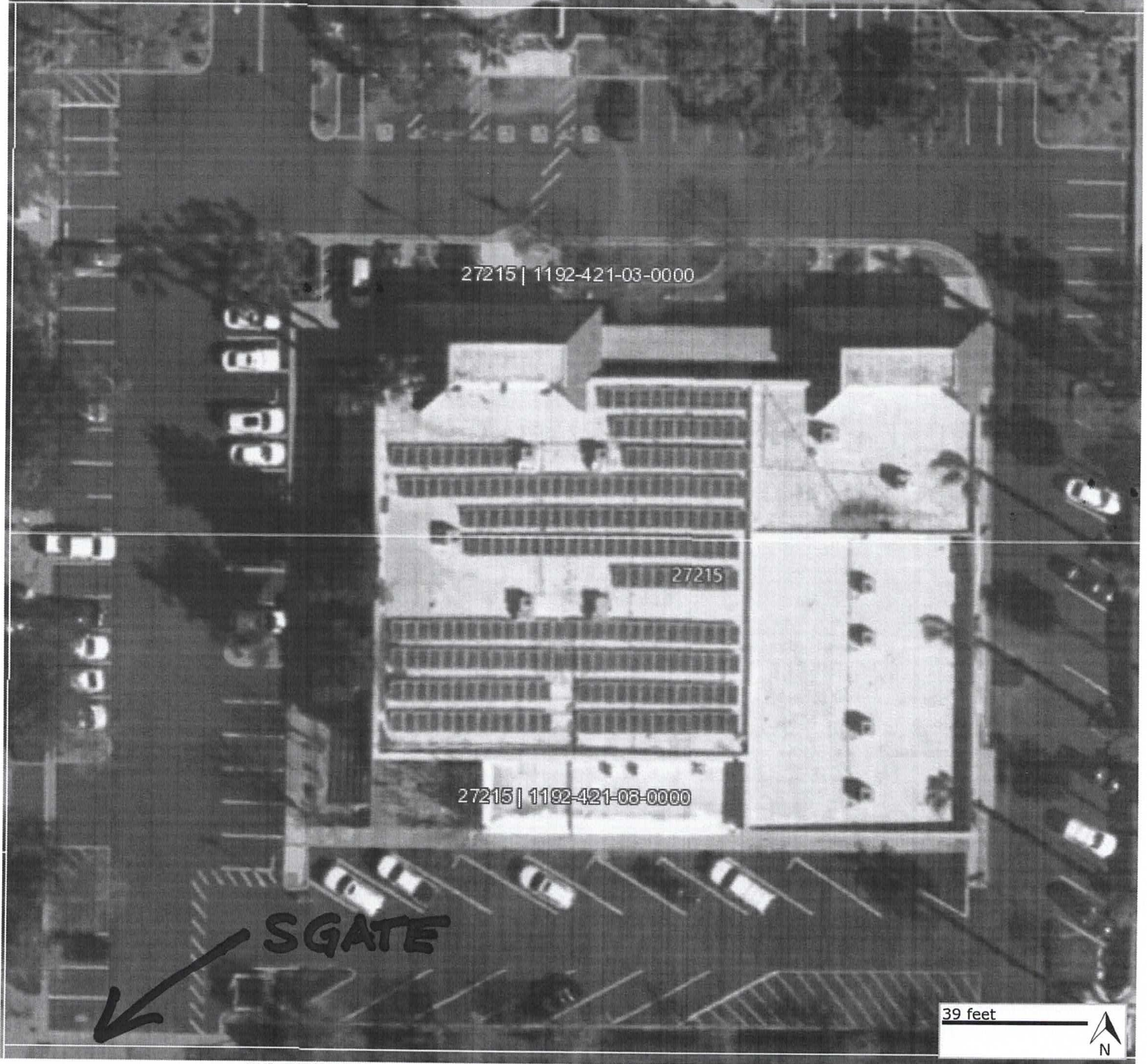
City staff recently determined it would be beneficial to amend the current contract with Golden West Fence to add the following three (3) items:

1. Revise the number of vehicle access gates from 3 to 4 at City Hall due to an inadvertent omission in the original contract. The addition of the access gate is an increase of \$16,280.
2. On September 18, 2025, staff presented the Public Safety Subcommittee with a recommendation to close the road along the east side of Community Park on Lillian Lane at Hibiscus Street to address illegal parking, drug use, and restricted access for police enforcement due to the narrow road. The Subcommittee reviewed and recommended Lillian Lane be closed off to pedestrians and vehicle access, contingent upon using materials matching the style and height of the existing fence around Community Park, adding a gate with a Knox Box for emergency access. The estimated price for this work is \$28,913.
3. The Highland Police Department gates as constructed are automatic electronically operated swing gates. These gates have loop detectors that are embedded into the asphalt that are designed to pick up vehicles approaching the gates to exit the facility. During an emergency call, multiple vehicles frequently exist the facility at high speeds, which can render the loops inaccurate, allowing the gates to begin closing while additional vehicles are in the process of exiting. This has resulted in damage to police vehicles. Efforts to mitigate the issue with available technology have not proven effective. Police staff have other facilities with automatic rolling gate configurations that allow approaching officers to visually notice the gate movement and do not have any of the problems associated with the swing gates. This item is to replace the existing swing gates with a rolling gate to address the issue. The estimated price for this work will be \$73,538, which includes \$38,959 for the north gate and \$34,579 for the east gate.

Attachments:

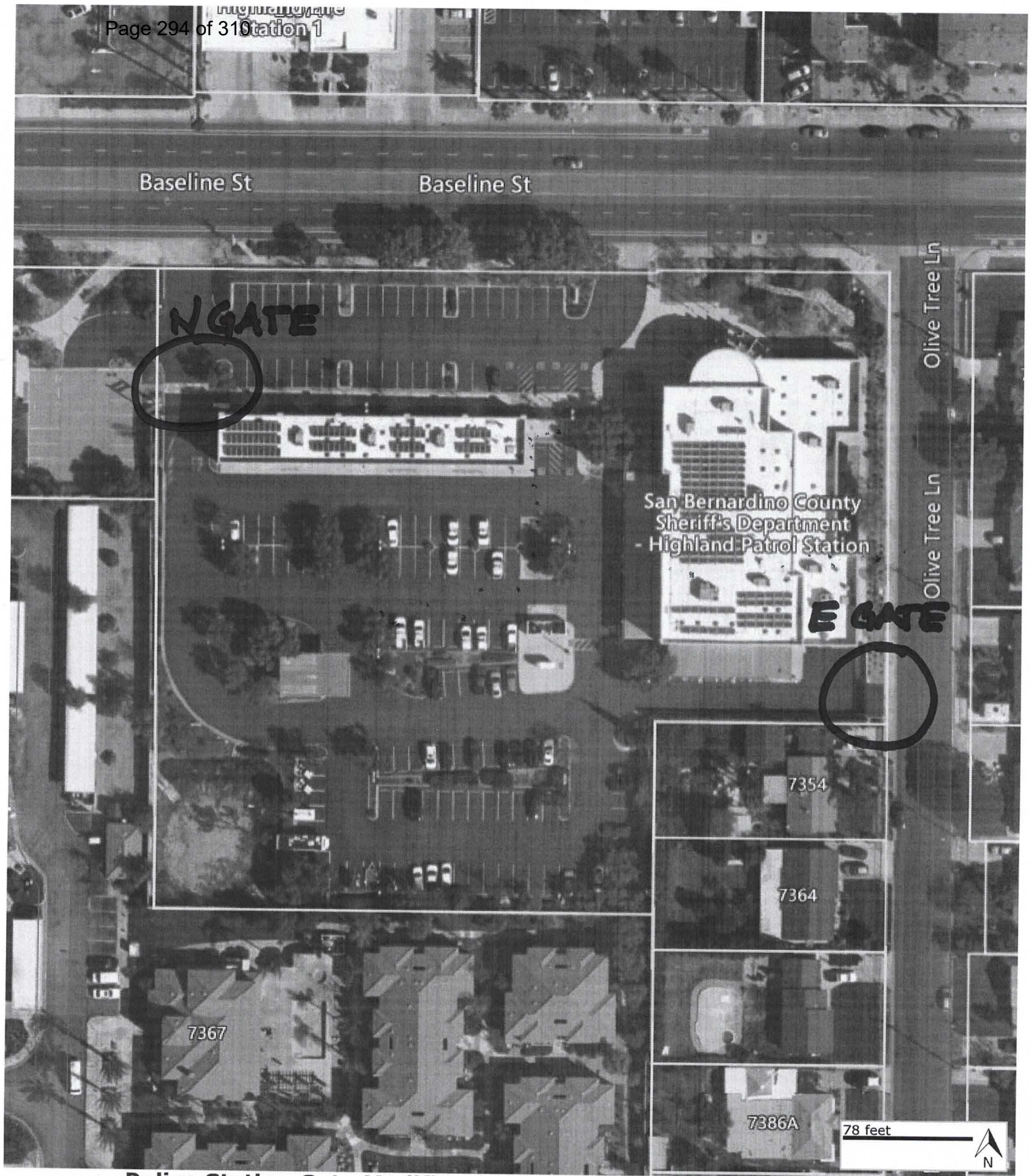
1. Highland City Hall Fence and Gates Contract Amendment Site Maps

Baseline St



Highland City Hall Fence and Gates Project Site





Police Station Gate Modification Project (North and East Gates)



Lillian

Hibiscus St

Lillian Ln

proposed work

39 feet



Fence and Gate Closure at Lillian/Hibiscus





Staff Report

to the City Council

**Agenda
Item
No.16.**

Date: December 9, 2025

From: Carlos Zamano, City Manager

Reviewed By: Octavio Duran, Public Works Director/City Engineer

Prepared By: Octavio Duran, Public Works Director/City Engineer

Subject: Second Contract Amendment to the Professional Services Agreement with HDR Engineering, Inc. for the Victoria Avenue Drainage and Street Improvements Project (Project No. str17002)

Recommendation:

1. Approve the second contract amendment to the Professional Services Agreement with HDR Engineering, Inc. to provide additional engineering and right-of-way services for the Victoria Avenue Drainage and Street Improvements Project in the amount of \$272,924; and
2. Authorize the City Manager to approve additional contract amendments up to 10% of the revised contract amount of \$901,919.

Fiscal Impact:

This project is included in the City's adopted Capital Improvement Program (CIP) and has sufficient funding to cover the cost of this contract amendment.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Project No. str17002 includes the improvement of Victoria Avenue between Highland Avenue and 3rd Street within the cities of Highland and San Bernardino. The portion of the project between Highland Avenue and 9th Street was completed in 2019 and since then the primary focus has been the section of roadway between 9th Street and 3rd Street. The Project has four major components:

- Drainage Improvements – Victoria Avenue (3rd Street to 9th Street)
- Intersection Improvements – Victoria Avenue/5th Street intersection
- Street Improvements – Victoria Avenue (3rd Street to 6th Street)
- Pavement Rehabilitation – Victoria Avenue (3rd Street to 9th Street)

On October 10, 2017, the City Council approved a Professional Services Agreement with HDR Engineering Inc. (HDR) in the amount of \$371,696 to provide engineering services for the Victoria Avenue Drainage and Street Improvements Project (Project No. str17002). In 2022, the City was awarded a \$2 million federal grant for this project under the Cycle 1 Community Project Funded Congressional Directed Spending (CPFCDs) Program. To comply with federal procedures for acquisition of the needed rights-of-way, on February 14, 2023, the City Council approved an amendment to the HDR contract for additional engineering and right-of-way services in the amount of \$257,299, increasing the total contract amount to \$628,995.

HDR has been in close coordination with project stakeholders including IVDA, Caltrans, City of San Bernardino and utility companies, and most recently encountered some challenges that have significantly increased the estimated project construction cost. IVDA has expressed concerns that structural damage to its City Creek Channel, which is located west of Victoria Avenue along the south side of 3rd Street, could potentially be caused by the 100-year storm flows discharged into the Channel from the City's proposed master-planned Victoria Avenue Storm Drain. IVDA proposed that the City reconstruct a large section of the existing channel downstream from the outlet of the proposed storm drain in order to allow a tie in. This proposal would increase the project's construction costs by approximately \$6 million. In addition to the increase in scope, continued escalation in the construction market has caused a significant increase in project construction costs by 1.5 times between 2019 and 2025. Advertising the project as originally planned and accounting for IVDA's required improvements would cost an estimated \$20 million, making the project infeasible.

In order to maintain the viability of the project, City staff has requested HDR to redesign the storm drain to serve as an interim facility having a smaller size and a shorter extent, capturing a much reduced amount of storm flows that would not trigger the need to construct a large section of City Creek Channel. While reducing the scope of the project to capture a smaller amount of stormwater flows, the project will still provide drainage improvements and allow for the delivery of the remaining street improvements that include roadway widening, pavement rehabilitation, signal improvements and pedestrian improvements. The proposed reduction in the scope and extent of drainage improvements is anticipated to result in a much lower project construction cost of \$7.8 million (2025).

In addition to the re-design request, City staff has requested HDR to expand its scope of work to include the tasks below that were not a part of the original contract or the first contract amendment. Some of these tasks were originally intended to be completed by in-house staff to reduce costs. However, it would be more efficient for the consultant to complete them due to their expertise and due to limited staff resources.

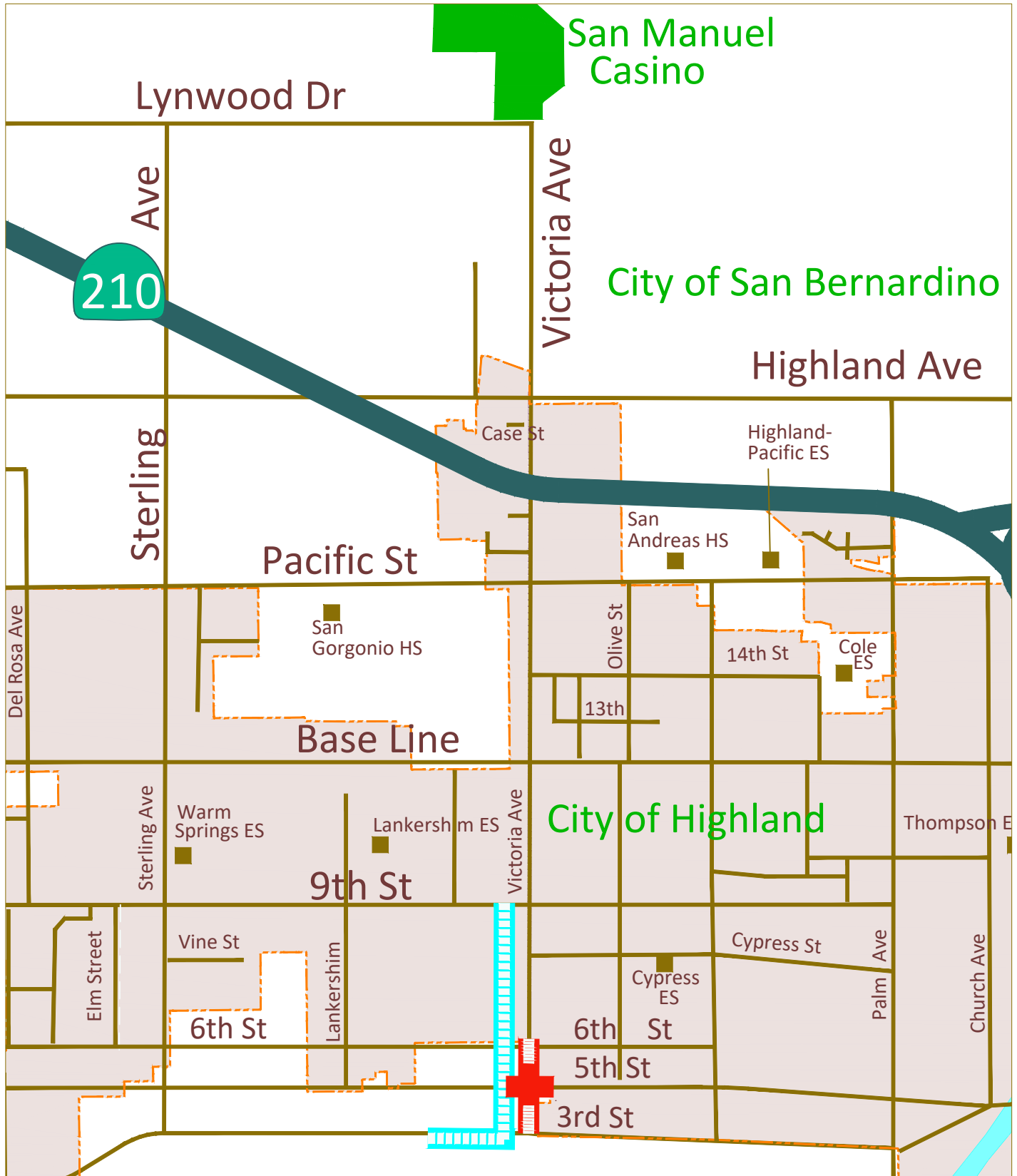
- Design pavement rehabilitation for Victoria Avenue from 6th Street to 9th Street.
- Design signal interconnect conduits for Victoria Avenue from 3rd Street to 9th Street to accommodate future installation of interconnect wiring.
- Prepare new appraisals and update existing appraisals for acquisition of all needed permanent drainage easements and roadway rights-of-way, and temporary construction easements.
- Provide all necessary services to secure Caltrans' approval of project Right-of-Way Certification and Utility Certification.
- This proposed contract amendment will enable 100% completion of all engineering design and right-of-way works to be performed by HDR.

For reasons described in the HDR fee proposal letter attached and as summarized above, additional engineering and right-of-way services are needed to complete project design and rights-of-way acquisition. The proposed second contract amendment will increase the final contract amount by \$272,924 to a total of \$901,919. Staff negotiated the fee and determined the costs are reasonable for the scope. These services are critical to the project and clearing the environmental phase will allow for the City to request the obligation of the federal grant funds. Construction of the project is estimated to begin in Fall 2026 and will be funded through various sources including General Capital Financing, a Federal Earmark Grant, City of San Bernardino, and a Community Credit Fund grant from the Yuhaaviatam of San Manuel Nation.

Attachments:

1. Victoria Avenue Vicinity Map
2. HDR Cost Proposal

Attachment 1



LEGEND

- Drainage Improvements
- Intersection Improvements
- - - - - Street Improvements

COMMUNITY CREDIT FUND Cities of Highland & San Bernardino Victoria Avenue Improvements

March, 2019

Attachment 2



November 24, 2025

Mr. Octavio Duran Jr., PE
Public Works Director/City Engineer
City of Highland
27215 Baseline Street
Highland, CA 92346

Subject: Amendment Request to Provide Additional Engineering and Right-of-Way Professional Services.

Reference: City Project No. str07002 – Victoria Avenue – 3rd Street to 9th Street

Mr. Duran,

HDR Engineering, Inc. (HDR) is pleased to continue providing professional services to the City of Highland for Victoria Avenue from 3rd Street to 9th Street project (Project). Several changes and requests have occurred that resulted in additional work by the HDR team that was not accounted for in our contract.

To secure the federal funding for Right-of-Way (ROW) acquisition that the City applied for will require Caltrans to certify the Project ROW and Utilities. To do so the City must certify that all Uniform Act requirements have been met. The certification requires ROW work including, but limited to plans, utility relocations, appraisals, and payments for real property if needed. At your request HDR will assist in achieving this goal by providing utility coordination services and ROW needs for the Project to receive Federal Aid for ROW acquisition. Our scope for this effort is provided in Task 1 below.

Through the Project progression it was discovered that there were discrepancies in land use values for the initial hydrology and hydraulics analysis performed in 2019, and the City's General Plan. In addition, parcels that were vacant when the initial analysis was performed are now developed. Another item is that the tributary drainage areas increased. These combined to trigger the need for an updated Project Hydrology and Hydraulics analysis and report.

As directed by the City HDR performed new hydrology and hydraulic calculations and prepared an updated Hydrology Report. The team provided additional coordination services for the City to address the IVDA comment coordinate letter dealing with the comparison to the future overall City Creek By-Pass Channel Improvements Report.

This additional hydrology study and hydraulic design work required for additional drainage areas identified, recent land use modifications and coordination with IVDA for the Project that will include additional design for an interim reduced storm drain system. Our scope of work for these efforts is provided in Task 2 below.

This interim storm drain system that connects to the City Creek bypass channel will become a part of the Project. A future project will install the ultimate storm drain system to meet the demands of City's General Plan land uses. As directed by the City, HDR prepared the interim storm drain plans, specification and estimates which will be included in the Project's construction package. Our scope of work for these efforts is provided in Task 3.

Additional Right-of-Way is required to accommodate the changes brought on by the revised drainage system. Updated appraisals along with title reports, offer packages, documentation, coordination and closeout are included in Task 4.

The Project roadway limits have also been extended to accommodate pavement rehabilitation from 6th Street to 9th Street at the City's request. Signing, Striping, and Pavement Markings plans are also required. Our scope of work for these efforts is provided in Task 5.

The City requested that traffic signal interconnect conduit, pullboxes, and pull rope plans be prepared as a part of the project from 3rd Street to 9th Street. Our scope of work for these efforts is provided in Task 5.

HDR has not received a billable rate adjustment since 2023. The attached Detailed Labor and Fee Breakdown includes rate increases that better align with our current billing rates.

SCOPE OF SERVICES

TASK 1 – Utilities

Utility Coordination Services Project Management:

Provide Utility Coordination services in accordance with Caltrans Local Assistance Procedures Manual (LAPM) requirements. Work with impacted utility owners to assess the project's impact on their facilities and assist with determination of liability for utility relocations. Collaborate with the City to review project assignments and establish clear lines of communication, procedures, and protocols to keep the team on track to reach goals.

Utility Liability Claim:

Utility Verification Letters (UVL) will be prepared and issued requesting the utility owner confirm the accuracy of their utility facilities depicted on the preliminary utility plans and owners will provide primary and secondary contacts for their agency. This amendment assumes a 30-working day response to the UVL from the respective utility owners per Caltrans requirements. HDR will plot the response into the revised utility plans. Perform QA/QC of the updated utility plans based on the utility owner responses will be performed.

Deliverables: Utility Verification Letters
Preliminary Utility Plans

Utility Coordination and Utility Plans:

HDR will collect the Utility Relocation Plans from each utility owner for review and approval. Once the final Utility Relocation Plans have been agreed to the Notice to Owner (NTO) will be prepared, approved and issued to the utility owners in franchise. If utility relocations cannot be completed prior to construction, then utility owners' relocation work will need to be coordinated with the project staging plan and performed concurrently with construction. It is the responsibility of the utility owner to obtain all Local Public Agency (LPA) permits necessary for any relocation.

Deliverables: Utility Relocation Plans (sourced from utility owners)
 DRAFT Notice to Owners (NTO)
 FINAL NTOs
 Utility Resident Engineer (RE) files

Caltrans Utility Certification:

All federally funded projects require Caltrans Right of Way Certification. The HDR team is prepared to obtain utility certification documenting that all utility coordination activities were conducted in accordance with Caltrans requirements. HDR will prepare the utility Liability Package on behalf of the City that will include the Report of Investigation form and compilation of the necessary backup documents. HDR will evaluate utility submittals for correctness and consistency prior to Caltrans review and approval as part of the project certification process.

Deliverables: Caltrans Utility Certification Liability Package

TASK 2 – Additional Hydrology and Hydraulic Services

As directed by the City, HDR performed new hydrology and hydraulic calculations and prepared an updated Hydrology Report due to additional drainage areas added to the Project and new developments construction that have occurred since the report was originally prepared in 2019. Updates to the hydrology report were also needed to change the land use values for specific properties to match the City General Plan. HDR performed additional coordination services for the City to address the IVDA comment coordinate letter dealing with the comparison to the future overall City Creek By-Pass Channel Improvements Report.

Deliverables: Updated Hydrology and Hydraulic Report

TASK 3 – Interim Victoria Ave Drainage System Design

As directed by the City, HDR shall prepare interim storm drain design plans along Victoria Ave that accommodate an interim reduced capacity storm drain system that will be upgraded in the future to provide the necessary capacity of the tributary area. It is understood that the proposed storm drain improvements will be undersized based on current hydrology study and

they are not intended to meet the ultimate hydrology requirements. The work required to complete this task will include:

- Prepare plans, specifications and estimates for the interim storm drain system.
- Prepare design details for the connection to the existing City Creek Bypass Channel
- Update the existing roadway plans on Victoria Avenue from 3rd Street to 6th Street due to new storm drain alignment.
- Updated current cost estimate and specifications to accommodate this new Project work.

Deliverables:

- Final Interim Storm Drain Plans
- Revised Cost Estimate for Interim Storm Drain
- Revised Project Specifications for Interim Storm Drain

Task 4 – Right of Way

Update Appraisals for 7 Larger Parcels

Appraisals for each (7) of impacted properties will require an updated appraisal. Accordingly, updated appraisals to include permanent and temporary easements – including drainage easements will be prepared and “desk” reviewed. In compliance with Federal Regulations, formal review appraisals will be prepared.

Assumptions:

It is presumed that the appraisals will be addressed as “strip takings”. Meaning, the real estate interest to be acquired is not viewed as significant and will not necessitate a before and after analysis of the larger parcel that includes the quantification of severance damages. If the acquisition area(s) are not strip takes, then a more comprehensive appraisal report would need to be prepared and is not included in our fee estimate.

Deliverables:

Updated Narrative Property Appraisals and Review Appraisals

Property Rights Negotiations/Acquisition

Permanent and temporary property rights will be acquired to support the project. Said appraised property rights will be identified and appropriately defined in salient documents consisting of Offers to Purchase, Appraisal Summary Statements, Just Compensation Memorandums, Purchase and Sale Agreements. Escrows will be opened and monitored closely to transaction closing.

Assumptions:

Project (City) will approve Just Compensation recommendations and authorize Offers to Purchase to be tendered.

Deliverables:

Property rights control by either a recorded deed, possession and use agreement, purchase, and sale agreement with right of entry clause. In some instances, an offer to dedicate/donate may be obtained.

Right of Way Certification – Caltrans District 8

Caltrans District 8 provides oversight to this project as federal funds are involved. Accordingly, close coordination will be required. Caltrans has instituted a “lock step” iterative process as it pertains to Right of Way Certification preparation, review, and approval.

Deliverables:

Preparation of a Right of Way Certification package that includes a Utility Relocation section that is in compliance with regulations. Approval of Certification will enable the project to be advertised and awarded for construction.

TASK 5 – Victoria Ave Pavement Rehab Design Plans, Signing, Striping and Pavement Marking Plans (6th Street to 9th Street), and Traffic Signal Interconnect Plans (3rd Street to 9th Street)

The City decided to extend the limits of the Project roadway plans on Victoria Ave from 6th St to 9th St to accommodate pavement rehab construction activities. This pavement rehab includes grind and overlays of existing AC pavement. HDR will prepare 100% pavement rehabilitation, signing, striping and pavement marking, and traffic signal interconnect plans, specifications, and estimate (PS&E) for the bid package. The work expected to be completed with this task includes:

- Prepare additional roadway pavement improvement plans from 6th Street to 9th St.
- Updated current cost estimate and specifications to accommodate this additional scope of work.

Assumptions:

- No additional survey will be required for this work.
- No field walk with City staff will be performed
- No potholing of existing utilities will be performed.
- No additional roadway widening/profiling, curb, gutter, sidewalk, pedestrian ramps, streetlights, traffic signals are included in this scope.
- No additional right of way will be required for this additional scope of work.
- No subsurface investigation or testing is included in this scope.
- Signal interconnect plans will include conduit, pullboxes and pull rope only

Deliverables:

- 90% Plan set

- 100% approved for construction Plans.
- Revised Cost Estimate
- Revised Project Specifications

HDR's fee to provide these services is \$272,924. We appreciate the opportunity to continue supporting the City on this important project. Please see the attached proposal for the fee breakdown.

If you have any questions, please call Scott Bacsikin (714) 345-4609

Respectfully,
HDR Engineering, Inc.



Thomas T. Kim, P.E.
Principal-in-Charge
Senior Vice President



R. Scott Bacsikin, P.E.
Project Manager
Vice President

Copy to: Mr. Ernie Wong

HDR Team - Detailed Labor and Fee Breakdown
3rd and 5th Street - Victoria Avenue Storm Drain and Roadway Improvements 10/30/2025



		Project Manager	Sr. Project Design Engineer	Senior Engineer/Specs	CADD	QA/QC	Clerical Administration	TOTAL HOURS HDR	TOTAL FEE HDR	Paragon	Epic	TOTAL PROJECT FEE
Burdened Hourly Rate		\$305	\$285	\$295	\$212	\$300	\$145					
Task 1 Utilities												
	Utility Coordination Services Project Management	2					16	18	\$2,930		\$4,164	\$7,094
	Utility Liability Claim Letters	2					8	10	\$1,770		\$2,395	\$4,165
	Utility Coordination and Utility Plans		4					4	\$1,140		\$3,246	\$4,386
	Caltrans Utility Certification	4						4	\$1,220		\$21,977	\$23,197
	Utility Coordination Meetings (5 total)	6	5					11	\$3,255	\$1,500	\$1,200	\$5,955
Labor Sub Total									\$10,315	\$1,500	\$32,982	\$44,797
Task 2 Additional Hydrology and Hydraulic Services												
	Perform new hydrology and hydraulic calculations	8	20			4		32	\$9,340			\$9,340
	Coordination with IVDA on City Creek Bypass Channel	8	16					24	\$7,000			\$7,000
	Update Hydrology Report and Hydraulics Report	16	42			4	4	66	\$18,630			\$18,630
Labor Sub Total									\$34,970	\$0	\$0	\$34,970
Task 3 Interim Victoria Ave Drainage System Design												
	Revise drainage plans for interim storm drain system	12	100			24		136	\$39,360			\$39,360
	Update specifications for interim storm drain system	4	4	16		4		28	\$8,280			\$8,280
	Update Engineer's estimate for interim storm drain system	2	16			8		26	\$7,570			\$7,570
	Prepare City Creek Bypass Channel connection detail plans	8	60		16	24		108	\$30,132			\$30,132
	Update roadway design plans to accommodate interim storm drain system	2	40		12	24		78	\$21,754			\$21,754
Labor Sub Total									\$107,096	\$0	\$0	\$107,096
Task 4 Right of Way												
	Project Management/Meeting/Reporting	4					16	20	\$3,540	\$4,550		\$8,090
	Update appraisals for 7 larger parcels	2						2	\$610	\$23,100		\$23,710
	Review appraisal updates for 7 larger parcels							0	\$0	\$5,400		\$5,400
	Right of Way Certification - Caltrans District 8	4						4	\$1,220	\$12,200		\$13,420
Labor Sub Total									\$5,370	\$45,250	\$0	\$50,620
Task 5 Victoria Ave Pavement Rehab Design Plans												
	Prepare 100% plans for pavement rehab scope from 6th St to 9th St	1	18			4		23	\$6,635			\$6,635
	Signing, Stiping, and Markings 100% plans from 6th St to 9th St (3-sheets)	6	24			4		34	\$9,870			\$9,870
	Update cost estimate to include pavement rehab scope from 6th St to 9th St	2	6			2	4	14	\$3,500			\$3,500
	Revise Project Specifications	2	2	4		1	8	17	\$2,640			\$2,640
	Traffic Signal Interconnect Plan	8	2	2	8	4		24	\$6,496			\$6,496
Labor Sub Total									\$29,141	\$0	\$0	\$29,141
Total Labor									\$186,892	\$46,750	\$32,982	\$266,624
Other Direct Costs												
	HDR								\$2,500			\$2,500
	Paragon									\$3,200		\$3,200
	Epic										\$600	\$600
Total Other Direct Costs									\$2,500	\$3,200	\$600	\$6,300
TOTAL ESTIMATED FEE (NOT TO EXCEED)									\$189,392	\$49,950	\$33,582	\$272,924
PERCENT OF TOTAL FEE									69.39%	18.30%	12.30%	100.00%



Staff Report

to the City Council

**Agenda
Item
No.17.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Alondra Muñoz, City Clerk
Subject: City Manager Report and Comments (Work Program, Regional/Legislative/ Development Issues, Subcommittees, etc.)

Recommendation:

Discussion and possible action.

Fiscal Impact:

None.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Attachments:

None



Staff Report

to the City Council

**Agenda
Item
No.18.**

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Alondra Muñoz, City Clerk
Subject: Councilmember Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)

Recommendation:

Discussion and possible action.

Fiscal Impact:

None.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Attachments:

None