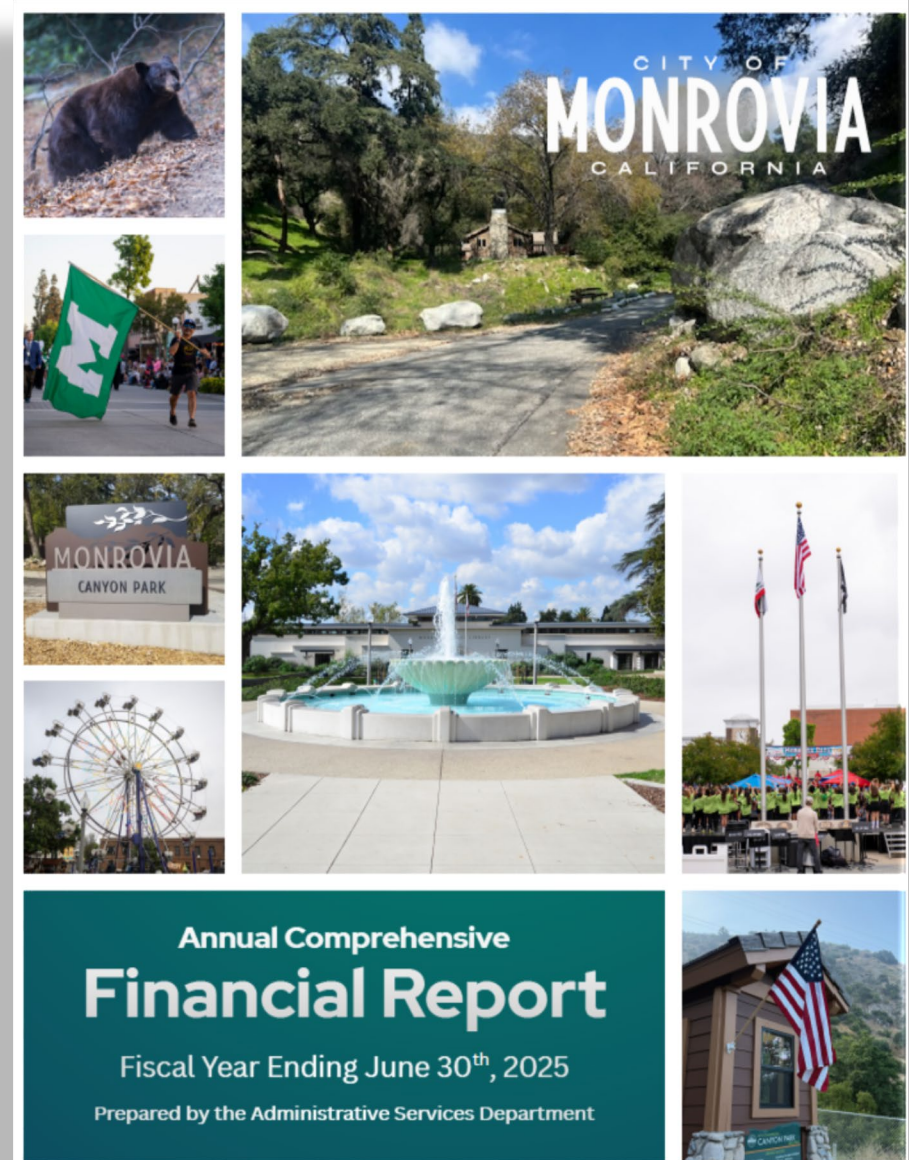




Fiscal Year 2024-25 ACFR

*Monrovia City Council
Administrative Services Department
February 3, 2026*



FY 2024-25 ACFR

Each year, the City is required to undergo an annual financial audit performed by an independent Certified Public Accounting (CPA) firm. The audit includes:

- A review of the City's procedures and adherence to policies.
- A review of the City's accounting records and financial transactions.
- A review of the City's internal controls.

From this review, the auditors and City staff prepare the ACFR.

FY 2024-25 ACFR

Based on the Fiscal Year 2024-25 audit, the City received an unmodified opinion (“clean audit”), which is the best outcome possible. This means:

- The financial statements conform with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) reporting requirements.
- The financial statements are fairly presented, in all material respects.
- No audit findings were reported by the auditors for the Fiscal Year 2024-25 audit.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Monrovia, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing*

The Audit Committee

The Audit Committee is an important part of the audit.

- Provides a forum for which the governing body may have open discussions with the auditors and ask questions of staff.
- Comprised of two members from the City Council, currently Mayor Pro Tem Dr. Kelly and Council Member Jimenez, City Treasurer Janet Wall, and staff from City Manager's Office and Administrative Services.
- The auditors met with the Audit Committee before the audit started, and then again at the conclusion of the audit, to review the ACFR draft and discuss the results of the audit.

FY 2024-25 ACFR

The ACFR is comprised of different parts that each serve a specific purpose in providing information to the reader:

- **Introductory Section** – Includes “extra” information to supplement the financial section of the ACFR. For example, the Transmittal Letter provides a discussion of financial results, strategic objectives, and major projects completed during the year.
- **Financial Section** – Includes the Independent Auditor’s Report, Management’s Discussion and Analysis (MD & A), the audited financial statements, and footnotes to the financial statements.
- **Statistical Section** – Provides supplemental data not evident in the Financial Section, such as financial trend information and demographic data.
- The **Transmittal Letter** (Page i) and the **MD & A** (Page 5) are helpful summary documents that provide a high-level financial overview of the City at June 30, 2025.

FY 2024-25 ACFR

The City has received the Government Finance Officers Association's (GFOA) award for excellence in financial reporting for 30 years.

- The GFOA award program checklist includes over 500 criteria items.
- The FY 2023–24 ACFR is currently under GFOA review following a delay related to the data loss event.
- The City timely submitted the FY 2024–25 ACFR.
- GFOA's review process typically takes approximately eight months; staff anticipates recognition upon completion of that review.

FY 2024-25 ACFR

Financial Condition of the City at June 30, 2025:

FY 2024-25 was a year of stability and modest revenue growth.

- The City ended the year with a positive net position of \$74.79 million.
- The City's Total Asset balances increased by \$25.90 million.
- The General Fund closed the year with an ending fund balance of \$24.84 million.
- Several key revenue sources in the General Fund demonstrated growth, including Property Tax and Transient Occupancy Tax (TOT).
- The enterprise and internal service funds' net position increased by \$3.00 million.

FY 2024-25 ACFR

Financial Condition of the City at June 30, 2025:

- The City's net position increased by \$26.90 million, which was attributable to decreases in pension and OPEB liabilities, as well as reimbursements related to capital projects, such as Canyon Park, and one-time settlement revenues.
- The City's commitment to managing pension and OPEB cost, investing in infrastructure, and identifying dedicated revenue sources to fund projects remains a high priority.

FY 2024-25 ACFR

Financial Condition of the City at June 30, 2025:

Overall, Monrovia ended the year in a positive financial position. The City Council's commitment to prudence, diligence, strong stewardship, and sound financial practices has continued to move the City in a positive fiscal direction.

FY 2024-25 ACFR

Auditor Presentation:

Ryan Domino, Audit Partner from Lance, Soll, and Lunghard, CPA's, will discuss the Fiscal Year 2024-25 audit and ACFR.



Presentation of the Annual Financial Audit for the Fiscal Year Ended June 30, 2025

February 3, 2026

Auditors' Responsibilities

- Conduct the audit in accordance with:
 - Generally accepted auditing standards
 - Government Auditing Standards
 - Uniform Guidance
- Exercise professional judgment, and professional skepticism
- Conduct a risk-based approach to the audit
- Understand the entity's internal control structure
- Evaluate significant accounting estimates for reasonableness
- Evaluate if there are any conditions which indicate doubt of continued financial viability

Scope of Audit

- **Testwork Dates**
 - Interim: July 28 – July 31, 2025
 - Year-End: October 27 – November 7, 2025
 - Report Issuance: December 19, 2025
- **Interim Audit Procedures**
 - Examination of Internal Controls and Provide Feedback to Management
 - Evaluation of Fraud Risks and Perform Planned Responses
- **Year-End Audit Procedures**
 - Confirmation of Accounts and Balances with Third Parties
 - Examination and Inspection of Source Documents
 - Analytical Procedures
 - Inquiries of Management

Audit Results

- **Unmodified** auditors' opinion
- Report on Internal Controls and Compliance
 - No material weaknesses identified
 - No significant deficiencies identified
 - No material noncompliance identified
- Change in accounting policies for GASB 101, *Compensated Absences*
- Estimates are reasonable
 - Pension and OPEB liabilities
- No difficulties encountered during the audit
- No corrected or uncorrected misstatements
- No disagreements with management
- No fraud, waste, or abuse identified

Questions?

Contact Us



www.lslcpas.com



Ryan.Domino@lslcpas.com



(949) 829-8299