

# 2024

## Annual Comprehensive Financial Report



CITY OF CATHEDRAL CITY, CALIFORNIA | Year Ended June 30, 2024

# 2024

## Annual Comprehensive Financial Report

Year Ended June 30, 2024

City of Cathedral City, California



**Cathedral City**

prepared by

**FINANCE DEPARTMENT**

Kevin J. Biersack, Financial Services Director

available online at

[www.cathedralcity.gov](http://www.cathedralcity.gov)

# TABLE OF CONTENTS

# PAGE

## INTRODUCTION

1

Letter of Transmittal

3

Principal Officials

11

City Organization Chart

12

Government Finance Officers Association Awards

13

## FINANCIAL

15

Independent Auditors' Report

18

Management's Discussion and Analysis (Unaudited)

21

## BASIC FINANCIAL STATEMENTS

39

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

41

Statement of Net Position

42

Statement of Activities

43

## FUND FINANCIAL STATEMENTS

45

Balance Sheet - Governmental Funds

47

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

49

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

51

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds to the Statement of Activities

53

Statement of Net Position - Proprietary Funds

55

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

56

Statement of Cash Flows - Proprietary Funds

57

Statement of Fiduciary Net Position - Fiduciary Funds

59

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

60

## NOTES TO BASIC FINANCIAL STATEMENTS

61

Contents

62

I. Summary of Significant Accounting

63

II. Detailed Notes for All Funds

78

III. Other Note Disclosures

100

## REQUIRED SUPPLEMENTARY INFORMATION

113

Required Supplementary Information Budgetary Comparison Schedule - General Fund

115

Required Supplementary Information Budgetary Comparison Schedule - Major Special  
Revenue Funds

116

Notes To Required Supplementary Information Budgetary Comparison Schedules

117

Required Supplementary Information - Schedule of the City's Proportionate Share of the Net  
Pension Liability

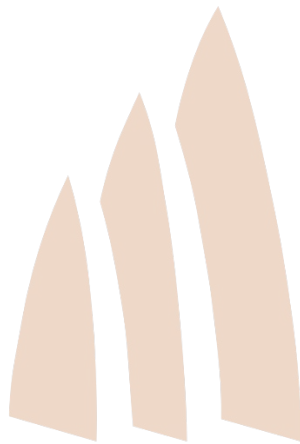
118

# TABLE OF CONTENTS (CONTINUED)

# PAGE

Required Supplementary Information - Schedule of Contributions	119
Required Supplementary Information - Schedule of Changes in the Total OPEB Liability and Related Ratios	120
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	<b>121</b>
<b>GOVERNMENTAL FUNDS</b>	<b>123</b>
Combining Schedule of Accounts - General Fund	125
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund	126
Schedule of Expenditures Compared with Authorizations - General Fund	127
Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund	128
Nonmajor Governmental Fund Descriptions	129
Combining Balance Sheet - Nonmajor Governmental Funds by Fund Type	133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds by Fund Type	134
Combining Balance Sheet - Nonmajor Special Revenue Funds	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	141
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals - Nonmajor Special Revenue Funds	147
Combining Balance Sheet - Nonmajor Capital Projects Funds	161
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	165
<b>PROPRIETARY FUNDS</b>	<b>169</b>
Proprietary Fund Descriptions	170
Combining Statement of Net Position - Internal Service Funds	171
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	172
Combining Statement of Cash Flows - Internal Service Funds	173
<b>FIDUCIARY FUNDS</b>	<b>175</b>
Fiduciary Fund Descriptions	176
Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds - Successor Agency Trust Funds	177
Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds - Successor Agency Trust Funds	179
Combining Statement of Fiduciary Net Position - All Custodial Funds	181
Combining Statement of Changes in Fiduciary Net Position - All Custodial Funds	183

<b>TABLE OF CONTENTS (CONTINUED)</b>	<b>PAGE</b>
<b>STATISTICAL (UNAUDITED)</b>	<b>185</b>
<b>CONTENTS</b>	<b>186</b>
<b>FINANCIAL TRENDS</b>	<b>187</b>
Net Position by Component	189
Changes in Net Position - Program Revenue	190
Changes in Net Position - General Revenues	191
Fund Balances of Governmental Funds	192
Changes in Fund Balances of Governmental Funds	193
Tax Revenues by Source - Governmental Funds	195
<b>REVENUE CAPACITY</b>	<b>197</b>
Taxable Sales by Category	199
Top 25 Sales Tax Producers	201
Assessed Value and Estimated Actual Value of Taxable Property	203
Direct and Overlapping Property Tax Rates	205
Principal Property Taxpayers	206
Property Tax Levies and Collections	207
<b>DEBT CAPACITY</b>	<b>209</b>
Ratios of Outstanding Debt by Type	210
Ratios of General Bonded Debt Outstanding	211
Direct and Overlapping Governmental Activities Debt	212
Legal Debt Margin Information	213
Pledged-Revenue Coverage	214
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	<b>215</b>
Demographic and Economic Statistics	216
Principal Employers	217
Full-Time Equivalent City Government Employees by Function	218
<b>OPERATING INFORMATION</b>	<b>219</b>
Operating Indicators by Function	221
Capital Asset Statistics by Function	222
<b>GLOSSARY</b>	<b>223</b>
Glossary of Acronyms	ii
Glossary of Terms	vi



**Cathedral City**



# INTRODUCTION



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City





## Department of Finance

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December 09, 2024

Citizens of the City of Cathedral City, Honorable Mayor, and  
Honorable Members of City Council

Within six months of the close of each fiscal year (FY), state law requires the City of Cathedral City (City) publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report has been prepared by the Finance Department according to Municipal Code, Section 2.12.040. Pursuant to the requirements, we hereby issue the Annual Comprehensive Financial Report of the City for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the management of the City. To provide a reasonable basis for making those representations, City management has established a comprehensive internal control framework designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework has been designed to provide reasonable, rather than absolute, assurance the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Lance, Soll, & Lunghard, LLP, a statewide firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance the financial statements of the City are free of material misstatement for the fiscal year ended June 30, 2024. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall presentation. Based upon the audit, the independent auditors concluded there was a reasonable basis for rendering an unmodified opinion on the City's basic financial statements as of and for the year ended June 30, 2024. The independent auditors' report is presented as the first component of the financial section of this report.

## THE REPORT

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The Annual Comprehensive Financial Report is presented in three major sections:

- The **Introduction** section includes this letter of transmittal, identification of the City's principal officials, the City's organization chart, and the Government Finance Officers Association awards received by the City.
- The **Financial** section includes the report of the independent auditors, Management's Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The Financial Section also includes the fund financial statements, including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, and the combining individual funds financial statements for the nonmajor governmental funds, and the internal service funds. Required supplementary information other than the MD&A is also included in this section. Upon review of the city's financial policies, the city determined there were no significant policy related impacts to the current year's financial statements.
- The **Statistical** section includes selected financial and demographic information presented on a multi-year basis up to the past 10 years.

This transmittal letter is designed to complement the MD&A and should be read in conjunction with the MD&A.

This Annual Comprehensive Financial Report includes all funds of the City. As contemplated by statute, the City provides the full range of municipal services. Services provided include public safety (police and fire protection); public works (engineering and public maintenance (grounds, parks and streets); community development (building, planning, code compliance and economic development); city management including city clerk, communications and events, human resources, and information technology; and general administrative support to include finance, facilities, and risk management. The Annual Comprehensive Financial Report also includes the City's component units, which are legally separate organizations the City is financially accountable for or whose relationship with the City is of a nature and significance that would cause the City's financial statements to be incomplete should they not be included.

The budget serves as a policy document and the foundation for the City's financial planning and control. The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the budget approved by the City Council. To achieve time and cost efficiencies over a traditional annual budget, the City prepares and adopts a biennial budget for two separate fiscal years. Under this cycle, the second year is adopted by the City Council at the same time the first year is adopted. Each year is separate and distinct. For the General Fund, unencumbered funds from the first year do not carry over into the second year. On May 24, 2023, City Council adopted the biennial budget for fiscal years 2023/2024 and 2024/2025.

The City Manager and the Financial Services Director prepare and submit the budget to the City Council and administer it after adoption. The City Manager or the Financial Services Director is authorized to adjust appropriations within each department or activity, while ensuring those adjustments do not exceed the amounts approved in the budget or any amending orders or resolutions approved by the governing body.

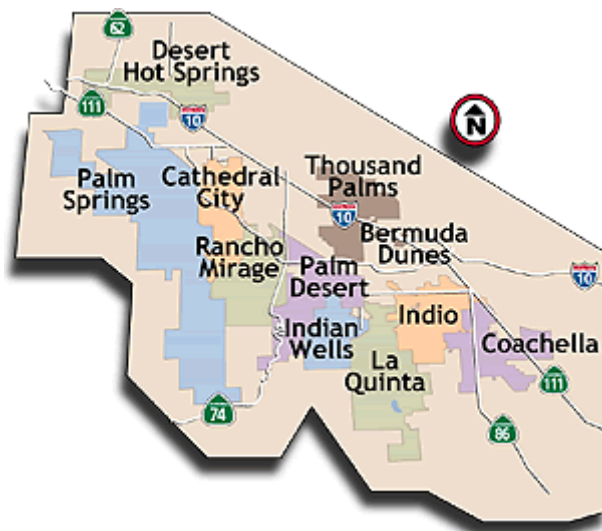
Management can make transfers between departments provided expenditures do not exceed appropriations at the fund level. Transfers of cash or unappropriated fund balance from one fund to another can only be made with City Council's approval. For each fund, total expenditures may not legally exceed total appropriations. As a result of City Council actions/approval, any overall amendments/adjustments to these two annual budgets are made.

In addition to the financial audit, the City undertakes a single audit in conformance with the uniform administrative requirements, cost principles and audit requirements for federal awards (Office of Management and Budget (OMB) Uniform Guidance). The results of this single audit, including a schedule of expenditures of federal awards (SEFA), and the independent auditor's reports on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the City's separately issued Single Audit Report, which includes the SEFA.

## CITY PROFILE

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Incorporated in 1981, Cathedral City is conveniently located 110 miles east of Los Angeles and 125 miles northeast of San Diego. In eastern Riverside County, Cathedral City is a business and resort community located in the heart of the Coachella Valley (CV) conveniently located between Palm Springs to the west and Rancho Mirage to the east. With a diverse population of almost 52,000 (based on the 2020 Census), Cathedral City is the second-largest city in the Coachella Valley, occupying a land area of approximately 24 square miles at an elevation of 325 feet above sea level, boasting an ideal climate of 350 sunny days a year. This desert location offers clean air, scenic beauty, along with unlimited leisure activities, housing options and business opportunities. Colonel Henry Washington discovered Cathedral City in 1850, naming it after nearby rock formations resembling a grand cathedral. The Agua Caliente Band of Cahuilla Indians established their reservation in 1876, and the City housed its first subdivision in 1925. The City is proud of its cultural diversity and rich history dating back almost 175 years.



Cathedral City is an ideal base from which to enjoy all that sunny Southern California has to offer. Conveniently located off the I-10 freeway and less than five miles from the Palm Springs Airport, Cathedral City boasts the greatest amount of family friendly recreational activities in the Coachella Valley, including Boomers (miniature golf, bumper cars & batting cage); a 17-acre soccer park where State championships have been held; Big League Dreams Sports Park, which hosts NCAA Women's softball each winter; the Cathedral City Town Square and the Gregory S. Pettis Fountain of Life, one of the most visually capturing and historically rich pieces of art in the City located within Town Square featuring mosaic tiles and stone sculptures; the Cathedral City Community Amphitheatre; seven additional parks; and three top-notch golf courses.

The City offers public, private, and charter K-12 and preschools and is part of the Palm Springs Unified School District. The University of California at Riverside and California State University San Bernardino, both with local campuses, and the College of the Desert are all located within 9 miles. Residents also have access to outstanding healthcare at Eisenhower Medical Center, which includes a cancer center; the Desert Regional Medical Center, which includes a trauma center; and John F. Kennedy Memorial Hospital, an acute-care hospital.

Residents and visitors can now enjoy not only dinner (at one of the City's many restaurants) but also a movie at the Mary Pickford Theater (D'Place) housing 14 movie screens, or a live production at the Coachella Valley Repertory (CVRep) Theatre, the only Actor's Equity Small Professional Theatre (SPT) company in the Coachella Valley, and/or gaming at the new innovative state-of-the-art Agua Caliente Band of Cahuilla Indians (ACBCI) Agua Caliente Casino in the City's Downtown Entertainment District which has three dining options at Café One Eleven, 360 Sports, or the Agave Caliente Tequila Bar.

The City is a charter city operating under the council-manager form of government. Policymaking and legislative authority are vested in a City Council comprised of a Mayor and four other Council Members. The City Council is responsible, among other things, for passing ordinances, adopting minute orders and resolutions (such as the budget), appointing committees, and hiring both the City Manager and City Attorney. The City Council is elected on a nonpartisan basis. Council Members serve four-year staggered terms, with two Council Members elected in November 2020 representing districts one and two, and three Council Members representing districts three through five elected in November 2022. The Mayor is appointed by the City Council to serve a one-year rotating term.

In addition to sitting as the governing board of the City, the City Council also acts as the Board of Directors of two blended component units: The Cathedral City Public Financing Authority and the Cathedral City Community Services District. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing day-to-day operations of the City, and appointing senior management positions (Assistant City Manager along with five department heads).

## ECONOMIC CONDITIONS

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### SALES TAX AND TRANSACTIONS & USE TAX

Sales Tax and Transaction & Use Tax is the City's lifeblood. In fiscal year (FY) 2023/2024, it accounted for almost 44.6% of the City's tax revenues and almost 31.4% of the City's traditional General Fund (Fund 100) revenues. For FY 2023/2024, sales tax and transactions and use tax is \$22.4 million versus \$23.6 million in FY 2022/2023 reflecting a \$1.2 million revenue decrease. With the adopted budget projection for FY 2023/2024 being \$24.78 million, the City had a \$2.4 million revenue deficit this year. Since the 2007-2009 recession, sales tax has shown steady increases as the national and local economies demonstrate continued improvement. In the past ten years from FY 2013/2014 to FY 2023/2024, sales tax and transactions and use tax has increased \$8,520,426 (61.5%).

### TRANSIENT OCCUPANCY TAX (TOT)

The City's TOT slightly decreased from \$5.4 million in FY 2022/2023 to \$5.1 million in FY 2023/2024. For FY 2023/2024 STVR tax is \$354,410 versus \$483,620 in FY 2022/2023 reflecting a \$129,000 decrease. For FY 2023/2024 Hotels and Motels tax is \$3.9 million versus \$4.2 million in FY 2022/2023 reflecting a \$210,000 decrease.

### CANNABIS TAX

The City of Cathedral City has a relatively new business cluster with the cannabis industry. During the first eight years, 200 applications have been received for cannabis businesses including dispensary, cultivation, manufacturing, distribution, transportation, and laboratory testing. At the end of FY 2023/2024, the City has 60 cannabis businesses with 80 licenses, operating 55 sites with 52 of those sites generating tax revenues, including 11 dispensaries, 32 cultivators, and 9 manufacturers resulting in \$2.8 million in tax revenue versus the \$3.0 million in tax revenue in fiscal year 2022/2023. In comparison to the previous fiscal year, the number of cannabis businesses decreased 30% and the number of licenses decreased 30%. In the upcoming fiscal year (2024/2025), we estimate revenues to be in the \$3.0 million range.

### EVENTS, EVENTS, AND MORE EVENTS

Cathedral City hosts four Signature Events include the Balloon Festival (November), SnowFest (December), Taste of Jalisco (February), and Lesbian, Gay, Bisexual, Transgender Plus (LGBT+) Days (March). There are usually more than 10 other events scheduled throughout the year, such as the ever-popular annual Fall Festival/Spooktacular/Dia de Los Muertos celebrated during the late October/early November Halloween season and the latest winter/spring weekly event for 6-8 weeks called Taste and Sounds in the Cathedral City Community Amphitheater.

## CONSTRUCTION PROJECTS / ROAD IMPROVEMENTS

This past year has seen the completion of significant road rehabilitation and City improvements in Cathedral City to include:

- Cathedral Canyon Bridge
- Da Vall Street Improvement S/O Ramon Road
- Date Palm Drive S/O Ramon Road N/O Gerald Ford Drive
- East Palm Canyon Drive Rehabilitation
- San Eljay Pavement Rehabilitation
- Varner / Bob Hope Improvements
- Via de Anza Phase II Street Improvements

A complete list is provided later in the Capital Asset section of the financial report.

## RESIDENTIAL CONSTRUCTION

With being a post-Proposition 13 city incorporated after 1978, Cathedral City did not have a separate property tax rate prior to the voter enactment of Proposition 13; thus, the City cannot impose additional city property taxes without a vote of the citizens. Property tax revenues, except those within the boundaries of the former redevelopment agency, are remitted to the City's General Fund. Property taxes are also remitted to other taxing agencies such as Riverside County, school districts, and special districts. The City's General Fund received almost \$7.1 million. This amount is 10.8% more than what was received in FY 2022/2023, \$6.4 million. In the end, property tax revenues represent 10.3% of the City's total General Fund revenue.

Although the local housing market in Cathedral City has slowed in comparison to the growth in the past few years, home values have only slightly decreased. In the past year, home values along with lower residential construction rates demonstrate the housing market continues to transition away from a seller's market. When we see additional housing units, the amount of property tax the City receives can increase, with an even greater impact on the City's sales tax revenues. Generally, with new construction, it is an indicator our City experiences a positive effect in other industries, such as retail, wholesale trade and transportation services.

During this past fiscal year, the City continued to see more residential housing units in various locations throughout the city. The City issued almost 56 construction/building permits for single family development, primarily through Williams Homes Developers in the Campanile neighborhood along with GHA Enterprises in various infill (empty) parcels.



## COMMUNITY ASSISTANCE

In fiscal year 2023/2024, the City Council continued the existing community assistance program supporting the Boys and Girls Club of Cathedral City, Cathedral City Senior Center, and regional homeless programs through the Coachella Valley Association of Governments (CVAG) and the Coachella Valley Rescue Mission (CVRM). In addition, the City was able to provide additional assistance through the Community Assistance Grant Program to organizations such as Alzheimer's Coachella Valley, Assistance League of Coachella Valley, Big Brothers Big Sisters of the Desert, Cathedral City Senior Center, Dinner with Patsi, Habitat for Humanity of the Coachella Valley, and Shelter From the Storm.

## LONG-TERM FINANCIAL PLANNING

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Although we had a significantly better yearend position than planned, we still must manage our expenditures carefully and thoughtfully. Over the next several years, we will have increased costs to California Public Entity Retirement System (CalPERS) for our pension obligations as the planned investment rate of return is now 6.9% with the potential for a further decrease to 6.5%. It is noteworthy to recognize if CalPERS exceeds the planned investment rate of return, e.g., 9.3% in FY 2023/2024, there is a positive impact on the City's pension obligations. Likewise, if CalPERS does not meet the planned investment rate of return, there is a negative impact on those pension obligations. Should there be a downturn in the economy combined with increased operating costs, there will be an adverse effect on our reserves. In addition, as our Other Post-Employment Benefits (OPEB) obligations rise due to the growth in the number of retiree and active personnel, it is vital we keep a basic principle in mind, fiscally sound budgeting to minimize the increase in operational expenditures, coupled with revenue growth with a solid emphasis on economic development, i.e., grow our Cathedral City community.

To mitigate the potential risk of another downturn in the economy, it is essential we grow our fund balance "savings account". Of the available fund balance, the City currently strives to set aside a minimum of 33% of budgeted expenditures and transfers out, with a target of 50%, for the following purposes: (1) cash flow reserves (50%); (2) economic uncertainties (40%); and (3) budget-related reserves (10%). These amounts are necessary to alleviate significant unanticipated budget shortfalls and to ensure the orderly provision of services to citizens. At the end of fiscal year 2023/2024, the City's General Fund (Fund 100) unassigned fund balance is \$41.4 million representing 58.5% of original expenditure budget adopted for the upcoming fiscal year (2024/2025).

## AWARDS AND ACKNOWLEDGEMENTS

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both U.S. GAAP and applicable legal requirements. This was the sixteenth consecutive year the City has achieved this prestigious national award. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe this year's 2022/2023 Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement program requirements, and we plan to submit to GFOA to determine its eligibility for another certificate.

Additionally, GFOA presented a Distinguished Budget Presentation Award to the City for its biennial budget for the two-year period beginning July 1, 2023. To qualify for this award, the governmental unit must publish an approved budget meeting program criteria and minimum standards as a policy document, an operations guide, a financial plan, and a communications device. The City plans to submit an application to GFOA for the next biennial budget for the two-year period beginning July 1, 2025.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efforts and dedication and knowledge of the entire staff of the Finance Department. Other City departments were also instrumental in providing various statistical data necessary to prepare this report. Their cooperation and continued assistance are necessary and appreciated. We would also like to express our appreciation to the Mayor, City Council and City Management for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances. Finally, I also want to acknowledge the thorough and professional manner our independent auditors, Lance, Soll & Lunghard, LLP, conducted their audit.

Respectfully submitted,



Kevin J. Biersack

Financial Services Director

PRINCIPAL OFFICIALS

CITY COUNCIL

Mayor 2024  
District 3



Mark Carnevale  
Term Expires 2026

Mayor Pro Tem 2024  
District 2



Nancy Ross  
Term Expires 2024

Council Member  
District 1



Rita Lamb  
Term Expires 2024

Council Member  
District 5



Raymond Gregory  
Term Expires 2026

Council Member  
District 4



Ernesto Gutierrez  
Term Expires 2026

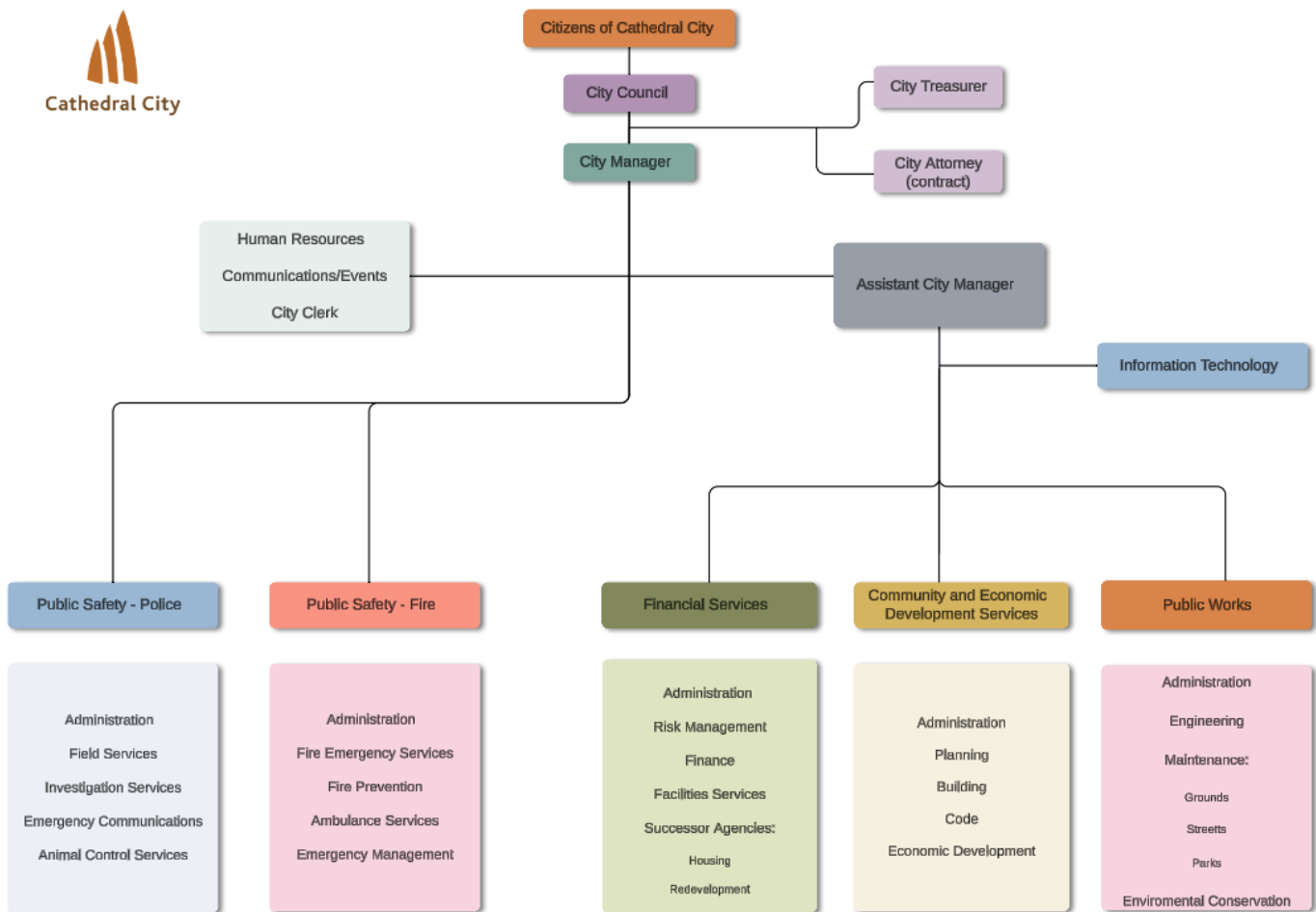
OTHER ELECTED OFFICIALS

City Treasurer .....Greg Jackson

ADMINISTRATIVE OFFICIALS

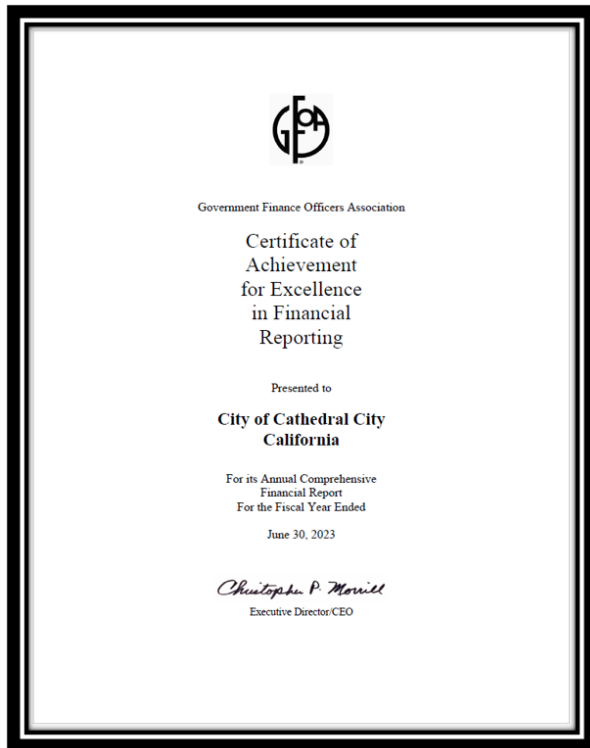
City Manager ..... Charles McClendon  
Assistant City Manager ..... Anne Ambrose  
City Attorney ..... Eric Vail  
Financial Services Director ..... Kevin Biersack  
Community and Economic Development Director ..... Andrew Firestine  
Public Works Director ..... John Corella  
Fire Chief..... Michael Contreras  
Police Chief ..... George Crum

## CITY ORGANIZATION CHART



## GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

### CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



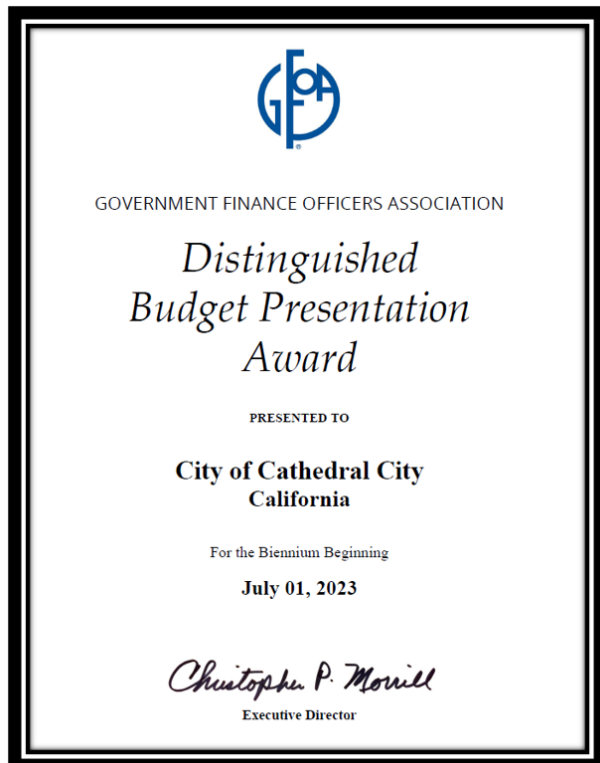
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cathedral City for its annual comprehensive financial report for the fiscal year ended June 30, 2023.

The Certificate of Achievement for Excellence in Financial Reporting program was established to encourage municipal governments to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting award is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### DISTINGUISHED BUDGET PRESENTATION AWARD



The GFOA presented a Distinguished Budget Presentation Award to the City of Cathedral City for its biennial budget for the biennium beginning July 1, 2023. To receive this award, a governmental unit must publish a budget document meeting these four program criteria: a policy document, operations guide, financial plan, and communications device.

The Distinguished Budget Presentation Awards Program is specifically designed to encourage state and local governments to prepare and issue budget documents of the highest quality. Top-quality documents are essential if citizens and others with an interest in a government's finances are to be fully informed participants in the budget process. Better budget documents contribute to better decision making and enhanced accountability.

The Distinguished Budget Presentation Awards Program allows the public finance profession a welcome opportunity to recognize those governments that have, in fact, succeeded in preparing a high-quality budget document. We believe our biennial budget beginning July 1, 2025 will conform to the Certificate of Achievement for Excellence in Financial Reporting requirements and have submitted it to GFOA for their consideration.



# Cathedral City



# FINANCIAL



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cathedral City, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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.

#### *Emphasis of Matter*

##### *Change in Accounting Principle*

As described in Note 1.E to the financial statements, in 2024, the City adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections* and GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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





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

### ***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 comparison information for the General Fund and the major special revenue funds, and required pension and other postemployment benefits schedules, as listed on 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.



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

### ***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 and individual fund financial statements and schedules ("supplementary information") 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lane, Soll &amp; Loughard, LLP".

Irvine, California  
December 9, 2024



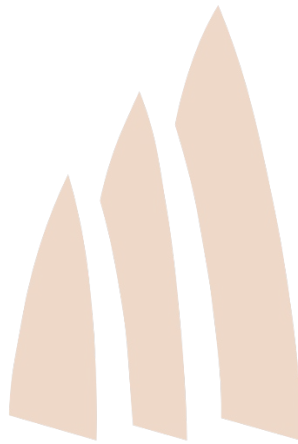
# Cathedral City



# MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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As management of the City of Cathedral City ("City"), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal. The focus of the information presented here is on the primary government.

## FINANCIAL HIGHLIGHTS

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- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$168,370,966 (net position). Unrestricted net position, which may be used to meet the City's ongoing obligations, was (\$105,699,609) at year end.
- The City's net position increased \$22,417,561 in this fiscal year. Primary reasons for the net position increase were a decrease in public safety expenditures of \$12,300,449, a decrease in deferred outflows of resources related to pensions and OPEB of \$16,686,743, and a \$7,150,807 decrease in liabilities.
- As of close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$109,040,380, a decrease of \$1,128,357 from the prior year. A total of \$42,296,152 or 38.8% of the fund balance is categorized as unassigned. This amount has been set aside for cash flow reserves, future economic uncertainties, and budget reserves.
- At the end of the current fiscal year, fund balance of the General Fund (Fund 100) was \$42,403,293, which represents almost 60.2% of General Fund (Fund 100) FY 2024/2025 budgeted expenditures (including transfers out). \$41,424,920 of the \$42,403,293 is categorized as unassigned and set aside for cash flow reserves, future economic uncertainties, and budget reserves in accordance with the fund balance policy approved in September 2014.
- In FY 2018/2019, the financial backbone of the City-wide Enterprise Resource Planning (ERP) system was implemented on January 1, 2019. As a result, the City merged/converted financial data mid-year and established the foundation for an integrated framework for City financial, business, and administrative functions. We implemented initial business functions, e.g., licensing, in October 2021 and the payroll functions in January 2022. We continue to refine and further implement the business functions including, permits and plans along with significant refinements to licensing and the implementation of the Customer Self Service portal in calendar year 2024 (FY 2023/2024 and FY 2024/2025).

## OVERVIEW OF THE FINANCIAL STATEMENTS

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The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information and statistical information, which both are intended to furnish additional detail to support the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

In a similar manner to a private-sector business, the government-wide financial statements are designed to provide readers with a broad overview of the City's finances.

The Statement of Net Position presents financial information on the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items resulting in cash flows in future fiscal periods, e.g., uncollected taxes and earned, but unused, city staff vacation and sick leave.

Other non-financial factors, such as changes in the City's property tax base, the condition of its roads, etc. are also considered when assessing the overall health of the City.

Governmental activities report the City's basic services, which include general government, community development, public safety, public works and culture and recreation. These activities are generally supported by taxes and intergovernmental revenues.

Business-type activities report operations intended to recover all or a significant portion of their costs through user fees and charges. The City does not report any business-type activity.

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable. The Cathedral City Public Financing Authority and the Cathedral City Community Services District are legally separate component units. These component units, while legally separate from the City, provide services entirely to or almost exclusively for the benefit of the City even though they do not provide services directly. Although legally separate from the City, financial information for these component units is blended with the City due to the exercise of authority and their financial relationships with the City.

## Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements are designed to report information about these groupings of related accounts. As with federal, state, county and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view to determine whether there are more or fewer financial resources that can be spent in the short-term. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided reconciling the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The City maintains individual governmental funds organized according to their type: special revenue, debt service, and capital projects. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, for special revenue funds (Developer Impact Fees and Successor to Housing Agency), a debt service fund (Public Financing Authority) and a capital projects fund (Areawide Capital Projects). These funds are classified as major funds. Data from the remaining governmental funds are classified as nonmajor funds and are combined into a single, aggregated presentation. Elsewhere in this report, individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements.

The City adopted a biennial appropriated budget prepared on the modified accrual basis of accounting for fiscal years 2023/2024 and 2024/2025. Appropriated funds included the General Fund and special revenue funds. Budgetary comparison schedules have been provided in the required supplementary information for the General Fund and major special revenue funds to demonstrate compliance with the budget in accordance with U.S. GAAP.

**Proprietary funds** are comprised of enterprise funds and internal service funds. Enterprise funds are the same as the business-type activities that would be reported in the government-wide financial statements, providing more detail and additional information, such as cash flows. The City does not report any enterprise funds. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City currently reports four internal service funds: Equipment Replacement, Insurance, Technology and Facilities. The internal service funds provide services predominantly benefiting governmental rather than business-type functions. They have been included within governmental activities with an adjustment to reflect the consolidation for internal service fund activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, with additional detail. The four internal service funds are combined into a single, aggregated presentation. Elsewhere in this report, individual fund data for the internal service funds is provided in the form of combining statements.



**Fiduciary funds** are used to account for resources held by the City on behalf of outside parties, including other governments. The City utilizes two different types of fiduciary funds: private-purpose trust funds and custodial funds. The private-purpose trust funds are used to report resources held in trust to pay enforceable obligations of the former redevelopment agency. The custodial funds report resources held by the City in a custodial capacity for special assessment district resources to pay debt service.

Fiduciary funds are not reported in the government-wide financial statements because the resources for those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like those used for proprietary funds.

The **notes to basic financial statements** provide additional information necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information concerning the City's budgetary comparison schedules.

The combining statements supplementary information for the nonmajor funds, internal service funds, and fiduciary funds are presented immediately following the budgetary comparison required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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Over time, the net position serves as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$168,370,966.

Net investment in capital assets totaling \$200,330,863 is composed of land, buildings, structures, infrastructure, vehicles, and equipment, including lease assets and subscription-based assets, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position of the City includes \$73,739,712 of restricted net position. These are resources subject to external restrictions for how they may be used by the City.

A portion of the City's net position, (\$105,699,609) is unrestricted. If positive, this could be used to meet the City's ongoing financial obligations. This portion represents resources not restricted by external requirements or invested in capital assets.

The following table summarizes the City's net position (dollars in thousands) for the years ending June 30, 2024, and 2023.



	<b>Primary Government</b>		
	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
Current and other assets	\$ 158,800	151,183	7,617
Capital assets(net)	205,004	191,996	13,008
<b>Total assets</b>	<b>363,804</b>	<b>343,179</b>	<b>20,625</b>
Deferred outflows for Pensions and OPEB	36,751	53,438	(16,687)
<b>Total deferred outflows of resources</b>	<b>36,751</b>	<b>53,438</b>	<b>(16,687)</b>
Noncurrent liabilities	159,513	166,892	(7,379)
Other liabilities	14,086	13,858	228
<b>Total liabilities</b>	<b>173,599</b>	<b>180,750</b>	<b>(7,151)</b>
Deferred inflows of resources	58,585	69,501	(10,916)
<b>Total deferred inflows of resources</b>	<b>58,585</b>	<b>69,501</b>	<b>(10,916)</b>
<b>Net Position</b>			
Net investment in capital assets	200,331	188,320	12,011
Restricted	73,740	67,056	6,684
Unrestricted	(105,700)	(109,010)	3,310
<b>Total net position</b>	<b>\$ 168,371</b>	<b>146,366</b>	<b>22,005</b>

Governmental activities increased the City's net position by \$22,005,243 which includes restatements in both years, for the fiscal year ending June 30, 2024. Elements of this increase are net investment in capital assets increasing by \$12,010,396 and the increase in restricted net position by \$6,684,752, whereas unrestricted net position decreased by \$3,310,091.

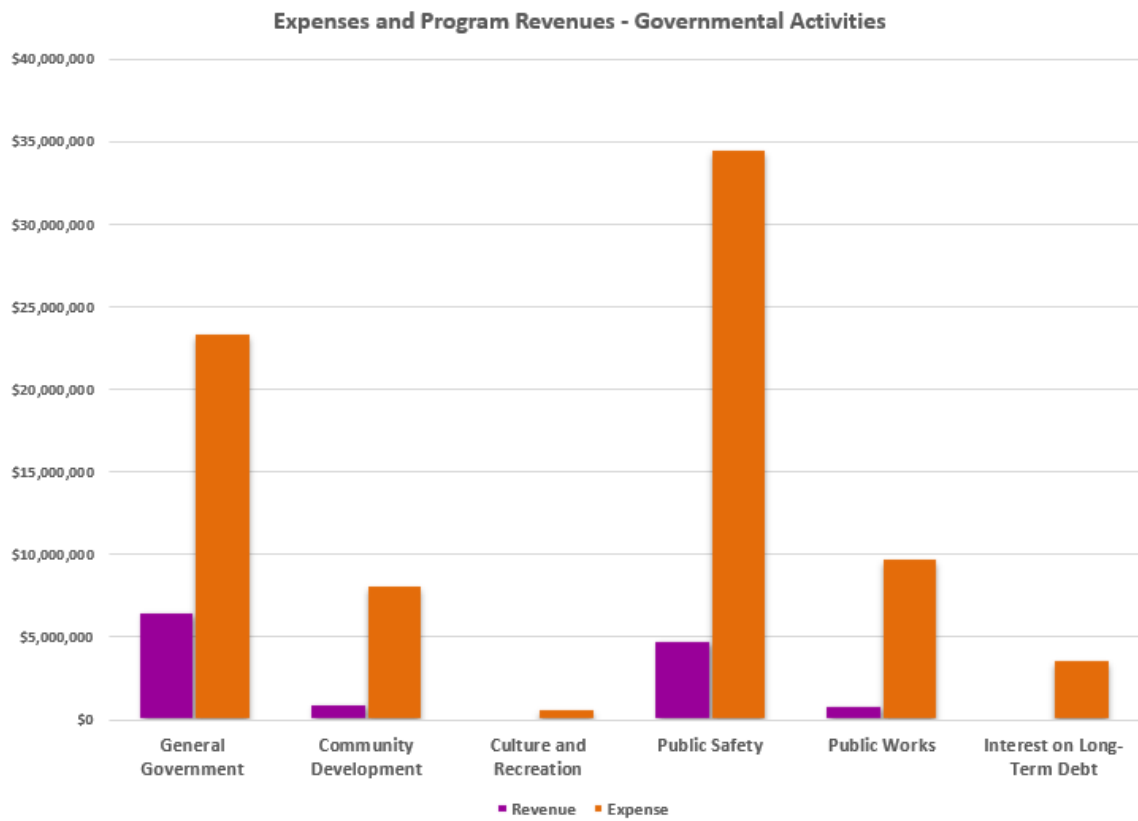


The following table summarizes the City's changes in net position (dollars in thousands) for the years ending June 30, 2024 and 2023.

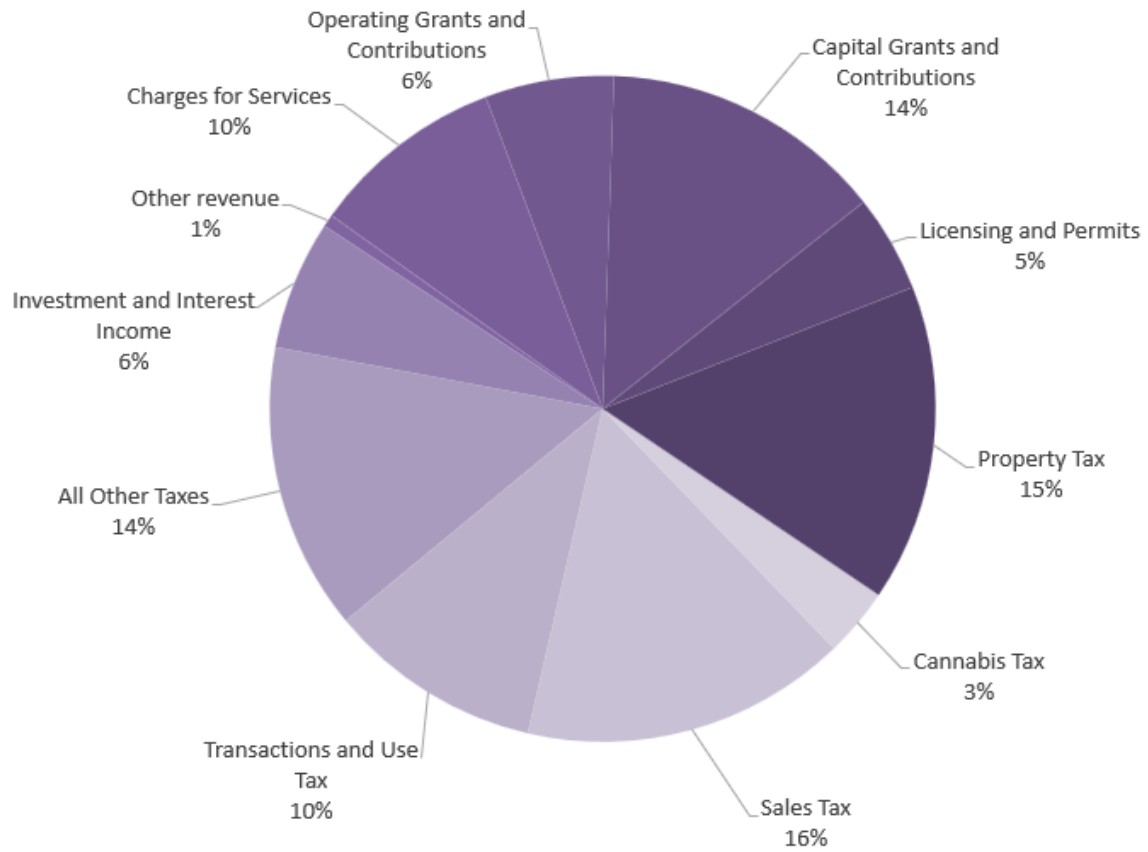
**Changes in Net Position**

(dollars in thousands)

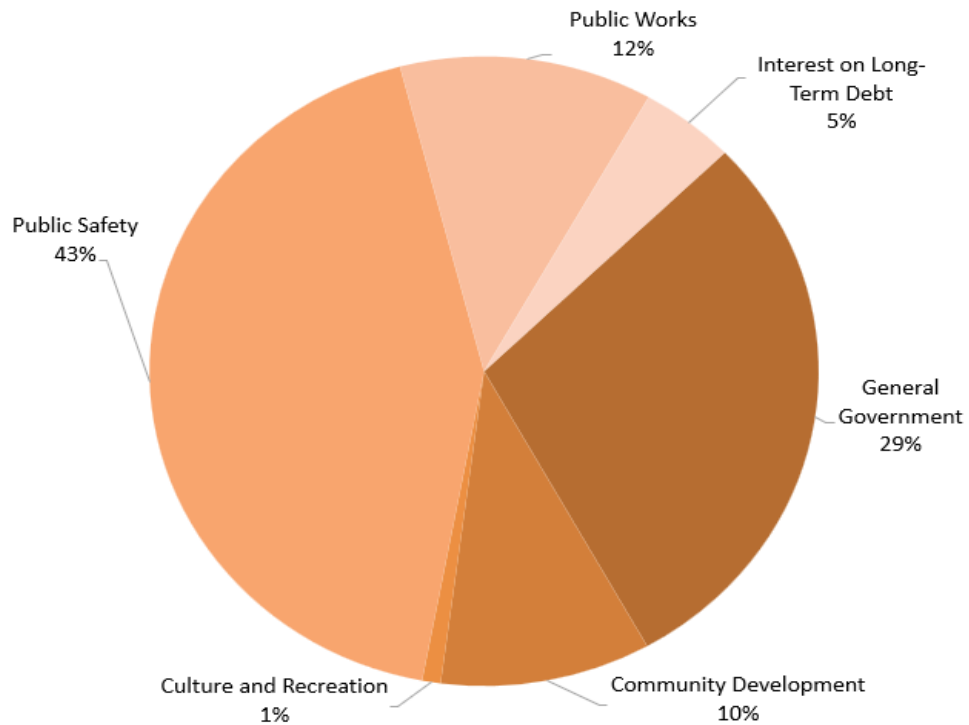
	<b>Primary Government</b>		
	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
Program revenues:			
Charges for services	\$13,189	11,822	1,367
Operating grants and contributions	20,652	18,639	2,013
Capital grants and contributions	11,751	2,213	9,538
General revenues:			
Taxes:			
Cannabis tax	2,838	3,002	(164)
Franchise tax	3,027	2,915	112
Property tax	13,113	12,016	1,097
Sales tax	13,489	13,872	(383)
Transaction and use tax	8,871	9,706	(835)
Transient occupancy/timeshare developer	5,071	5,414	(343)
Utility users' tax	3,778	3,627	151
Investment and interest income	6,514	6,005	509
Other revenue	504	435	69
Net increase (decrease) in fair value of investments	-	(2,394)	2,394
<b>Total revenues</b>	<b>102,797</b>	<b>87,272</b>	<b>15,525</b>
Expenses:			
General government	23,405	25,575	(2,170)
Community development	8,183	7,916	267
Culture and recreation	719	1,461	(742)
Public safety	34,549	46,849	(12,300)
Public works	9,835	9,768	67
Interest on long-term debt	3,689	5,012	(1,323)
<b>Total expenses</b>	<b>80,380</b>	<b>96,581</b>	<b>(16,201)</b>
<b>Change in net position</b>	<b>22,417</b>	<b>(9,309)</b>	<b>31,726</b>
Net position – July 1	146,366	155,545	(9,179)
Restatement	(412)	130	(542)
<b>Net position – June 30</b>	<b>\$168,371</b>	<b>146,366</b>	<b>22,005</b>



### Revenues by Source - Governmental Activities



### Expenses by Function - Governmental Activities



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

### GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City's near-term financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance represents the portion of fund balance not yet limited for a specific purpose by either an external party, the City of Cathedral City, or a group or individual the City Council has delegated the authority to assign resources for purposes.

As of June 30, 2024, the City's governmental funds reported combining fund balances of \$109,040,380, shows a decrease of \$1,128,357 in comparison with the prior fiscal year. For the General Fund portion, approximately 38.8% or \$42,296,152, in fund balance constitutes unassigned fund balance set aside for cash flow reserves, future economic uncertainties, and budget reserves in accordance with the fund balance policy approved in September 2014.

The General Fund is the chief operating fund of the City. For reporting purposes, the General Fund consists of three individual funds, including the General Fund (Fund 100) and two special revenue funds (Fund 431 and Fund 711) that do not qualify to be reported as separate funds. As of June 30, 2024, unassigned fund balance for only the Fund 100 portion was \$41,424,920. The total unassigned fund balance has been set aside for cash flow reserves (50%), future economic uncertainties (40%), and budget reserves (10%) in accordance with the fund balance policy approved in September 2014. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57.0% of the total General Fund (Fund 100) final budgeted expenditures, including other financing uses, of \$72,677,068, while total fund balance represents 58.3% of the same amount.

The total fund balance of the City's General Fund (Fund 100) increased by \$2,226,403 or 5.5%, during the year ended June 30, 2024.

Revenues decreased in FY 2023/2024 from the previous fiscal year. General Fund (Fund 100) revenues, including other financing sources, decreased by \$487,402, or 0.7%, from FY 2022/2023.

- Taxes in general decreased \$364,678 over the previous fiscal year. The primary reasons were sales and transaction and use taxes decreased \$1,217,414 and transient occupancy tax decreased \$343,214 from the previous fiscal year. Property tax revenue increased \$687,744 and in-lieu vehicle license fee (VLF) property tax increased \$409,592; whereas cannabis tax revenue decreased \$164,253 from the prior fiscal year.
- Licenses and permits decreased \$102,762 from the prior year. The primary reasons for the decrease in revenues were a decrease in building and construction permits of \$96,969 and a decrease in Short Term Vacation Rentals (STVR) permits of \$91,221.
- Charges for services increased \$847,444 from the prior fiscal year. The primary increases in revenues were attributed to increases in paramedic service fees by \$803,769 and increases in building plan check reviews by \$106,018. These were offset by a decrease in police dispatch service fees totaling \$235,367.

General Fund (Fund 100) expenditures, including transfers out, increased by \$809,229, or 1.2%, from the previous fiscal year. This is attributable to a \$6,215,341 increase in general government spending including Tropical Storm Hilary related expenses and increased insurance costs. In addition, there was a significant operational expenditure decrease totaling \$3,912,455, primarily due to reduced contributions for CalPERS and OPEB.

The other major governmental funds include Developer Impact Fees (Fund 235), Successor Housing Agency (Fund 561), Public Financing Authority (Fund 491), and Areawide Capital Projects (Fund 331). The City engaged in an AB1600 Fee Justification Nexus Study to evaluate the current Development Impact Fees (DIF). As a result of the study, there was a restructuring of the DIF Funds, which includes the Developer Impact Fees fund. The restructuring resulted in a restatement of beginning fund balances for various Nonmajor Capital and Nonmajor Special Revenue Funds.

The **Developer Impact Fees** (Fund 235) special revenue fund has an ending fund balance of \$0. The fund was dissolved in FY 2023/2024 because of the City updating development impact fees based on the most recent Nexus study.

The **Successor Housing Agency** (Fund 561) special revenue fund had a total fund balance of \$11,827,557. This amounts to a net increase in fund balance of \$133,017 during the current year. Revenues increased \$172,909 to \$310,558, while expenditures increased by \$104,868 to \$175,903. The net increase in revenues was due in part to grant monies received in the current fiscal year. The net increase in expenditures was primarily due to increased professional service fees.

The **Public Financing Authority** (Fund 491) debt service fund had a total fund balance of \$28,904,752. This amounts to a net decrease in fund balance of \$2,550,807 during the current year. Revenues and other financing sources increased \$589,745 to \$6,461,348 while expenditures increased \$942,505 to \$11,576,787. The increase in expenditures was in part due to transfers out for assessment district capital improvements.

The **Areawide Capital Projects** (Fund 331) capital projects fund had a total fund balance of \$1,128,683. This amounts to a net decrease in fund balance of \$3,031,740 during the current year. Revenues increased from \$2,600,345 to \$9,220,568 while expenditures increased from \$1,650,617 to \$12,252,308. The increase in revenues was due primarily to Tribal Transportation Program (TTP) reimbursement and Dream Homes Park grant funding, while the increase in expenditures was due to Date Palm Drive rehabilitation and Esperanza Park (Dream Homes Park) construction.

#### PROPRIETARY FUNDS

The City maintains four internal service funds used to accumulate and allocate costs internally among the city's various functions.

Total net position of all internal service funds increased to \$20,824,631 during the fiscal year. Operating revenues increased from \$15,090,555 to \$17,700,390, while operating expenses decreased from \$19,686,326 to \$18,312,911. The net increase in revenues was mainly attributable to increased insurance costs; however, there were revenues related to funding received from other funds for vehicle purchases, technology improvements and facilities maintenance. The net decrease in expenditures was primarily attributable to reduced annual contributions to the for unfunded actuarial liability (UAL) with CalPERS and the OPEB account with the California Employers' Retiree Benefit Trust (CERBT) fund.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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Original expenditure estimates, including transfers out, for the adopted FY 2023/2024 budget were based on anticipated outflows of resources at the time of adoption in May 2023. During FY 2023/2024, budgeted expenditures increased from \$70,619,550 to \$72,677,068 for the fiscal year ended June 30, 2024. Differences between the General Fund (Fund 100) original budget and the final amended budget were attributed to City Council approved adjustments/revisions to projected expenditures. The primary reason for the increase in budgeted expenditures was for expenses attributable to Tropical Storm Hilary.

Differences between the final amended budget and actual revenues and expenditures are briefly summarized in this section. The local economy did not grow as expected, specifically with respect to sales tax and transactions and use tax.

Actual General Fund (Fund 100) revenues, including transfers in and other financing sources, were \$4,049,227 higher than the final budget for FY 2023/2024, or 6%. Significant differences between budget and actual revenues are highlighted below.

- Intergovernmental revenues were more than budget estimates by \$661,059 because of federal governmental grant funding. American Rescue Plan Act (ARPA) revenues totaling \$5,568,116 were recognized during this fiscal year.
- Tax revenues were less than budget estimates by \$1,518,701 as economic conditions were less robust in this fiscal year than projected, primarily for sales and transaction and use taxes.
- Licenses and permits were more than budgeted estimates by \$279,745 primarily due to increases in fees based on the Consumer Price Index (CPI) increase.
- Use of money and property was more than budget estimates by \$1,742,314 primarily due to an increase in interest rates.
- Charges for services was more than budget estimates by \$1,255,364 due to increases in paramedic service fees, building plan check reviews, and police service reimbursements.





## CAPITAL ASSETS AND BONDED DEBT ADMINISTRATION

### CAPITAL ASSETS

The City's capital assets for its governmental activities as of June 30, 2024, were \$205,003,691 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, structures, vehicles/equipment, lease assets, subscription assets, infrastructure (bridges, streets, traffic signals, streetlights, etc.) and intangibles. The City's capital assets by type as of June 30, 2024 and 2023 are summarized in the following table (dollars in thousands).

Capital Assets (dollars in thousands)	Primary Government		
	Governmental Activities		
	2024	2023	Change
Land	\$ 29,328	29,328	-
Construction in progress	11,869	28,131	(16,262)
Buildings and improvements	10,175	11,181	(1,006)
Structures and improvements	597	737	(140)
Vehicles, furniture and equipment	8,466	5,260	3,206
Lease assets	459	293	166
Subscription assets	4,343	3,560	783
Infrastructure	139,715	113,441	26,274
Intangibles	51	65	(14)
<b>Total</b>	<b>\$ 205,004</b>	<b>191,996</b>	<b>13,007</b>



Major capital asset activity for the year ended June 30, 2024, included the following:

- Current year additions to infrastructure assets for projects completed during the year \$32,320,990.
- Additions to Construction in Progress include:

• Dream Homes Park	3,598,598
• Victoria Neighborhood REAS	579,460
• Via De Anza Phase III Improvement	524,752
• Landau/McCallum Intersection	491,171
• Horizon Rd Pavement Reconstruction	196,703
• Panorama Pavement Reconstruction	196,479
• Panorama Park Enhancements	155,972
• Sunny Lane Neighborhood REAS	148,883
• Date Palm N/O I-10 Six Lane Design	144,655
• Century Park Enhancements	141,863
• Los Gatos Pavement Reconstruction	120,583
• Panorama Neighborhood REAS	84,370
• Cove Crack Repair	79,090
• East-West Alley Pavement Reconstruction	49,008
• Downtown Dog Park	47,846
• HSIP 9A Ten Intersection Improvement	42,264
• North-South Alley Pavement Reconstruction	35,043
• HSIP 9B Varner Rd/Date Palm Safety Improvements	18,178
• HSIP 10 Ped Ramon at Avenida La Paloma	15,585

Additional information on the City's capital asset activity for the year can be found in **Note II-D** in the notes to basic financial statements.

#### LONG-TERM LIABILITIES

The City had total long-term debt of \$159,513,190 outstanding as of June 30, 2024. Of this amount, \$78,576,480 was for bonds, \$464,744 was for lease liabilities, \$4,208,084 was for subscription liabilities, \$63,711,435 was employee related (compensated absences, net pension liability and other postemployment benefits), and \$12,552,447 was risk management related (claims and judgments). The City manages and accounts for the entire long-term debt portfolio; however, the City is not fiduciarily responsible for the Tax Allocation Bonds (TABs) for the Successor to the Redevelopment Agency and the Limited Obligation Bonds for the City's Assessment Districts and Community Facilities District.

On April 13, 2022, the Cathedral City Public Financing Authority issued Cathedral City Public Financing Authority Lease Revenue Bonds, 2022 Series A (Federally Taxable) in the amount of \$28,780,000. The purpose of the issuance of the bonds was to refinance a portion of the City's CalPERS Obligation and refund the outstanding Authority Lease Revenue Refunding Bonds Series 2015A (Taxable). The City Council approved the issuance of the pension obligation bonds on September 15, 2021. As a result, the City is fiduciarily responsible for these Lease Revenue bonds.

Outstanding long-term debt as of June 30, 2024, and 2023, is summarized in the following table (dollars in thousands). Additional information on the City's long-term debt for the year can be found in **Note II-E** and **Note II-F** in the notes to the basic financial statements.

Long-Term Liabilities		Primary Government			
(dollars in thousands)		Governmental Activities			
	Note Reference	2024	2023	Change	
Lease revenue bonds	II-F.1, II-F.4	\$ 23,445	26,150	(2,705)	
Limited obligation bonds	II-F.2, II-F.4	22,845	24,755	(1,910)	
Tax allocation bonds	II-F.3, II-F.4	32,286	35,476	(3,190)	
Compensated absences	II-F.4, II-F.7	4,951	4,966	(15)	
Net pension liability	II-F.4, IV-B	18,660	22,121	(3,461)	
Other postemployment benefits	II-F.4, IV-C.4	40,100	41,799	(1,699)	
Lease liabilities	II.E	465	304	161	
Subscription liabilities	II.E	4,208	3,371	837	
Claims and judgments	II-F.4, IV-A	12,552	7,949	4,603	
Total		\$ 159,513	166,891	(7,378)	

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Expenditures and transfers out for the General Fund were projected to be \$70,619,550 in FY 2023/2024 based on the originally adopted budget. This represented an increase of \$2.49 million from the \$68,126,986 actual expenditures of FY 2022/2023. Based on the original adopted budget with a \$2.67 million deficit, it was anticipated fund balance reserves would be used in FY 2023/2024; however, that was not the case, and a \$2.23 million surplus was achieved. The City continues to remain committed to sustaining General Fund reserves to an appropriate level as outlined in the fund balance policy adopted in September 2014.

The adopted FY 2024/2025 budget for the General Fund (Fund 100) assumed a stable revenue stream in its revenues from sales tax, transaction and use tax, and transient occupancy tax along with increases in property tax, utility user tax, and franchise fees. These ongoing revenues, including transfers in, were budgeted to be \$64,600,726, a decrease of \$2,512,665 or 3.7%, from the final FY 2023/2024 budget totaling \$67,113,391. As we continue to experience economic volatility coming out of the COVID-19 pandemic, the City is projecting continued stability of the sales tax and transaction and use tax revenues to continue in the upcoming fiscal year (FY 2024/2025). The FY 2023/2024 actual revenues, including transfers, leases and subscriptions, totaled \$71,162,618, which is \$699,042 more than the FY 2022/2023 actual revenues of \$70,463,576 representing a 1.0% increase. This minimal difference between actual versus forecasted revenue in FY 2023/2024 was primarily a result of \$5,568,116 of ARPA funding. As a result, the City is projecting a similar revenue stream for FY 2024/2025, net of anticipated ARPA revenues.

## REQUESTS FOR INFORMATION

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This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the City of Cathedral City, Finance Department, 68-700 Avenida Lalo Guerrero, Cathedral City, CA 92234. The report is available online at [www.cathedralcity.gov](http://www.cathedralcity.gov).





# Cathedral City

# BASIC FINANCIAL STATEMENTS







# Cathedral City

# GOVERNMENT-WIDE FINANCIAL STATEMENTS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

# Statement of Net Position

June 30, 2024

	Primary Government Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 92,657,663
Accounts receivable	15,170,840
Interest receivable	992,608
Loans receivable	17,910,622
Lease receivable	391,145
Inventories	32,868
Deposits	1,753,413
Prepays	537,477
Investments held in trust	24,651,378
Restricted cash and investments	4,168,906
Assets held for disposition	532,996
Capital assets:	
Not being depreciated/amortized	41,197,499
Being depreciated/amortized, net	163,806,192
<b>Total Assets</b>	<b>363,803,607</b>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	21,309,748
Deferred outflows related to OPEB	15,441,404
<b>Total Deferred Outflows of Resources</b>	<b>36,751,152</b>
<b>Liabilities</b>	
Accounts payable	7,812,725
Interest payable	838,880
Unearned revenue	4,732,087
Deposits	702,184
Noncurrent liabilities:	
Due within one year:	
Bonds	7,695,528
Compensated absences	2,475,681
Claims and judgments	5,000,000
Lease liabilities	164,638
Subscription liabilities	613,785
Net other postemployment benefits obligation	4,843,413
Due in more than one year:	
Debt and other long-term liabilities	
Bonds	70,880,952
Compensated absences	2,475,680
Claims and judgments	7,552,447
Lease liabilities	300,106
Subscription liabilities	3,594,299
Net pension liability	18,659,903
Net other postemployment benefits obligation	35,256,758
<b>Total Liabilities</b>	<b>173,599,066</b>
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to leases	360,449
Deferred inflows related to pensions	16,076,801
Deferred inflows related to OPEB	42,147,477
<b>Total Deferred Inflows of Resources</b>	<b>58,584,727</b>
<b>Net Position</b>	
Net investment in capital assets	200,330,863
Restricted for:	
Capital projects	8,512,984
Community development	22,016,900
Debt service	27,982,840
Low-mod income housing	11,827,557
Public safety	2,477,788
Public works	921,643
Unrestricted	(105,699,609)
<b>Total Net Position</b>	<b>\$ 168,370,966</b>

See accompanying notes to basic financial statements.

[Return to Table of Contents](#)

## Statement of Activities

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 23,404,548	6,512,796	5,815,236	-
Community development	8,183,192	978,952	9,099,102	11,750,920
Culture and recreation	719,238	8,496	-	-
Public safety	34,548,521	4,809,968	1,998,319	-
Public works	9,835,031	878,807	3,739,337	-
Interest on long-term debt	3,689,261	-	-	-
<b>Total Governmental Activities</b>	<b>80,379,791</b>	<b>13,189,019</b>	<b>20,651,994</b>	<b>11,750,920</b>
<b>Total Primary Government</b>	<b>\$ 80,379,791</b>	<b>13,189,019</b>	<b>20,651,994</b>	<b>11,750,920</b>

### General Revenues

Taxes:

Cannabis tax

Franchise tax

Property tax

Sales tax

Transactions and use tax

Transient occupancy/timeshare developer

Utility users tax

Investment and interest income

Other revenue

### Total General Revenues

Change in net position

Net Position - July 1, as previously reported

GASB 101 implementation (Note G)

Net Position - July 1, as restated

### Net Position - Ending

See accompanying notes to basic financial statements.

<b>Net (Expense)</b> <b>Revenue and</b> <b>Changes in</b> <b>Net Position</b> <b>Primary</b>	
<b>Governmental</b> <b>Activities</b>	
	<b>Functions/Programs</b>
	<b>Primary Government</b>
(11,076,516)	Governmental activities:
13,645,782	General government
(710,742)	Community development
(27,740,234)	Culture and recreation
(5,216,887)	Public safety
(3,689,261)	Public works
	Interest on long-term debt
<b>(34,787,858)</b>	<b>Total Governmental Activities</b>
<b>(34,787,858)</b>	<b>Total Primary Government</b>
	<b>General Revenues</b>
	Taxes:
2,837,618	Cannabis tax
3,026,731	Franchise tax
13,113,359	Property tax
13,489,607	Sales tax
8,871,049	Transactions and use tax
5,070,749	Transient occupancy/timeshare developer
3,777,878	Utility users tax
6,513,852	Investment and interest income
504,576	Other revenue
<b>57,205,419</b>	<b>Total General Revenues</b>
22,417,561	Change in net position
146,365,727	Net Position - July 1, as previously reported
(412,322)	GASB 101 implementation (Note G)
145,953,405	Net Position - July 1, as restated
<b>\$ 168,370,966</b>	<b>Net Position - Ending</b>



# FUND FINANCIAL STATEMENTS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**





# Cathedral City

## Balance Sheet

### Governmental Funds

June 30, 2024

	General	Special Revenue	
		Developer Fees	Successor Housing Agency
<b>Assets</b>			
Cash and investments	\$ 41,892,383	-	2,841,564
Receivables:			
Interest	503,061	-	29,014
Accounts	6,354,161	-	500
Loans	2,905,740	-	15,004,882
Lease	360,014	-	-
Interfund receivable	208,695	-	-
Prepaid assets	78,373	-	-
Investments held in trust	-	-	-
Restricted assets:			
Cash and investments held with fiscal agent	-	-	-
Assets held for disposition	-	-	532,996
<b>Total Assets</b>	<b>\$ 52,302,427</b>	<b>-</b>	<b>18,408,956</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 3,289,494	-	61,839
Deposits from others	697,410	-	-
Unearned revenue	1,229,041	-	-
Interfund payable	-	-	-
<b>Total Liabilities</b>	<b>5,215,945</b>	<b>-</b>	<b>61,839</b>
Deferred inflows of resources:			
Unavailable revenue	1,060,323	-	6,519,560
Related to leases	329,453	-	-
<b>Total Deferred Inflow of Resources</b>	<b>1,389,776</b>	<b>-</b>	<b>6,519,560</b>
Fund balances:			
Nonspendable	2,984,113	-	-
Restricted	-	-	11,827,557
Assigned	162,030	-	-
Unassigned	42,550,563	-	-
<b>Total Fund Balances</b>	<b>45,696,706</b>	<b>-</b>	<b>11,827,557</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 52,302,427</b>	<b>-</b>	<b>18,408,956</b>

See accompanying notes to basic financial statements.

<u>Debt Service</u>	<u>Capital Projects</u>			
<u>Public Financing Authority</u>	<u>Areawide Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>	
1,506	863,399	24,602,976	70,201,828	<b>Assets</b>
				Cash and investments
				Receivables:
15	8,816	223,718	764,624	Interest
-	7,520,838	1,282,900	15,158,399	Accounts
-	-	-	17,910,622	Loans
-	-	-	360,014	Lease
-	-	-	208,695	Interfund receivable
83,032	-	877	162,282	Prepaid assets
24,651,378	-	-	24,651,378	Investments held in trust
				Restricted assets:
4,168,821	-	85	4,168,906	Cash and investments held with fiscal agent
-	-	-	532,996	Assets held for disposition
<b>28,904,752</b>	<b>8,393,053</b>	<b>26,110,556</b>	<b>134,119,744</b>	<b>Total Assets</b>
				<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>
				Liabilities:
-	3,018,233	1,391,508	7,761,074	Accounts payable
-	-	-	697,410	Deposits from others
-	-	2,728,954	3,957,995	Unearned revenue
-	-	208,695	208,695	Interfund payable
-	<b>3,018,233</b>	<b>4,329,157</b>	<b>12,625,174</b>	<b>Total Liabilities</b>
				Deferred inflows of resources:
-	4,246,137	298,717	12,124,737	Unavailable revenue
-	-	-	329,453	Related to leases
-	<b>4,246,137</b>	<b>298,717</b>	<b>12,454,190</b>	<b>Total Deferred Inflow of Resources</b>
				Fund balances:
83,032	-	877	3,068,022	Nonspendable
28,821,720	1,128,683	21,736,216	63,514,176	Restricted
-	-	-	162,030	Assigned
-	-	(254,411)	42,296,152	Unassigned
<b>28,904,752</b>	<b>1,128,683</b>	<b>21,482,682</b>	<b>109,040,380</b>	<b>Total Fund Balances</b>
<b>28,904,752</b>	<b>8,393,053</b>	<b>26,110,556</b>	<b>134,119,744</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>

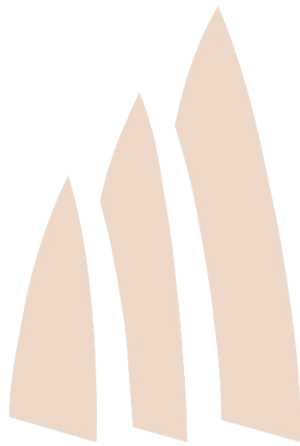
## Reconciliation of the Balance Sheet

### Governmental Funds to the Statement of Net Position

#### For the Year Ended June 30, 2024

<b>Total fund balances - governmental funds</b>	<b>\$ 109,040,380</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
• Capital assets used in governmental activities, excluding internal service funds of \$9,349,726, are not financial resources, and therefore, are not reported in the funds.	
Capital assets, at historical cost	347,779,610
Accumulated depreciation	(156,928,242)
• Accrued interest payable not included in the funds.	(838,880)
• Deferred inflows of resources represent the acquisition of net position that applies to a future period and will not be recognized as an inflow of resources on the government-wide financial statements until then. Deferred outflows of resources represent the consumption of net position that applies to a future period and will not be recognized as an outflow of resources on the government-wide financial statements until then.	
Deferred inflows - unavailable revenues recognized under the accrual method of accounting	12,124,737
Deferred inflows - changes in assumptions	(32,915,848)
Deferred inflows - differences between actual and expected experience	(9,357,941)
Deferred inflows - differences between the employer's contributions and the employer's proportionate share of contributions	(590,887)
Deferred inflows - changes in employer's proportion	(15,359,602)
Deferred outflows - contributions subsequent to measurement date	6,857,735
Deferred outflows - differences between actual and expected experience	1,246,987
Deferred outflows - differences between the employer's contributions and the employer's proportionate share of contributions	11,301,407
Deferred outflows - changes in assumptions	12,899,602
Deferred outflows - changes in employer's proportion	488,582
Deferred inflows - net difference between projected and actual earnings on plan investments	3,956,840
• Internal service funds are used by management to charge the costs of these funds to their primary users governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	20,824,631
• Long-term liabilities are not due and payable in the current period and therefore, not reported in the governmental funds (this excludes internal service fund liabilities of \$12,632,966).	
Bonds	(78,576,481)
Compensated absences	(4,951,361)
Net pension liability	(18,659,903)
Other post employment benefits (OPEB)	(40,100,171)
Leases payable	(464,744)
Subscriptions payable	(4,208,084)
• Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Lease asset	743,035
Accumulated amortization	(283,831)
• Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Subscription asset	5,524,041
Accumulated amortization	(1,180,646)
<b>Net position of governmental activities</b>	<b>\$ 168,370,966</b>

See accompanying notes to basic financial statements.



# Cathedral City

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

## Governmental Funds

For the Year Ended June 30, 2024

June 30, 2024	Special Revenue		
		Developer Fees	Successor Housing Agency
	General		
Revenues			
Taxes	\$ 50,186,992	-	-
Intergovernmental	5,995,911	-	86,943
Licenses and permits	3,427,345	-	-
Fines and forfeitures	354,490	-	-
Charges for services	5,974,364	-	-
Special assessments	266,226	-	-
Development fees	-	-	-
Use of money and property	2,525,993	-	153,154
Contributions from other governments	250,000	-	-
Other revenue	80,114	-	70,461
Total Revenues	69,061,435	-	310,558
Expenditures			
Current:			
General government	22,515,525	-	-
Community development	6,177,235	-	175,903
Culture and recreation	444,436	-	-
Public safety	32,566,160	-	-
Public works	1,073,378	-	-
Capital outlay	2,267,376	-	-
Debt service:			
Principal	190,832	-	-
Interest	19,880	-	-
Total Expenditures	65,254,822	-	175,903
Excess (deficiency) of revenues over (under) expenditures	3,806,613	-	134,655
Other Financing Sources (Uses)			
Transfers in	919,523	-	-
Transfers out	(4,058,885)	(256,490)	(21,638)
Related to leases	375,840	-	-
Related to subscriptions	1,499,949	-	-
Total Other Financing Sources (Uses)	(1,263,573)	(256,490)	(21,638)
Net change in fund balances	2,543,040	(256,490)	113,017
Fund balances - beginning, as restated	43,153,666	256,490	11,714,540
Fund Balances - Ending	\$ 45,696,706	-	11,827,557

See accompanying notes to basic financial statements.



<b>Debt Service</b>	<b>Capital Projects</b>			
<b>Public</b>	<b>Areawide</b>			
<b>Financing</b>	<b>Capital</b>	<b>Nonmajor</b>		
<b>Authority</b>	<b>Projects</b>	<b>Funds</b>	<b>Total</b>	
-	-	-	50,186,992	<b>Revenues</b>
-	8,732,840	6,026,340	20,842,034	Taxes
-	-	-	3,427,345	Intergovernmental
-	-	236,113	590,603	Licenses and permits
-	-	2,060,495	8,034,859	Fines and forfeitures
-	-	372,801	639,027	Charges for services
-	-	304,617	304,617	Special assessments
1,386,271	169,795	1,118,232	5,353,449	Development fees
5,075,077	-	-	5,325,077	Use of money and property
-	317,933	47,996	516,504	Contributions from other governments
<b>6,461,348</b>	<b>9,220,568</b>	<b>10,166,594</b>	<b>95,220,507</b>	Other revenue
				<b>Total Revenues</b>
				<b>Expenditures</b>
-	-	38,548	22,554,073	Current:
-	287,966	1,329,223	7,970,327	General government
-	-	-	444,436	Community development
-	-	217,044	32,783,204	Culture and recreation
-	-	3,306,043	4,379,421	Public safety
-	11,964,342	3,737,737	17,969,455	Public works
7,506,094	-	-	7,696,926	Capital outlay
4,070,693	-	-	4,090,573	Debt service:
<b>11,576,787</b>	<b>12,252,308</b>	<b>8,628,595</b>	<b>97,888,415</b>	Principal
				Interest
				<b>Total Expenditures</b>
(5,115,439)	(3,031,740)	1,537,999	(2,667,908)	Excess (deficiency) of revenues over (under) expenditures
				<b>Other Financing Sources (Uses)</b>
3,664,632	-	1,593,764	6,177,919	Transfers in
(1,100,000)	-	(1,077,140)	(6,514,153)	Transfers out
-	-	-	375,840	Related to leases
-	-	-	1,499,949	Related to subscriptions
<b>2,564,632</b>	<b>-</b>	<b>516,624</b>	<b>1,539,555</b>	<b>Total Other Financing Sources (Uses)</b>
(2,550,807)	(3,031,740)	2,054,623	(1,128,353)	Net change in fund balances
31,455,559	4,160,423	19,428,059	110,168,733	Fund balances - beginning, as restated
<b>28,904,752</b>	<b>1,128,683</b>	<b>21,482,682</b>	<b>109,040,380</b>	<b>Fund Balances - Ending</b>

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2024

<b>Net change in fund balances - total governmental funds</b>	<b>\$(1,128,357)</b>
<ul style="list-style-type: none"> <li>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 and reported as depreciation expense. This is the amount by which amortization/depreciation exceeded capital outlay.</li> </ul>	
Capital outlay	16,047,372
Net loss of disposal of capital assets	(32,682)
Amortization/depreciation expense (excluding internal service)	(7,193,614)
<ul style="list-style-type: none"> <li>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</li> </ul>	6,222,439
<ul style="list-style-type: none"> <li>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on change in net position. This amount represents long-term debt repayments. Governmental funds also report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</li> </ul>	
Bond principal payments	7,506,094
<ul style="list-style-type: none"> <li>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</li> </ul>	
Compensated absences	427,204
Accrued interest payable	82,819
Accreted interest payable	298,613
<ul style="list-style-type: none"> <li>Governmental funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as expenses.</li> </ul>	
City pension and OPEB contributions	(747,219)
<ul style="list-style-type: none"> <li>Internal service funds are used by management to charge the costs of activities involved in providing services to departments within the City. The net expense of certain internal service funds are reported with governmental activities.</li> </ul>	983,436
<ul style="list-style-type: none"> <li>Governmental funds report acquisitions of lease assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which lease acquisitions were less than amortization expense in the current period.</li> </ul>	
Acquisition of lease assets	375,840
Amortization of lease assets	(209,855)
<ul style="list-style-type: none"> <li>Payment on leases is recorded as an expenditure in the governmental funds, but the repayment reduces the lease liability in the Statement of Net Position.</li> </ul>	
New leases entered into	(375,840)
Lease repayment	214,925
<ul style="list-style-type: none"> <li>Governmental funds report acquisitions of subscription assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which subscription acquisitions were less than amortization expense in the current period.</li> </ul>	
Acquisition of subscription assets	1,499,949
Amortization of subscription assets	(716,816)
<ul style="list-style-type: none"> <li>Payment on subscriptions are recorded as an expenditure in the governmental funds, but the repayment reduces the subscription liability in the Statement of Net Position.</li> </ul>	
New subscriptions entered into	(1,552,112)
Subscription repayment	715,365
<b>Change in net position of governmental activities</b>	<b>\$22,417,561</b>

See accompanying notes to basic financial statements.



# Cathedral City

# Statement of Net Position

## Proprietary Funds

June 30, 2024

	Governmental Activities - Internal Service Funds
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 22,455,833
Receivables:	
Interest	227,984
Accounts	12,443
Leases	31,131
Deposits with PERMA	1,753,413
Prepaid assets	375,195
Inventories	32,868
<b>Total Current Assets</b>	<b>24,888,867</b>
Noncurrent assets:	
Capital assets:	
Intangibles	95,098
Vehicles and equipment	16,404,628
Construction in progress	832,741
Amortization of intangible assets/Depreciation	(7,982,741)
Net capital assets	9,349,726
<b>Total Noncurrent Assets</b>	<b>9,349,726</b>
<b>Total Assets</b>	<b>34,238,593</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	51,654
Deposits from others	4,774
Claims payable	2,765,742
Unearned revenue	24,091
<b>Total Current Liabilities</b>	<b>2,846,261</b>
Noncurrent liabilities:	
Claims payable	9,786,705
<b>Total Noncurrent Liabilities</b>	<b>9,786,705</b>
<b>Total Liabilities</b>	<b>12,632,966</b>
<b>Deferred Inflows of Resources</b>	
Related to leases	30,996
Unavailable revenue	750,000
<b>Total Deferred Inflows of Resources</b>	<b>780,996</b>
<b>Net Position</b>	
Invested in capital assets	9,349,726
Unrestricted	11,474,905
<b>Total Net Position</b>	<b>\$ 20,824,631</b>

See accompanying notes to basic financial statements.

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 17,552,152
Other revenue	148,238
<b>Total Operating Revenues</b>	<b>17,700,390</b>
<b>Operating Expenses</b>	
Insurance claims and expenses	16,487,287
Annual contributions	687,927
Amortization of intangible assets/Depreciation	1,084,698
Repairs and maintenance	52,999
<b>Total Operating Expenses</b>	<b>18,312,911</b>
Operating Income (Loss)	<b>(612,521)</b>
<b>Nonoperating Revenues (Expenses)</b>	
Lease income	53,279
Rental income	29,512
Interest and investment income	881,818
Gain on sale of capital assets	5,675
Net increase (decrease) in fair value of investments	289,439
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,259,723</b>
Income before transfers	647,202
Transfers in	336,234
	<b>336,234</b>
Change in net position	983,436
Total net position - beginning	19,841,195
<b>Total Net Position - Ending</b>	<b>\$ 20,824,631</b>

See accompanying notes to basic financial statements.

## Statement of Cash Flows

### Proprietary Funds

For the Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and user departments	\$ 19,617,126
Payments to suppliers for goods and services	(13,024,806)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>6,592,320</b>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfers in	472,671
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>472,671</b>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Capital asset acquisitions	(4,322,562)
Proceeds from the sale of capital assets	5,675
Transfers out	(136,437)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(4,453,324)</b>
<b>Cash Flows From Investing Activities</b>	
Interest income	813,469
Rental income	81,349
Change in fair value of investments	289,439
<b>Net Cash (Used) by Investing Activities</b>	<b>1,184,257</b>
Net increase (decrease) in cash and cash equivalents	3,795,924
Cash and cash equivalents - beginning	18,659,909
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 22,455,833</b>
<b>Reconciliation of Operating Income to Net Cash (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (612,521)
Adjustments to Reconcile operating income to net cash provided (used) by operating activities:	
Amortization of intangible assets/Depreciation	1,084,698
Accounts receivable	23,870
Deposits with PERMA	1,136,961
Prepaid assets	(239,028)
Inventories	(1,244)
Accounts payable	(159,949)
Unearned revenue	755,904
Claims payable	4,603,629
<b>Net Cash (Used) by Operating Activities</b>	<b>\$ 6,592,320</b>

See accompanying notes to basic financial statements.





# Cathedral City

## Statement of Net Position

### Fiduciary Funds

June 30, 2024

	Private-Purpose Trust Funds	
	Successor Agency Trust Funds	Custodial Funds
<b>Assets</b>		
Cash and investments	\$ 9,868,299	6,617,919
Receivables:		
Interest	-	95,075
Special assessments	-	292,208
Prepaid assets	787,066	-
Restricted assets:		
Cash and investments held with fiscal agent	3,248,225	422,510
<b>Total Assets</b>	<b>13,903,590</b>	<b>7,427,712</b>
<b>Liabilities</b>		
Accounts payable	1,000	4,929
Accrued interest	1,558,503	-
Due to bondholders	-	7,422,783
Bonds and notes payable:		
Due in one year	5,785,000	-
Due in more than one year	112,434,345	-
<b>Total Liabilities</b>	<b>119,778,848</b>	<b>7,427,712</b>
<b>Net Position</b>		
Restricted for dissolution of former RDA	(105,875,258)	-
<b>Total Net Position</b>	<b>\$ (105,875,258)</b>	<b>-</b>

See accompanying notes to basic financial statements.

## Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2024

	Private-Purpose Trust Funds	
	Successor Agency Trust Funds	Custodial Funds
<b>Additions</b>		
Taxes	\$ 15,314,120	-
Collections for assessment districts	-	3,836,254
Use of money and property	7,944	332,108
Net increase (decrease) in fair value of investments	-	132,807
<b>Total Additions</b>	<b>15,322,064</b>	<b>4,301,169</b>
<b>Deductions</b>		
Administrative expenses	86,982	48,477
Contractual services	39,610	110,112
Interest expense	4,943,654	1,508,809
Contributions to other governments	5,325,077	-
Bond payment	-	2,112,072
Other deductions	-	521,699
<b>Total Deductions</b>	<b>10,395,323</b>	<b>4,301,169</b>
Change in net position	4,926,741	-
Net Position - beginning of the year	(110,801,999)	-
	(105,875,258)	-
<b>Net Position - End of the Year</b>	<b>\$ (105,875,258)</b>	<b>-</b>

See accompanying notes to basic financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

# CONTENTS

# PAGE

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note A - Reporting Entity	63
Note B - Government-Wide and Fund Financial Statements	64
Note C - Measurement Focus, Basis of Accounting, And Statement Presentation	65
Note D - Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balances	66
Note E - Implementation of New Accounting Principles	76
Note F - New Accounting Principles Yet to Be Implemented	76

## II. DETAILED NOTES FOR ALL FUNDS

Note A - Deposits and Investments	78
Note B - Receivables	84
Note C - Interfund Activities	84
Note D - Capital Assets	86
Note E - Lease and Subscription Obligations	88
Note F - Long-Term Liabilities	90
Note G - Fund Balances	95
Note H - Successor Agency Trust Funds For Assets Of Former Redevelopment Agency	97

## III. OTHER NOTE DISCLOSURES

Note A - Risk Management	100
Note B - Pension Plan	101
Note C - Other Postemployment Benefits	106
Note D - Tax Abatement Programs	110
Note E - Jointly Governed Organization	111
Note F - Contingencies	111
Note G - Prior Period Adjustments	111

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental entities. A summary of the City of Cathedral City's significant accounting policies applied in the preparation of these financial statements follows.

### **NOTE A - REPORTING ENTITY**

The City of Cathedral City (the "City") was incorporated in 1981 under the general laws of the State of California and enjoyed the rights and privileges pertaining to such "general law" cities. With the November 2016 election, the City became a charter city and transitioned from a general law city. The City operates under a Council-Manager form of government and the City Council is comprised of five members. Services provided include public safety (police and fire protection); public works (engineering and public maintenance (grounds, parks and streets); community development (building, planning, code compliance and economic development); city management including city clerk, communications and events, human resources, and information technology; and general administrative support to include finance, facilities, and risk management.

As required by U.S. GAAP, these financial statements present the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*; GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*; and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*.

#### **Blended Component Units**

**Cathedral City Public Financing Authority ("Authority")** - The Authority was established as a separate legal entity on December 1, 1993, for the purpose of financing public capital improvements. Although legally separate, it is reported as if it were part of the City because the City Council also serves as the Authority's governing board. In addition, City management has operational responsibility for the Authority as it manages its activities in the same manner as the City's. The Authority is reported herein in the City's debt service funds. Separate financial statements for the Authority are not prepared. The Authority's fiscal year end is June 30.

**Cathedral City Community Services District ("District")** - The District was established as a separate legal entity upon incorporation of the City in 1981 to provide police services, soil conservation, sand control, tree and plant conservation, public parks, street lighting and road maintenance within the city limits. Upon cessation of assessment levies in June 2000, the District's activities have been 100% funded through property taxes received from Riverside County. Although legally separate, it is reported as if it were part of the City because the City Council also serves as the District's governing board. In addition, City management has operational responsibility for the District as it manages its activities in the same manner as the City's. Separate financial statements for the District are not prepared. The District's fiscal year end is June 30.

#### **Fiduciary Component Units**

**Successor Agency to the Redevelopment Agency of the City of Cathedral City ("Successor Agency")** - Assembly Bill 1X 26 ("the Bill") dissolved all redevelopment agencies in the State of California effective February 1, 2012. Upon dissolution of a redevelopment agency, the Bill



provided either the city or another unit of local government would agree to serve as the “successor agency” to hold the assets until distributed to other units of state and local government. On May 25, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 2011-133.

After enactment of the law occurred on June 28, 2011, redevelopment agencies in the State of California were not able to initiate new projects, obligations, or commitments. Remaining assets could only be used to pay enforceable obligations in existence at the date of dissolution, as overseen by an Oversight Board comprised of individuals appointed by various government agencies and the City of Cathedral City as Successor Agency of the former redevelopment agency. In future fiscal years, successor agencies are only allocated property tax revenues in the amount necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency are paid in full and all assets have been liquidated.

The nature and significance of the relationship between the City and the Successor Agency is such that it is necessary for the Successor Agency to be included in the City’s financial statements. The Successor Agency is reported herein in the City’s fiduciary funds as private-purpose trust funds. Separate financial statements for the Successor Agency are not prepared. The Successor Agency’s fiscal year end is June 30.

## **NOTE B - GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, report information on the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double-counting of internal activities but interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties. The City does not have any reportable business-type activities or discretely presented component units.

The Statement of Net Position reports the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of services with the difference between them presented as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function. 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, and (2) grants and contributions restricted to meeting the operational or capital requirements of a function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

## NOTE C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Available means collectible within the current period, or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if collected within 90 days (60 days for property taxes) after year end. Sales tax, property tax, utility user tax, transactions and use tax, cannabis tax, franchise fees, motor vehicle in lieu payments, transient occupancy tax, grants, and interest associated with the current fiscal period are susceptible to accrual. Other revenue items become measurable and available when cash is received by the City and are recognized as revenue at that time. Expenditures are recorded when the related liability is incurred, except for debt service expenditures, and expenditures related to compensated absences and claims and judgments, which are not recognized until paid.

The City reports the following governmental fund types:

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

For reporting purposes, the General Fund includes the following funds: General Fund (Fund 100); Big League Dreams (Fund 431); and Special Deposits (Fund 711). The Big League Dreams fund accounts for the loan made by the City to a developer for constructing a sports complex (Big League Dreams). The Special Deposits fund accounts for deposits held by the City for others, such as developer security deposits, particulate matter (PM-10) deposits and business owner deposits. The Big League Dreams and Special Deposits funds do not meet the fund type definitions included in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Therefore, for U.S. GAAP reporting purposes, they are included as part of the General Fund.

- Special revenue funds account for revenues derived from specific sources, which are usually required by law or administrative regulation to be accounted for in a separate fund.
- Debt service funds account for the accumulation of resources restricted, committed, or assigned for payment of principal and interest on long-term obligations of governmental funds.
- Capital projects funds account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

In addition to the General Fund, major governmental funds reported by the City include the following:

- The Developer Impact Fees special revenue fund is used to account for the various fees charged to developers and collected by the City. The fees collected are restricted for the

specific purposes designated by each of the fees. The fund was dissolved in FY 2023/2024 because of the City updating development impact fees based on the most recent Nexus study.

- The Successor Housing Agency special revenue fund accounts for restricted revenue, such as housing program repayments and interest earnings to be used in accordance with applicable housing-related provisions of the Community Redevelopment Law.
- The Public Financing Authority debt service fund accounts for the monies received and interest earned to make the required principal and interest payments on the long-term indebtedness of the Authority.
- The Areawide Capital Projects fund accounts for restricted revenues, such as grants and other governmental revenues, to be used for approved citywide capital projects not otherwise budgeted for in another fund.

The proprietary fund and fiduciary fund financial statements are also reported using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the related goods or services are delivered.

The City reports the following proprietary fund type:

- Internal service funds account for motor vehicle and major equipment purchases, insurance, technology-related costs, and major facilities replacement costs. The principal operating revenues of the City's internal service funds are charges to user departments for the estimated cost reimbursement of providing these services. Operating expenses for the internal service funds include the cost of services provided, administrative expenses, and depreciation on capital assets.

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, and other governments. The City reports the following fiduciary fund types:

- Private-purpose trust funds account for the assets and liabilities of the Successor Agency. Allocated property tax revenues are received from Riverside County to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.
- Custodial funds are like Private-purpose trust funds in nature. The custodial funds are used to account for taxes received for special assessments debt, for which the City is not obligated. Assets held in custodial funds are not held in trusts or equivalent arrangements.

## **NOTE D - ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCES**

- 1. Cash and Investments.** The City pools cash resources from all funds, except those held by fiscal agents, to facilitate cash management and achieve the goal of obtaining the highest yield with the greatest safety and least risk. The balance in the pooled cash account is available to meet current operating requirements. Cash exceeding current/minimum requirements is invested in various interest-bearing accounts and other investments for varying terms pursuant to investment policy guidelines established by the City and subject to an annual review by the City Council. The policy addresses the soundness of financial institutions in which the City will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

Each fund's share in this pool is displayed in the accompanying financial statements as 'cash and investments'. City investments are recorded at fair value, which is primarily determined on the basis of quoted market prices at year end, except for certain certificates of deposit and investment agreements reported at cost because they are not transferable, and they have terms not affected by changes in market rates. The City participates in an external investment pool managed by the State of California. This fund, the California Local Agency Investment Fund (LAIF), was established under California State Statute. LAIF has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF is not registered with the Securities and Exchange Commission; however, it does fall under the regulatory oversight of the State of California. Based on information obtained from the State of California, the investment in LAIF has been recorded at fair value.

Investment earnings include interest earnings, changes in fair value, and any gains or losses realized upon liquidation, maturity, or sale of investments. Investment earnings of the pooled investments are allocated to the various funds based on each fund's cash and investment balance at the end of each quarter.

2. **Cash Equivalents.** The City's investments held in the pooled cash account are classified as cash equivalents. Cash equivalents are defined as short-term (maturing within three months or less at the time of purchase), highly liquid investments both readily convertible to known amounts of cash or so near their maturity they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the internal service funds' share in the cash and investment pool of the City. The entire balance of cash and investments on the Statement of Net Position for the internal service funds is considered cash and cash equivalents for purposes of the statement of cashflows.
3. **Accounts Receivable.** Sales and use tax, utility user tax, transactions and use tax, cannabis tax, franchise fees, motor vehicle in lieu payments, transient occupancy tax, grants, and interest related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 90 days of year end. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the Government-Wide Statement of Net Position.
4. **Loans Receivable.** The former redevelopment agency loaned money to City residents as part of assistance programs targeting low-income and moderate-income property owners. Assistance programs included property rehabilitation assistance, property tax payment assistance, and others. The former redevelopment agency also loaned money to developers for various low-income and moderate-income housing projects throughout the city.
5. **Interfund Receivable/Payable.** As part of the City's operations, numerous transactions occur between individual funds for goods provided or services rendered. The balances from these transactions are classified as "interfund receivable" or "interfund payable" on the Balance Sheet/Statement of Net Position. Other interfund receivables/payables between individual funds can occur when funds have overdrawn their equity share of pooled cash.
6. **Prepaid Assets.** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both government-wide and fund financial

statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

7. **Inventories.** The City values its fuel inventory for City vehicles at average cost and expenses the fuel inventory as it is consumed. This is referred to as the consumption method of inventory accounting. The City uses the purchases method of accounting for inventories in governmental fund types whereby inventory items are considered expenditures when purchased and are not reported in the Statement of Net Position.
8. **Investments Held in Trust.** Investments held in trust represent the investments (special assessment district bonds) purchased and held by the City for repayment of certain special assessment district debt.
9. **Assets Held for Disposition (formerly Land Held for Resale).** Upon the dissolution of the former redevelopment agency, the City became the Successor Housing Agency. Parcels of land were acquired by the former redevelopment agency with low-income and moderate-income housing funds as part of its primary purpose of developing or redeveloping blighted areas. These parcels are reported as assets held for disposition. The properties are reported at the lower of cost or net realizable value, which is determined upon the execution of a disposition and development agreement. Assets disposed of through a sales agreement at an agreed-upon price are accounted for by recording the resulting gain or loss on the sale. Assets given to a developer under a disposition agreement are accounted for by recording expenditures for developer assistance.
10. **Restricted Assets.** Certain cash and investments held by the fiscal agent reported in governmental activities and the Public Financing Authority debt service fund are classified as restricted assets as they are restricted for debt repayment.

Certain cash and investments held by the fiscal agent reported in the Assessment Districts 96-1, 2001-01, 2003-1, 2004-1 and 2004-2, and CFD 2000-1 Rio Vista funds are classified as restricted assets. They are remaining proceeds of debt issues, and their use is limited by applicable bond covenants.



**11. Capital Assets.** Vehicles, furniture, equipment, infrastructure assets (e.g., roads, traffic signals, drainage systems, and similar items), and intangible assets (software and easements) are reported in the governmental activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Capital assets are defined by the City as individual assets with an initial cost of more than \$5,000 (vehicles, furniture, and equipment), \$10,000 (land and land improvements) or \$50,000 (buildings, structures, infrastructure, and intangible assets) and an estimated life exceeding one year. Normal maintenance and repair costs are not capitalized because they do not add to the value of the asset or materially extend the asset's life.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	30 years
Structures and improvements	20 years
Vehicles, furniture, and equipment	5 to 20 years
Infrastructure	10 to 50 years
Intangible assets	5 to 40 years

**12. Long-term Obligations.** Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements, proprietary fund financial statements and private-purpose trust fund financial statements. Bond premiums and discounts, if any, are amortized over the life of the bonds using the straight-line method. Bond premiums and discounts, if any, are reported in the government-wide financial statements as noncurrent liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**13. Compensated Absences.** The City has vacation, sick and paid time off leave policies covering full-time employees.

Regular status City employees earn vacation hours based upon their respective Memorandum of Understanding (MOU) and length of service. Depending on the MOU and employment service, employees can carry forward unused vacation hours ranging from 192 to 648 hours. There is no limit for non-represented employees for those employees hired prior to September 1, 2016. For non-represented employees hired after August 31, 2016, shall accrue no more than three times their annual vacation leave allotment. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, a liability is recorded in the government-wide financial statements for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it



is probable these balances will be liquidated by either paid time off or payments upon termination or retirement.

Regular status City employees earn sick leave based upon their respective MOU. Depending on the MOU and employment service, employees can carry forward unused sick hours ranging from 580 to 1,440 hours. The maximum is 960 hours for non-represented employees for those employees hired prior to September 1, 2016. For non-represented employees hired after August 31, 2016, with completion of five (5) years of service with the City, all sick leave hours may be applied to CalPERS service credit conversion or may cash out up to 25% of sick leave hours. In accordance with GASB Statement No. 16 and GASB Statement No. 101, *Compensated Absences*, a liability is recorded in the government-wide financial statements for unused sick leave balances only to the extent it is probable the unused balances will result in termination payments. Included in the liability is an estimate for projected sick use during the next fiscal year, the estimated unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits resulting from continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

A current liability is accrued in the governmental funds for material compensated absences due on demand to governmental funds employees terminating prior to year-end. All other amounts are recorded as long-term liabilities. These noncurrent amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

**14. Deferred Outflows/Inflows of Resources.** In addition to assets, the statement of financial position and governmental fund Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets applicable to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items qualifying to be reported in this category, the deferred outflows relating to the pensions and OPEB reported in the Government-Wide Statement of Net Position. These outflows are the results of contributions made after the measurement period (which are recognized in the following year), changes in assumptions, differences between expected and actual experiences, net difference between projected and actual earning on plan investments, adjustments due to differences in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. For the pensions, these amounts are deferred and amortized over the expected average remaining service life except for the net difference between projected and actual earnings on plan investments, which are amortized over a five-year period.

In addition to liabilities, the statement of financial position and governmental fund Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets applicable to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The government has two items qualifying to be reported in this category in the Government-Wide Statement of Net Position - deferred inflows relating to pensions and OPEB. These inflows are the result of adjustments due to changes in

assumptions, differences between expected and actual experiences, net difference between projected and actual earning on plan investments, adjustments due to differences in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. For the pensions, these amounts are deferred and amortized over the expected average remaining service life, except for the net difference between projected and actual earnings on plan investments, which are amortized straight-line over a five-year period.

The government also has one type of item that qualifies for reporting in this category under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from the following sources: sales tax, property tax, grant reimbursements and interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

Projected and actual earnings on OPEB plan investments	Average of expected remaining service lifes
5 Years	7.3 Years

**15. Net Position.** In the government-wide, proprietary fund, and fiduciary fund (private-purpose trust fund and custodial fund) financial statements, net position is the difference between assets, liabilities, deferred inflows, and deferred outflows. Investment in capital assets represents capital assets, less accumulated depreciation, and less outstanding borrowings related to the acquisition, construction, or improvement of those assets. Certain net positions are restricted for capital projects, community development, debt service, and other purposes.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted sources. In calculating the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**16. Fund Balance.** In the fund financial statements, governmental funds report fund classifications comprising 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 fund classifications include:

**Nonspendable** - Includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

**Restricted** - Includes amounts with constraints on the use of resources by being externally imposed, imposed by law through constitution, or through enabling legislation.

**Committed** - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's highest level of decision-making authority (City Council).

**Assigned** - Includes amounts constrained by the City's intent to be used for a specific purpose. The City Council authorized the City Manager and/or Financial Services Director to assign amounts for specific purposes pursuant to the fund balance policy adopted through a resolution.

**Unassigned** - The residual classification, which includes all spendable amounts not contained in other classifications. This classification also includes amounts set aside for cash flow reserves, economic uncertainty, and budget-related reserves in accordance with the revised fund balance policy approved on September 10, 2014 (Resolution 2014-37). The fund balance policy strives to set aside 33% of budgeted expenditures and transfers out as a minimum, with a target of 50% for cash flow reserves (50%), economic uncertainties (40%) and budget-related reserves (10%). The General Fund is the only fund reporting a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the applicable fund.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In calculating the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**17. Property Taxes.** Under California law, property taxes are assessed and collected by the counties at a rate of up to 1% of assessed value, plus other increases approved by the voters. The property taxes are pooled and allocated to cities based on complex formulas prescribed by state statutes. Accordingly, the City accrues only those taxes which are received within 60 days after year end.

<b>Lien Date:</b>	<b>January 1</b>
<b>Levy Date:</b>	<b>July 1</b>
<b>Due Dates:</b>	<b>November 1 - 1<sup>st</sup> installment</b> <b>February 1 - 2<sup>nd</sup> installment</b>
<b>Delinquent After:</b>	<b>December 10 - 1<sup>st</sup> installment</b> <b>April 10 - 2<sup>nd</sup> installment</b>

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

<b>December:</b>	<b>30% advance</b>
<b>January:</b>	<b>Collection No. 1</b>
<b>April:</b>	<b>10% advance</b>
<b>May:</b>	<b>Collection No. 2</b>
<b>July:</b>	<b>Collection No. 3</b>
<b>November:</b>	<b>Teeter settlement</b>

The City is a participant in the Teeter plan under the California Revenue and Taxation Code. Under this plan, the City receives 100% of the tax levy and Riverside County has responsibility for the collection of any delinquent taxes.

**18. Pensions.** For purposes of measuring the net pension liability, deferred inflows and outflows of resources related to the pension, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. The General Fund is the primary source in conjunction with the Insurance Fund to liquidate the liability for pensions. Investments are reported at fair value. CalPERS audited financial statements are publicly available at CalPERS' website ([www.calpers.ca.gov](http://www.calpers.ca.gov)) under 'Forms and Publications'.

**19. Other Postemployment Benefits (OPEB).** Employees retiring from the City within 120 days of separation may elect to participate in such group health insurance policies provided by the City if the following three criteria are met: (1) taking a qualified retirement under CalPERS; (2) having the required years of service with the City based on the guidelines in effect at their original employment date; and (3) have reached the minimum age requirement based on the guidelines in effect at their original employment date. The cost of such insurance coverage, which the City chooses annually, is determined by the employee's negotiated MOU at the time of retirement. As permitted by law, the City's health insurance policy shall become secondary to any applicable federal or state government health program as soon as the retired employee becomes eligible, or the retired employee reaches age 65, whichever comes first.

The Insurance Fund (an internal service fund) is generally used to liquidate the liability for other postemployment benefits.

For purposes of measuring the Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to a liability recognized within certain defined timeframes. For this report, the following timeframes are used:

Actuarial valuation date:	January 1, 2023
Measurement date:	June 30, 2023
Measurement period:	July 1, 2022 to June 30, 2023

**20. Proprietary Fund Operating and Non-Operating Revenues and Expenses.** Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net position. They also distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services related to the fund's principal ongoing operations. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

**21. Use of Estimates.** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**22. Leases and Subscriptions.**

**Lessee:** The City is a lessee for non-cancellable lease of assets. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or

before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**Lessor:** The City is a lessor for a noncancellable lease of a building and cell tower land. For the cell tower land, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. For the lease of three building suites, the City recognizes a lease receivable and a deferred inflow of resources in the proprietary financial statements. The building suites being leased are classified as a capital asset on the Statement of Net Position.

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 non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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.

**Subscriptions:** At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial



amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

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

- The City uses its estimated incremental borrowing rate as the discount rate for subscription.
- The subscription term includes the noncancellable period of the subscription plus either party's unilateral option to extend based on relevant factors. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long- term debt on the Statement of Net Position.

## Note E - Implementation of New Accounting Principles

**Governmental Accounting Standards Board Statement No. 100** - In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 100 is effective for financial statements starting with the fiscal year beginning after June 15, 2023.

**Governmental Accounting Standards Board Statement No. 101** - In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 101 is effective for financial statements starting with the fiscal year beginning after December 15, 2023.

## NOTE F - NEW ACCOUNTING PRINCIPLES YET TO BE IMPLEMENTED

**Governmental Accounting Standards Board Statement No. 102** - In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 102 is effective for financial statements starting with the fiscal year beginning after June 15, 2024.

**Governmental Accounting Standards Board Statement No. 103** - In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 103 is effective for financial statements starting with the fiscal year beginning after June 15, 2025.

**Governmental Accounting Standards Board Statement No. 104** - In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

GASB Statement No. 104 is effective for financial statements starting with the fiscal year beginning after June 15, 2025.



## II. DETAILED NOTES FOR ALL FUNDS

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### NOTE A - DEPOSITS AND INVESTMENTS

- 1. Deposits.** Cash includes amounts in demand and time deposits. The City maintains a single cash account at Wells Fargo Bank for payment of general accounts payable checks and payroll checks. At year end, the City's bank balance was \$381,813. The balance reported in the June 30, 2024 financial statements was \$151,731.

The difference between the two amounts represents outstanding checks, deposits in transit, and other reconciling items.

Custodial credit risk for deposits is the risk, 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 in the possession of an outside party. Deposits or securities can be legally restricted. Amounts more than the Federal Deposit Insurance Corporation (FDIC) maximum of \$250,000 are securitized in accordance with California Government Code Section 53652. This requires a financial institution to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City Treasurer may waive the collateral requirement for deposits fully insured by the FDIC.

As of June 30, 2024, deposits were not subject to custodial credit risk as they were entirely insured or collateralized with securities held by the City or the City's agent in the City's name.

- 2. Investments.** The City maintains a cash and investment pool available for use by all funds, except for assets held by fiscal agents. The pool's cash balances are invested by the City Treasurer to enhance interest earnings. Investment income earned by the pooled investments is allocated to the various funds on a quarterly basis based on each fund's cash and investments balance at the end of the quarter. Each fund's portion of this pool is displayed on the Statement of Net Position and Balance Sheet as 'cash and investments'.

The City's investment policy provides the basis for the management of a prudent, conservative investment program. Public funds are invested in the maximum security of principal with best investment return, while meeting the daily cash flow needs of the City. All investments are less than or equal to the limits in accordance with the California Government Code and the City's investment policy, which is generally more restrictive than State law. The Financial Services Director reviews the investment policy annually and updates it as necessary. It is then presented to the City Council for approval. Authority to manage the investment program is granted to the City Treasurer in accordance with California Government Code, Section 53607, and is incorporated into the investment policy. In their absence, the Financial Services Director and City Manager, in that order, are authorized to act on their behalf. The City's Municipal Code requires the City Treasurer to provide a monthly report of all investments. This 'treasurer's report' meets the requirement for reporting investments.

The following table identifies the investment types authorized for the City by California Government Code, Sections 53600 et al, 16429.1 and 53684 (or the City's investment policy, where more restrictive). The table also identifies some of the provisions of the California Government Code (or the City's investment policy, where more restrictive) addressing interest rate risk, credit risk, and concentration of credit risk.

<b>Authorized Investments – City Treasurer</b>			<b>Maximum</b>
June 30, 2024	<b>Maximum</b>	<b>Maximum %</b>	<b>Investment</b>
	<b>Maturity</b>	<b>of Portfolio*</b>	<b>In One Issuer</b>
Government agency issues	5 years	80%	No maximum
Banker's acceptances	180 days	40%	30%
Medium-term notes	5 years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	No maximum	\$75 million †
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	N/A	30%	No maximum
Money market mutual funds	N/A	20%	10%

\* Excluding amounts held by bond trustee, which are not subject to California Government Code restrictions.

† LAIF account balances are capped at \$75 million for regular accounts. The City maintains two separate regular accounts with LAIF.

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments held by the bond trustees consist mainly of bond proceeds to be used for capital projects and required reserve funds for various bond issues and are not available for the City's general expenditures.

The following table identifies the investment types authorized for investments held by the bond trustee. The following table shows the maximum maturity allowed for debt proceeds, the maximum amount of the proceeds that may be invested in any type of investment, and the maximum amount that can be invested in any authorized investment.

<b>Authorized Investments – Bond Trustees</b>			
June 30, 2024	<b>Maximum</b>	<b>Maximum %</b>	<b>Maximum Investment</b>
	<b>Maturity</b>	<b>of Portfolio</b>	<b>In One Issuer</b>
Government agency issues	5 years	No maximum	No maximum
Local Agency Investment Fund (LAIF)	N/A	No maximum	No maximum
Money market mutual funds	N/A	No maximum	No maximum
Guaranteed investment agreements	N/A	No maximum	No maximum
Local agency bonds	N/A	No maximum	No maximum

On June 30, 2024, the City's investment balances were as shown in the following table.

<b>Investment Balances</b>	
June 30, 2024	<b>Fair Value</b>
<b>Investments governed by CA Government Code/City investment policy:</b>	
Local Agency Investment Fund (LAIF)	\$ 82,271,500
Certificates of deposit	3,468,602
Federal agency securities	8,736,816
Medium-term notes	12,681,026
Money market mutual funds	1,732,357
<b>Total investments governed by CA Government Code/City investment policy</b>	<b>\$ 108,890,301</b>
<b>Investments governed by debt agreements:</b>	
Money market mutual funds	\$ 7,839,641
Local agency bonds	24,651,378
<b>Total investments governed by debt agreements</b>	<b>32,491,019</b>
<b>Total investments</b>	<b>\$ 141,381,320</b>

A reconciliation of cash and investments as shown in the basic financial statements as of June 30, 2024, is shown in the following table.

#### Reconciliation of Cash and Investments

June 30, 2024

	<b>Primary Government</b>
<b>Governmental activities:</b>	
Cash on hand	\$ 7,080
Other cash – Playa del Sol	94,769
Deposits with financial institutions	151,731
Investments	92,404,083
Subtotal – cash and investments	92,657,663
Investments held in trust	24,651,378
Restricted cash and investments	4,168,906
<b>Total governmental activities</b>	<b>\$ 121,477,947</b>
<b>Fiduciary:</b>	
Private-Purpose Trust Funds:	
Investments	\$ 9,868,299
Restricted cash and investments	3,248,225
Custodial Funds:	
Investments	6,617,919
Restricted cash and investments	422,510
<b>Total fiduciary</b>	<b>20,156,952</b>
<b>Total cash and investments</b>	<b>\$ 141,634,900</b>

**3. Fair Value Measurements.** The City defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is established prioritizing the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- **Level 1:** Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities the entity can access at the measurement date.
- **Level 2:** Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets or inactive markets, or inputs other than quoted prices that are observable for the asset or liability.
- **Level 3:** Inputs are unobservable. Valuations for assets and liabilities are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The City uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

The following table presents the balances of investments measured at fair value on a recurring basis on June 30, 2024.

**Investment Balances**

June 30, 2024

Investment Type	Total	Level 1	Level 2	Level 3
Local Agency Investment Fund (LAIF)	\$ 82,271,500	-	82,271,500	-
Certificates of deposit	3,468,602	-	3,468,602	-
Federal agency securities	8,736,816	-	8,736,816	-
Medium-term notes	12,681,026	-	12,681,026	-
Money market mutual funds	9,571,998	-	9,571,998	-
Local agency bonds	24,651,378	-	24,651,378	-
<b>Total</b>	<b>\$ 141,381,320</b>	<b>-</b>	<b>141,381,320</b>	<b>-</b>



- 4. Investment in Local Agency Investment Fund (LAIF).** The City is a voluntary participant in LAIF, a state investment pool regulated by California Government Code Section 16429 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 is recorded on an amortized cost basis.

As of June 30, 2024, the total amount invested by all public agencies in LAIF is \$21.97 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which on June 30, 2024 had an investment portfolio balance of \$163.4 billion. Of that amount, 3.00% is invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments is 217 days as of June 30, 2024.

- 5. Interest Rate Risk.** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, as the maturity period of an investment lengthens, the sensitivity of its fair value to changes in market interest rates becomes greater. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments, and by timing cash flows from maturities so 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 (including investments held by the bond trustee) to market interest rate fluctuations is provided by the following table, which shows the distribution of the City's investments by maturity.

**Investments by Maturity**  
June 30, 2024

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	Over 60 Months
Local Agency Investment Fund (LAIF)	\$ 82,271,500	82,271,500	-	-	-
Certificates of deposit	3,468,602	498,063	1,476,886	1,493,653	-
Federal agency securities	8,736,816	1,974,992	932,045	5,829,779	-
Medium-term notes	12,681,026	6,923,462	2,840,904	2,916,660	-
Money market mutual funds	9,571,998	9,571,998	-	-	-
Local agency bonds	24,651,378	1,993,520	2,095,344	5,732,514	14,830,000
<b>Total</b>	<b>\$ 141,381,320</b>	<b>103,233,535</b>	<b>7,345,179</b>	<b>15,972,606</b>	<b>14,830,000</b>

- 6. Credit Risk.** Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. It is measured by the assignment of a rating by national-recognized statistical rating organizations, such as Standard & Poor's (S&P) and Moody's. All City investments, except for certificates of deposit, local agency bonds, and LAIF require a minimum 'A' rating by the rating organization at the time of purchase. The following table presents the actual rating by S&P and Moody's as of June 30, 2024 for each investment type.

**Investment Ratings**

June 30, 2024

Moody's	S&P	LAIF	Certificates of Deposit	Federal Agency Securities	Medium- Term Notes	Money Market Mutual Funds	Local Agency Bonds	Total
Aaa-m	AAA-mf	\$	-	-	-	9,571,998	-	9,571,998
Aaa	AA+	-	-	8,736,816	1,014,920	-	-	9,751,736
Aa1	AA-	-	-	-	990,409	-	-	990,409
A2	AA-	-	-	-	916,133	-	-	916,133
A1	A	-	-	-	1,923,691	-	-	1,923,691
A2	A	-	-	-	1,984,748	-	-	1,984,748
A1	A-	-	-	-	3,886,960	-	-	3,886,960
A2	A-	-	-	-	1,964,165	-	-	1,964,165
NR	NR	82,271,500	3,468,602	-	-	-	24,651,378	110,391,480
Total		\$ 82,271,500	3,468,602	8,736,816	12,681,026	9,571,998	24,651,378	141,381,320

NR – Not Rated

- 7. Custodial Credit Risk.** Custodial credit risk for investments is the risk, 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 in the possession of another party. As of June 30, 2024, in accordance with the City's investment policy, none of the City's investments were held with a counterparty. The City's investments were held with independent third-party custodian banks. The City uses U.S. Bancorp Advisors, LLC and Wells Fargo Securities as third-party custody and safekeeping services for its investment securities. Custodial credit risk is the risk the City will not be able to recover the value of its investments in the event of the failure of any of these entities. All City investments held in custody and safekeeping by these entities are held in the name of the City and are segregated from securities owned by the bank. This is the lowest level of custodial credit risk exposure.

## NOTE B - RECEIVABLES

**Loans Receivable.** The City's outstanding loans receivable as of June 30, 2024 are summarized below.

### Loans Receivable

June 30, 2024

Borrower	Loan Date	Loan Amount	Loan Term/ Due Date	Interest Rate	Payment Frequency	Outstanding Balance
TC Sports Group, LLC <sup>1</sup>	7/30/1998	\$4,350,239	01/31/2030	7.09%	Quarterly	2,005,740
Cathedral City Heritage Park, L.P.	12/1/2002	2,700,000	30 years <sup>2</sup>	5.00%	Annual <sup>3</sup>	5,287,963
Southern California Housing Development Corp.	5/1/2003	1,000,000	30 years <sup>2</sup>	0.00%	Annual <sup>3</sup>	-
Southern California Housing Development Corp.	9/26/2007	280,000	12/31/18 <sup>6</sup>	0.00%	Lump sum <sup>6</sup>	100,000
Cathedral Family Housing Partners, L.P.	9/21/2007	4,006,162	55 years <sup>2</sup>	2.00%	Annual <sup>3</sup>	5,152,837
Terracina Cathedral City Apartments, L.P.	12/1/2010	50,000	55 years <sup>2</sup>	3.00%	Annual <sup>3</sup>	53,690
Northwoods – Cathedral City LLC	8/14/2001	325,000	33 years <sup>2</sup>	0.00%	Lump sum <sup>4</sup>	325,000
Low and moderate income housing property owners	Various	Various	Various	0.00%	Lump sum <sup>5</sup>	4,085,392
Coachella Valley Repertory	2/6/2018	900,000	15 years	4.25%	Monthly	900,000
<b>Total</b>						<b>\$ 17,910,622</b>

<sup>1</sup> Amendment No. 1 dated September 30, 2015 reduced the interest rate from 10.02% to 7.093% and reduced quarterly payments from \$118,750 to \$100,000.

<sup>1</sup> Amendment No. 2 dated September 27, 2021 included a consent to transfer ownership from Big League Dreams, LLC to TC Sports Group, LLC and extended the loan terms through January 31, 2030.

<sup>2</sup> From date certificate of completion was issued.

<sup>3</sup> From residual receipts, if any.

<sup>4</sup> At end of loan term.

<sup>5</sup> At time property owner refinances/sells the property or no longer qualifies for low/moderate income housing under established guidelines.

<sup>6</sup> Loan will be forgiven if developer invests \$100,000 in specific capital improvements within three years of the amendment.

## NOTE C - INTERFUND ACTIVITIES

**1. Interfund Receivable/Payables.** Interfund receivable and payable balances are summarized below.

Interfund Receivable/Payables		
June 30, 2024	Due from Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 208,695	-
Nonmajor Governmental Funds	-	208,695
<b>Total</b>	<b>\$ 208,695</b>	<b>208,695</b>

- Community Development Block Grant (CDBG) Fund as of June 30, 2024, had a deficit cash balance of \$35,230. Due to timing of expense incur for administrative costs and Via De Anza III street improvement and reimbursement from the federal grant agency.
- Transportation Development Act Fund as of June 30, 2024, had a deficit cash balance of \$173,465. Due to timing of expense incur from Cathedral Canyon sidewalk repair and reimbursement from the federal grant agency.

**2. Transfers.** Transfers report the nonreciprocal contribution from one fund to another.

Generally, transfers are used to:

- (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, and
- (2) move monies to support activities the government must account for in other funds in accordance with budgetary authorizations. Transfers are summarized below.

Transfers In	Transfers Out						Total
	General Fund	Previously Major Fund Developer	Public Financing Authority	Successor Housing	Nonmajor Governmental	Internal Service: Insurance	
General Fund	\$ -	256,490	-	21,638	641,395	-	919,523
Public Financing Authority	3,664,632	-	-	-	-	-	3,664,632
Nonmajor Governmental	346,115	-	1,100,000	-	147,648	-	1,593,763
<b>Internal Service:</b>							
Equipment Replacement Fund	48,138	-	-	-	151,660	136,437	336,235
<b>Total</b>	<b>\$ 4,058,885</b>	<b>256,490</b>	<b>1,100,000</b>	<b>21,638</b>	<b>940,703</b>	<b>136,437</b>	<b>6,514,153</b>

During the year ended June 30, 2024, various interfund transfers listed above were made to finance expenditures and service debt. Significant transfers between the governmental and/or proprietary funds consisted of:

- Debt service payments (principal and interest) of \$3,664,632 from the General Fund (Big League Dreams fund) to the Public Financing Authority debt service fund.
- Maintenance cost contribution of \$346,115 from the General Fund to the Landscape and Lighting District special revenue fund (nonmajor governmental fund).
- Transfers totaling \$48,138 to Equipment Replacement Fund for equipment purchases.
- Transfers totaling \$1,100,000 to Nonmajor Governmental were for Assessment District road projects.



## NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

- 1. Governmental Activities.** Capital asset additions and deletions changed to governmental activities' functions are summarized in the following table.

### Governmental Activities

For the Year Ended June 30, 2024

	July 1	Additions	Deletions	June 30
<b>Capital assets, not being depreciated:</b>				
Land	\$ 29,328,210	-	-	29,328,210
Construction in progress	28,130,548	16,059,731	(32,320,990)	11,869,289
<b>Total capital assets, not being depreciated</b>	<b>57,458,758</b>	<b>16,059,731</b>	<b>(32,320,990)</b>	<b>41,197,499</b>
<b>Capital assets, being amortized/depreciated:</b>				
Buildings and improvements	30,850,032	5,400	-	30,855,432
Structures and improvements	8,941,707	-	-	8,941,707
Vehicles, furniture and equipment	17,080,378	4,310,203	(136,569)	21,254,012
Lease assets	929,948	375,840	(562,753)	743,035
Subscription assets	4,062,859	1,499,949	(38,767)	5,524,041
Infrastructure	230,203,828	32,315,590	-	262,519,418
Intangibles	344,008	-	-	344,008
<b>Total capital assets, being amortized/depreciated</b>	<b>292,412,760</b>	<b>38,506,982</b>	<b>(738,089)</b>	<b>330,181,653</b>
<b>Less accumulated amortization/depreciation:</b>				
Buildings and improvements	(19,669,369)	(1,011,522)	-	(20,680,891)
Structures and improvements	(8,204,422)	(140,492)	-	(8,344,914)
Vehicles, furniture and equipment	(11,820,795)	(1,071,113)	103,887	(12,788,021)
Lease assets	(636,729)	(209,855)	562,753	(283,831)
Subscription assets	(502,597)	(716,816)	38,767	(1,180,646)
Infrastructure	(116,762,545)	(6,041,600)	-	(122,804,145)
Intangibles	(279,428)	(13,585)	-	(293,013)
<b>Total accumulated, amortization/depreciation</b>	<b>(157,875,885)</b>	<b>(9,204,983)</b>	<b>705,407</b>	<b>(166,375,461)</b>
<b>Total capital assets, being amortized/depreciated, net</b>	<b>134,536,875</b>	<b>29,301,999</b>	<b>(32,682)</b>	<b>163,806,192</b>
<b>Total governmental activities capital assets</b>	<b>\$ 191,995,633</b>	<b>45,361,730</b>	<b>(32,353,672)</b>	<b>205,003,691</b>

- 2. Depreciation and Amortization Expense.** Depreciation and amortization expenses that were charged to governmental activities' functions is summarized in the following table.

**Depreciation and Amortization Expense**

June 30, 2024

General government	\$ 1,392,595
Community development	133,889
Culture and recreation	274,802
Public safety	261,517
Public works, including depreciation of infrastructure assets	6,057,482
Capital assets held by internal service funds	1,084,698
<b>Total</b>	<b>\$ 9,204,983</b>

- 3. Construction Commitments.** The City's governmental-type activities entered into construction and professional services contracts having remaining contract commitments greater than \$200,000 as of June 30, 2024, as shown in the following table.

**Construction Commitments**

June 30, 2024

<b>Project Name</b>	<b>Project Number</b>	<b>Remaining Commitments</b>
Dream Homes-Construction	C07021	\$ 4,503,262
<u>Bike Lanes:</u>		
Cathedral Canyon		
Date Palm	Various	1,807,354
Ramon Road Bridge-Local Share	C02500	1,268,247
Pedestrian Crossing-Ramon and Candlewood	C08753	1,029,497
Cove Crack Repair	C08675	816,755
Varner Road Palm Drive to Date		
Palm Drive	C08674	592,232
Landau/McCallum Intersection	C08662	545,615
Via De Anza Phase III	C08841	524,317
Dream Homes-Perimeter Wall	C07021	400,226
Downtown Dog Park Design	C07016	328,345
<u>REAS Projects:</u>		
Adelina La Vista		
Sunny Lane		
Victoria Neighborhood	Various	301,885
Dream Homes-Restroom and Storage	C07021	290,303
		<b>\$ 12,408,038</b>

Commitments made for these projects are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date for authorized contracts are included as liabilities in the financial statements.



## NOTE E - LEASE AND SUBSCRIPTION OBLIGATIONS

### Leases payable:

During the current fiscal year, the City had lease agreements as lessee for the acquisition and use of one copier and two IT servers. At the end of the fiscal year, only one of the IT server lease agreements remained active. Separately, eight (8) Police vehicle lease agreements went into effect in FY 2023/2024. Total lease liability for all the leases was recorded in the amount of \$464,744 during the current fiscal year, of which \$164,638 is due in one year. The City made principal and interest payments totaling \$230,499 in FY 2023/2024. If an interest rate is not provided, the city uses its incremental borrowing rate as its interest rate of 4% (for leases starting before 07/01/2023). For leases starting after 07/01/2023, the incremental borrowing rate of 2.63% is used. The remaining IT Server lease provided an interest rate of 3.53%. The value of the lease assets as of the end of the current fiscal year was \$743,035 and had accumulated amortization of \$283,831.

The following table shows the future principal and interest lease payments for the leases payable.

**Future principal and interest lease payments**

June 30, 2024

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 164,638	11,546	176,184
2026	169,710	6,474	176,184
2027	123,525	1,793	125,318
2028	6,871	32	6,903
<b>Total</b>	<b>\$ 464,744</b>	<b>19,845</b>	<b>484,589</b>

During the current fiscal year, the City has three cell tower sites leased to third parties. In addition, three office spaces in a city owned building have third-party tenants with one having a long-term lease agreement and the other two are rented month to month. The cell tower leases are for 5-year terms with automatic 5-year renewals. Two of the cell tower leases will end on December 31, 2025, and one will end on June 30, 2026. The office space lease agreements vary with one lease agreement being month-to-month since inception, one lease agreement ended on May 31, 2024 and is now a month-to-month, and the final lease agreement will be ending on December 31, 2025. The City recognized \$168,885 in lease revenue and \$18,025 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the City's receivable for lease payments was \$391,145. The City also has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$360,449.

### Subscriptions payable:

The City is committed under various non-cancelable subscription-based information technology arrangements (SBITA). These subscriptions are considered for accounting purposes to be assets. Intangible subscription assets are capital assets. Subscription expenses for the year ended June 30, 2024, were approximately \$794,387 for governmental activities comprised of 39 renewals and 20 new subscriptions in FY 2023/2024. The City expects these subscriptions to be renewed for future commitments.

The City has almost 60 non-cancellable subscriptions with various vendors. The City recognizes subscription liabilities and an intangible subscription asset in the government-wide financial statements. The City also recognizes the subscription liabilities at time of inception.

During the current fiscal year, the City has subscription arrangements with various vendors for almost 60 information technology-based subscriptions. Total subscription liability for all subscriptions was recorded in the amount of \$4,208,084 during the current fiscal year, of which \$613,784 is due in one year. The City made principal and interest payments totaling \$794,387 in FY 2023/2024. The city uses its incremental borrowing rate as its interest rate of which varies from 2.42%-2.85% depending on the length of the subscription. The value of the subscription assets for the current fiscal year was \$5,524,041 and had accumulated amortization of \$1,180,646.

The following table shows the future principal and interest payments for the subscription payable.

**Future principal and interest subscription payments**

June 30, 2024

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 613,785	102,122	715,907
2026	664,908	84,110	749,018
2027	714,629	64,816	779,445
2028	575,340	52,842	628,182
Thereafter	1,639,422	74,570	1,713,992
<b>Total</b>	<b>\$ 4,208,084</b>	<b>378,460</b>	<b>4,586,544</b>



## NOTE F - LONG-TERM LIABILITIES

### 1. Lease Revenue Bonds.

The 2015 Lease Revenue Refunding Bonds were issued to refund the outstanding 1997 Taxable Lease Revenue Bonds ("1997 Bonds"). The 1997 Bonds proceeds were loaned to the City, who in turn made a construction loan to Big League Dreams to develop a sports complex and community park. As a result of the Lease Revenue Bonds, 2022 Series A (Federally Taxable) (2022A Bonds), net proceeds in the amount of \$2,025,055 were used to refund and defease these bonds (\$1,997,000 towards the remaining principal and \$28,055 towards interest) on April 28, 2022. The General Fund is generally used to liquidate the lease revenue bonds liability.

The issuance of the 2022A Bonds on April 13, 2022 in the amount of \$28,780,000 is part of the City's strategy to address a significant unfunded liability to the City's plans three Classic retirement plans with the California Public Employees' Retirement System's ("CalPERS"). In addition to creating a more affordable and sustainable shape for its pension costs, the City determined the 2022A Bonds should help create enhanced resiliency for the General Fund of the City to handle adverse economic situations in the future (See following table.)

Lease Revenue Bonds, 2022 Series A (Federally Taxable)	
June 30, 2024	
Issue Date:	04/28/2022
Issue Amount:	\$28,780,000
Interest Rate:	2.506% - 4.602%
Final Payment Date:	12/02/2033
Reserve Amount <sup>1</sup> :	2,878,000
Reserve Amount:	Surety Bond
Outstanding Balance:	<b>\$ 23,445,000</b>
<sup>1</sup> A reserve account surety bond was held to meet the reserve requirement. For those bonds, a portion of the bond proceeds were set aside to fund the reserve.	

Lease revenue bonds' debt service requirements to maturity are summarized in the following table.

#### Lease Revenue Bonds' Debt Service Requirements

June 30, 2024

Year	Governmental Activities	
	Principal	Interest
2025	\$ 2,730,000	879,694
2026	2,610,000	794,602
2027	2,485,000	707,327
2028	2,260,000	620,725
2029	2,070,000	536,769
2030 – 2034	11,290,000	1,223,532
<b>Total</b>	<b>\$ 23,445,000</b>	<b>4,762,649</b>

- 2. Limited Obligation Bonds (LOBs).** The Local Agency Revenue Bonds, Series 2015A (Limited Obligations) bond proceeds were used to purchase the entire outstanding Limited Obligation Refunding Improvement Bonds, City of Cathedral City Assessment District No. 96-1 (Rio Vista); Limited Obligation Improvement Bonds, Assessment District No. 2001-01; Limited Obligation Improvement Bonds, 35<sup>th</sup> Avenue Assessment District No. 2003-01; Limited Obligation Improvement Bonds, Dream Homes Assessment District No. 2004-01; and Limited Obligation Improvement Bonds, Cove Improvement District No. 2004-02. These outstanding bonds are collectively referred to as the “Local Obligation Issues.” Repayment of the Local Agency Revenue Bonds, Series 2015A (Limited Obligations) is secured solely by principal and interest payments received from the purchased Local Obligation Issues. The Limited Obligation Bonds are not capital-related debt of the City.

Bonds outstanding on June 30, 2024, are summarized in the following table.

<b>Local Agency Revenue Bonds, Series 2015A (Limited Obligations)</b>	
June 30, 2024	
<b>Issue Date:</b>	09/02/2015
<b>Issue Amount:</b>	\$39,100,000
<b>Interest Rate:</b>	3.14% - 3.94%
<b>Final Payment Date:</b>	09/02/2035
<b>Reserve Required:</b>	1,496,350
<b>Reserve Amount:</b>	3,616,221
<b>Outstanding Balance:</b>	<b>\$ 22,845,000</b>

Limited obligation bonds’ debt service requirements to maturity are summarized in the following table.

**Limited Obligation Bonds’ Debt Service Requirements**

June 30, 2024

<b>Year</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2025	\$ 1,950,000	852,858
2026	2,025,000	778,051
2027	2,090,000	700,525
2028	1,655,000	628,529
2029	1,725,000	561,943
2030 – 2034	9,680,000	1,714,885
2035 – 2036	3,720,000	134,551
<b>Total</b>	<b>\$ 22,845,000</b>	<b>5,371,342</b>

3. **Tax Allocation Bonds (TABs).** Tax allocation bonds were issued to finance the construction and acquisition of certain capital improvements in the designated project areas of the former redevelopment agency. In addition, proceeds of housing-related bonds were used by the former redevelopment agency to increase, improve, and preserve the supply of low/moderate income housing. Bonds outstanding on June 30, 2024, are summarized in the following tables.

2000 TAB, Series A (Capital Appreciation Bonds) June 30, 2024	2007 TAB, Series B June 30, 2024
<b>Issue Date:</b> 03/30/2000	<b>Issue Date:</b> 03/09/2007
<b>Issue Amount:</b> \$2,221,000	<b>Issue Amount:</b> \$53,400,000
<b>Interest Rate:</b> 6.00% - 6.15%	<b>Interest Rate:</b> 5.14% - 5.39%
<b>Final Payment Date:</b> 08/01/2033	<b>Final Payment Date:</b> 08/01/2031
<b>Reserve Required:</b> 1,085,000	<b>Reserve Required:</b> 3,052,844
<b>Reserve Amount<sup>1</sup>:</b> Surety Bond	<b>Reserve Amount<sup>1</sup>:</b> Surety Bond
<b>Outstanding Balance:</b> <u>\$ 1,949,906</u>	<b>Outstanding Balance:</b> <u>\$ 24,150,000</u>
<sup>1</sup> A reserve account surety bond was held to meet the reserve requirement. For those bonds, a portion of the bond proceeds were set aside to fund the reserve.	

Tax allocation bonds' debt service requirements to maturity are summarized in the following table.

**Tax Allocation Bonds' Debt Service Requirements**

June 30, 2024

Year	Governmental Activities	
	Principal	Interest <sup>1</sup>
2025	\$ 3,015,528	2,059,473
2026	3,145,132	1,926,448
2027	3,291,233	1,780,454
2028	3,435,338	1,625,016
2029	3,603,078	1,459,038
2030 – 2034	9,609,597	4,749,618
<b>Total</b>	<b>\$ 26,099,906</b>	<b>13,600,047</b>

<sup>1</sup> Does not include accreted Interest \$6,186,574

The City pledged a portion of future property tax increment revenues to repay the outstanding bonds. The bonds are payable solely from incremental property taxes generated by increased property values in the project areas. The City manages and accounts for the TABs; however, the City is not fiduciarily responsible for the associated debt.

As a result of Assembly Bill 1X 26, all California redevelopment agencies were dissolved as of February 1, 2012. The City agreed to serve as the “successor agency” to the former redevelopment agency. Subject to the control of an oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution. In future fiscal years, successor agencies will only be allocated property tax revenues in the amount necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Contributions (property taxes) received from the Successor Agency during the fiscal year ended June 30, 2024 totaled \$5,075,077.

**4. Changes in Long-Term Liabilities.** Long-term liability activity for the year ended June 30, 2024, is summarized in the following table.

**Changes in Long-Term Liabilities**  
June 30, 2024

<b>Governmental Activities</b>	<b>July 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30</b>	<b>Due within one year</b>
<b>Bonds:</b>					
<b>Direct Borrowings</b>					
Lease revenue <sup>1</sup>	\$ 26,150,000	-	(2,705,000)	23,445,000	2,730,000
<b>Public Borrowings</b>					
Tax allocation	28,991,000	-	(2,891,094)	26,099,906	3,015,528
Limited obligation	24,755,000	-	(1,910,000)	22,845,000	1,950,000
Accreted interest	6,485,188	505,293	(803,907)	6,186,574	-
<b>Total bonds</b>	<b>86,381,188</b>	<b>505,293</b>	<b>(8,310,001)</b>	<b>78,576,480</b>	<b>7,695,528</b>
<b>Compensated absences</b>	4,966,243	412,322	(427,204)	4,951,361	2,475,681
<b>Lease liabilities</b>	303,829	375,840	(214,925)	464,744	164,638
<b>Subscription liabilities</b>	3,371,337	1,552,112	(715,365)	4,208,084	613,785
<b>Net pension liability</b>	22,120,972	8,027,257	(11,488,326)	18,659,903	-
<b>Other postemployment benefits</b>	41,799,448	2,924,215	(4,623,492)	40,100,171	4,843,413
<b>Claims and judgments</b>	7,948,818	6,103,862	(1,500,233)	12,552,447	5,000,000
<b>Total other long-term liabilities</b>	<b>80,510,647</b>	<b>19,395,608</b>	<b>(18,969,545)</b>	<b>80,936,710</b>	<b>13,097,517</b>
<b>Total Governmental Activities</b>	<b>\$166,891,835</b>	<b>19,900,901</b>	<b>(27,279,546)</b>	<b>159,513,190</b>	<b>20,793,045</b>

**5. Special Assessment Debt with No City Commitment.** Special assessment districts (“Districts”) in various parts of the City have issued debt under the 1915 Bond Act and Mello-Roos Special Tax Act to finance infrastructure improvements and facilities within their boundaries. The 1915 Act Bonds are not a general obligation of the City and neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof is pledged to the payment of any debt service for these Districts. The City is the collecting and paying agent for the debt issued by these Districts but has no direct or contingent liability for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The following table summarizes the outstanding balance of each of these issues as of June 30, 2024.



## Special Assessment Debt Outstanding Balance

June 30, 2024

Bonds	Issue Year	Maturity Year	Outstanding Balance	Due within one year
Assessment District No. 2001-01 Limited Obligation Improvement Bonds	2001	2026	\$645,000	205,000
Community Facilities District No. 2000-1 Special Tax Bonds	2001	2030	1,980,000	210,000
Assessment District 96-1 (Rio Vista), Series 2004, Limited Obligation Refunding Improvement Bonds	2004	2026	1,006,378	318,520
35 <sup>th</sup> Avenue Assessment District No. 2003-01 Limited Obligation Improvement Bonds	2004	2034	3,310,000	220,000
Dream Homes Assessment District No. 2004-01 Limited Obligation Improvement Bonds	2004	2034	3,175,000	215,000
Cove Improvement District No. 2004-02 Limited Obligation Improvement Bonds	2005	2035	16,515,000	1,035,000
<b>Total</b>			<b>\$26,631,378</b>	<b>2,203,520</b>

6. **Arbitrage.** The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on a special assessment bond with no City commitment and determined the liability to be zero on June 30, 2024.
7. **Compensated Absences.** The City has vacation, sick and paid time off leave policies covering full-time employees. Regular status City employees earn these leaves based upon their respective MOU. A current liability is accrued in the governmental funds for material compensated absences due on demand to governmental funds employees terminating prior to year-end. All other amounts are recorded as long-term liabilities. These noncurrent amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.



## NOTE G - FUND BALANCES

In accordance with GASB Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred using funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, considering any application requirements of grant agreements, contracts, business circumstances, or other constraints. If no restrictions otherwise exist, the order of spending of resources will be restricted, committed, assigned, and unassigned.

Fund balances by classification are detailed in the following table.

### Fund Balances

June 30, 2024

	General	Developer Fees	Successor Housing Agency	Public Financing Agency	Areawide Capital Projects	Nonmajor Funds	Total
<b>Nonspendable</b>	\$ 2,984,113	-	-	83,032	-	877	3,068,022
<b>Restricted:</b>							
Capital projects	-	-	-	-	1,128,683	3,138,164	4,266,847
Community development	-	-	-	-	-	15,223,818	15,223,818
Debt service	-	-	-	28,821,720	-	-	28,821,720
Low -mod income housing	-	-	11,827,557	-	-	-	11,827,557
Public safety	-	-	-	-	-	2,452,591	2,452,591
Public works	-	-	-	-	-	921,643	921,643
<b>Total Restricted</b>	-	-	11,827,557	28,821,720	1,128,683	21,736,216	63,514,176
<b>Assigned:</b>							
Debt service	162,030	-	-	-	-	-	162,030
<b>Total Assigned</b>	162,030	-	-	-	-	-	162,030
<b>Unassigned:</b>							
Budget reserves	4,255,056	-	-	-	-	-	4,255,056
Cash flow reserves	21,275,282	-	-	-	-	-	21,275,282
Economic uncertainties	17,020,225	-	-	-	-	-	17,020,225
Deficit fund	-	-	-	-	-	(254,411)	(254,411)
<b>Total Unassigned</b>	42,550,563	-	-	-	-	(254,411)	42,296,152
<b>Total Fund Balances</b>	\$ 45,696,706	-	11,827,557	28,904,752	1,128,683	21,482,682	109,040,380

- 1. Nonspendable Fund Balances.** Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

The City has prepaid assets of \$162,282 and loans receivable of \$2,905,740 for a total of \$3,068,022 which are in nonspendable form.

- 2. Restricted Fund Balances.** Restricted fund balances represent amounts constrained by external parties, enabling legislation and/or constitutional provisions.

The City has \$63,259,765 in total restricted fund balance. Restrictions include:

- \$4,266,847 - restricted for capital projects based on grant agreements, bond indentures, and other external parties.

- \$14,969,407 - restricted for community development activities as these monies are received from developers and grant agreements and must be used for specific purposes.
- \$28,821,720 - restricted for debt service repayment based on bond indentures and loan agreements.
- \$11,827,557 - restricted for low-income and moderate-income housing authorized activities in accordance with the California Government Code and Section 33000 of the Health and Safety Code.
- \$2,452,591 - restricted for public safety activities as these monies are received from grant agreements, developers, and donations and must be used for specific purposes.
- \$921,643 - restricted for public works improvements as these monies are received from State and County allocations and local district assessments with restrictions on their use.

**3. Committed Fund Balances.** Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council's formal action to establish committed funds, and to rescind committed funds, is through passage of a resolution. The City currently has no committed fund balances.

**4. Assigned Fund Balances.** Assigned fund balances are intended for specific purposes but do not require an action by City Council. Although City Council can assign funds, this is generally performed by the City Manager and/or Financial Services Director.

The City has \$162,030 in total assigned fund balance. Assigned for the following:

- \$162,030 - assigned to subsequent year's expenditures related to future debt service for the Big League Dreams lease revenue bonds.



- 5. Unassigned Fund Balances.** Unassigned fund balance is the residual classification for the General Fund. A negative unassigned fund balance occurs when expenditures exceed amounts that are non-spendable, restricted, committed, or assigned. The General Fund (as reported) had unassigned fund balance with amounts set aside for cash flow reserves of 50% or \$21,275,282, future economic uncertainties of 40% or \$17,020,225, and budget reserves of 10% or \$4,255,056 in accordance with the fund balance policy (Resolution 2014-37, September 10, 2014).

Restricted fund balances are adjusted to include unavailable revenues and remove interest payable in classifying the government-wide restricted net position on the Statement of Net Position.

Restricted Net Position Classifications are detailed in the following table.

#### **Government-Wide Restricted Net Position**

June 30, 2024

	<b>Restricted Fund Balances</b>	<b>Unavailable Revenue/ Interest Payable Adjustments</b>	<b>Restricted Net Position Classifications</b>
Capital projects	\$ 4,266,847	4,246,137	8,512,984
Community development	14,969,407	6,793,082	21,762,489
Debt service	28,821,720	(838,880)	27,982,840
Low -mod income housing	11,827,557	-	11,827,557
Public safety	2,452,591	25,196	2,477,787
Public works	921,643	-	921,643

#### **NOTE H - SUCCESSOR AGENCY TRUST FUNDS FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

Assembly Bill 1X 26 ("the Bill") dissolved all redevelopment agencies in the State of California effective February 1, 2012. This action impacted the reporting entity of the City of Cathedral City that previously reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government would agree to serve as the "successor agency" to hold the assets until distributed to other units of state and local government. On May 25, 2011, the City Council elected to become the successor agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 2011-133 in the event of dissolution.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot initiate any new projects, obligations, or commitments. Subject to the control of an oversight board, remaining assets could only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies are only allocated property tax revenues in the amount necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

- 1. Cash and Investments.** Cash and investments reported in the accompanying financial statements as of June 30, 2024, are summarized in the following table.

Cash and Investments	
June 30, 2024	
Successor Agency	
Trust Funds	
Cash and investments pooled with City	\$ 9,868,299
Restricted cash and investments	3,248,225
<b>Total Cash and Investments</b>	<b>\$ 13,116,524</b>

- 2. Long-Term Debt.** Long-term debt reported in the accompanying financial statements as of June 30, 2024, is summarized in the following table.

Successor agencies are subject to the control of an oversight board, whereby remaining assets can only be used to pay enforceable obligations. Successor agencies will only be allocated property tax revenues in the amount necessary to pay the estimated annual installment payments on enforceable obligations until all enforceable obligations have been paid in full and all assets have been liquidated.

The Successor Agency has pledged a portion of future tax increment revenue it receives, as security for the refunding bonds issued. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer were deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the various bonds is \$108,582,410 payable through August 2035. For the current year, principal and interest paid and total property tax revenues were \$9,397,127 and \$15,314,120, respectively.

Long-Term Debt				Final	Outstanding
June 30, 2024				Payment	
	Date	Amount	Interest Rate	Date	Balance
Notes payable:					
CJR Investment Partnership <sup>1</sup>	12/29/1986	\$2,788,423	2% over Wells Fargo prime rate	11/22/2027	\$ 22,867,410
2014A Tax Allocation Refunding Bonds	09/15/2014	46,140,000	2.00% - 5.00%	08/01/2034	25,295,000
2014B Tax Allocation Refunding Bonds	09/15/2014	15,630,000	2.00% - 5.00%	08/01/2033	9,865,000
2014C Tax Allocation Refunding Bonds	09/15/2014	11,985,000	0.70% - 4.75%	08/01/2033	7,285,000
2021A Tax Allocation Refunding Bonds	01/06/2021	26,195,000	4.00%	08/01/2035	24,760,000
2021B Tax Allocation Refunding Bonds	01/06/2021	5,905,000	1.011% - 2.785%	08/01/2032	4,385,000
2021C Tax Allocation Refunding Bonds	01/06/2021	18,840,000	4.00%	08/01/2031	14,125,000
<b>Total</b>					<b>\$ 108,582,410</b>

<sup>1</sup> Any unpaid principal and interest owed by the former redevelopment agency will be forgiven at the end of the note term.

The 2014 Tax Allocation Refunding Bonds' debt service requirements to maturity are summarized in the following table.

**2014 Tax Allocation Refunding Bonds' Debt Service Requirement**

June 30, 2024

Year	Fiduciary Funds	
	Principal <sup>1</sup>	Interest
2025	\$ 3,365,000	2,009,531
2026	3,505,000	1,842,725
2027	3,680,000	1,668,250
2028	3,860,000	1,484,281
2029	4,050,000	1,289,506
2030-2034	22,140,000	3,186,556
2035	1,845,000	46,125
<b>Total</b>	<b>\$ 42,445,000</b>	<b>11,526,975</b>

<sup>1</sup> Does not include unamortized premiums of \$4,093,435 and unamortized discounts of \$88,178

The 2021 Tax Allocation Refunding Bonds' debt service requirements to maturity are summarized in the following table.

**2021 Tax Allocation Refunding Bonds' Debt Service Requirement**

June 30, 2024

Year	Fiduciary Funds	
	Principal <sup>1</sup>	Interest
2025	\$ 2,420,000	1,607,363
2026	2,505,000	1,522,016
2027	2,585,000	1,432,082
2028	2,690,000	1,337,186
2029	2,785,000	1,237,249
2030-2034	22,130,000	4,141,116
2035-2036	8,155,000	187,300
<b>Total</b>	<b>\$ 43,270,000</b>	<b>11,464,312</b>

<sup>1</sup> Does not include unamortized premiums of \$5,631,678

**3. Changes in Long-Term Liabilities.** Long-term liability activity for the year ended June 30, 2024, is summarized in the following table.

**Changes in Long-Term Debt**

June 30, 2024

	July 1	Additions	Deletions	June 30	Due within one year
Notes payable	\$ 20,681,272	2,186,138	-	22,867,410	-
2014 Tax Allocation Refunding Bonds	45,645,000	-	(3,200,000)	42,445,000	3,365,000
2021 Tax Allocation Refunding Bonds	45,610,000	-	(2,340,000)	43,270,000	2,420,000
Unamortized bond premium	10,737,162	-	(1,012,050)	9,725,112	-
Unamortized bond discount	(97,885)	-	9,708	(88,177)	-
<b>Total</b>	<b>\$122,575,549</b>	<b>2,186,138</b>	<b>(6,542,342)</b>	<b>118,219,345</b>	<b>5,785,000</b>

**4. Commitments.** The former redevelopment agency made commitments for funding the following agreements:

- **Owner Participation Agreements (OPA).** The former redevelopment agency entered into various owner participation agreements during its lifetime. For these agreements, no liabilities have been reflected in the accompanying financial statements on June 30, 2024.
- **City Urban Revitalization Corporation (CURC).** On January 17, 2011, the former redevelopment agency and CURC entered into an owner participation agreement granting the developer up to \$250 million in available bond proceeds and existing and future tax increment monies to develop various projects in the Downtown Area. Disbursing these funds will be authorized only following approval of specific projects and activities consistent with the former redevelopment agency's Implementation Plan. For this agreement, no liabilities have been reflected in the accompanying financial statements on June 30, 2024.

On February 23, 2011, the former redevelopment agency and CURC entered into Amendment No. 1 to the agreement. The amendment only clarified use of the proceeds and did not commit any additional financial resources.

**5. Insurance.** The Successor Agency is covered under the City's insurance policies. Additional information as to coverage and self-insurance retentions can be found in **Note IV-A**.

### III. OTHER NOTE DISCLOSURES

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#### NOTE A - RISK MANAGEMENT

The City is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-two participating member agencies with equal governing and no management authority. With the purpose of long-term premium stability, the City of Cathedral City joined PERMA on July 25, 1985. The City participates in PERMA's general liability and worker's compensation coverage programs.

PERMA's general liability program provides coverage of \$1 million subject to the City's self-insurance retention of \$250,000. Additional coverage up to \$50 million is subject to PERMA's retained limit of \$1 million through the California State Association of Counties Excess Insurance Authority.

PERMA's workers' compensation program provides coverage of \$500,000 (PERMA's limit of liability) subject to the City's self-insurance retention of \$250,000. Excess insurance coverage is limited to statutory levels for workers' compensation and \$5 million for employer's liability.

Estimates for all workers' compensation and general liabilities, up to the self-insured levels, are recorded in an internal service fund. Claims payable for the self-insurance liability, including a provision for incurred but not reported claims, was \$12,552,447 on June 30, 2024. Settled claims from general liability and workers' compensation risks have not exceeded commercial insurance coverage for the past three years. The City continues to carry commercial insurance for other risks of loss.

Changes in claims liabilities for the past two years are summarized in the following table.



## Changes in Claims Liabilities

June 30, 2024

	2022-2023	2023-2024
Claims Payable - Beginning of year	\$ 3,374,127	7,948,818
Incurred claims (Including IBNR) and changes in estimates	6,529,499	6,103,862
Claims payments	(1,954,808)	(1,500,233)
Claims payable - End of year	<u>\$ 7,948,818</u>	<u>12,552,447</u>

<sup>1</sup> Claims incurred during the year are not specifically reported by PERMA. As a result, the claims incurred and changes in estimates amounts have been combined.

The annual deposit premiums are approved by the PERMA Board of Directors and are intended to cover PERMA's claim expenses, settlements, and operating costs. Annual deposit premiums are based on actuarially determined rates for each coverage layer (pool), based on an estimate of the probable losses, and budgeted administrative costs of PERMA for the year in question. Member deposit premiums are subject to retrospective rating adjustments.

PERMA also provides a non-risk sharing "deductible" or claims-servicing pool for general liability claims within the self-insured retention level. Annual contributions are deposited with the Authority from which claims are paid on behalf of the City. Any claims paid by PERMA for the City exceeding the deposits at year-end are recorded as liabilities by the City.

## NOTE B - PENSION PLAN

### 1. General Information about the 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 safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors eight rate plans (three miscellaneous and five safety). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports with a full description of the pension plan regarding benefit provisions, assumptions and membership information found on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)).

**Benefits Provided.** CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect on June 30, 2024, are summarized as follows:

### Plan Provisions – Safety Pool (Police)

	TIER 1*		PEPRA
Hire Date	Prior to January 1, 2013		On or After January 1, 2013
Benefit Formula	3% @ 55		2.7% @ 57
Benefit Vesting Schedule	5 years' service		5 years' service
Benefit Payments	Monthly for life		Monthly for life
Retirement Age	50 (minimum)		50 (minimum)
Monthly Benefits, as a % of Eligible Compensation	2.4% - 3.0% 50 yrs – 55+ yrs		2.0% - 2.7% 50 yrs – 57+ yrs
Required Employee Contribution Rates	8.99%		13.75%
Required Employer Contribution Rates	24.15%		13.54%
Required Contribution during Measurement Period	33.14%		27.29%

\* Closed to new entrants.

### Plan Provisions – Safety Pool (Fire)

	TIER 1*	TIER 2*	PEPRA
Hire Date	Prior to November 25, 2012	On or After November 25, 2012 and Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	3% @ 55	2% @ 55	2% @ 57
Benefit Vesting Schedule	5 years' service	5 years' service	5 years' service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50 (minimum)	50 (minimum)	50 (minimum)
Monthly Benefits, as a % of Eligible Compensation	2.4% - 3.0% 50 yrs – 55+ yrs	1.426% - 2.0% 50 yrs – 55+ yrs	1.426% - 2.0% 50 yrs – 57+ yrs
Required Employee Contribution Rates	8.99%	6.98%	11.00%
Required Employer Contribution Rates	24.15%	16.45%	10.85%
Required Contribution during Measurement Period	33.14%	23.43%	21.85%

\* Closed to new entrants.

### Plan Provisions – Miscellaneous Pool

	TIER 1*	TIER 2*	PEPRA
Hire Date	Prior to November 25, 2012	On or After November 25, 2012 and Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 years' service	5 years' service	5 years' service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50 (minimum)	50 (minimum)	52 (minimum)
Monthly Benefits, as a % of Eligible Compensation	1.426% - 2.418% 50 yrs – 63+ yrs	1.092% - 2.418% 50 yrs – 63+ yrs	1.0% - 2.5% 52 yrs – 67+ yrs
Required Employee Contribution Rates	6.92%	6.93%	7.75%
Required Employer Normal Cost Rates	12.47%	10.10%	7.68%
Required Contribution during Measurement Period	19.39%	17.03%	15.43%

\* Closed to new entrants.

**Contributions.** Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contributions to the Plan for the year ended June 30, 2024, were \$4,481,058.

## **2. Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to the Pension.**

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$18,659,903.

The City's net pension liability for the Plan is measured as a proportionate share of the net pension liability. The net pension liability of the Plan was measured as of June 30, 2023, and the total pension liability for the plan used to calculate the net pension liability was determined by annual funding valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard GASB 68 requirements. 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 for the Plan as of June 30, 2023 and 2024 is summarized in the following table.

### **Proportionate Share of Net Pension Liability**

June 30, 2024

	<b>Proportion June 30, 2023</b>	<b>Proportion June 30, 2024</b>	<b>Change</b>
Safety	0.288891%	0.219421%	-0.069470%
Miscellaneous	0.252131%	0.150523%	-0.101608%

For the year ended June 30, 2024, the City recognized an increase in pension expense of \$9,154,756 for the plan. On June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the pension from the sources identified in the following table.

### **Deferred Outflows of Resources and Inflows of Resources**

June 30, 2024

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 4,481,058	-
Differences between actual and expected experience	1,246,987	(126,312)
Changes in assumptions	1,100,104	-
Differences between employer's contributions and employer's proportionate share of contributions	11,301,407	(590,887)
Changes in employer's proportion	488,582	(15,359,602)
Net difference between projected and actual earnings on plan investments	2,691,610	-
<b>Total</b>	<b>\$ 21,309,748</b>	<b>(16,076,801)</b>

Subsequent to the measurement date but before the end of this fiscal year, \$4,481,058 reported as deferred outflows of resources related to pensions resulting from City contributions will be recognized as a reduction of the net pension liability in the subsequent year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as summarized in the following table.

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ (434,452)
2025	(541,540)
2026	1,652,056
2027	75,826
Thereafter	-
	<u>\$ 751,890</u>

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability.** For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 and June 30, 2023 total pension liabilities were based on the actuarial methods and assumptions summarized in the following table.

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study from 2021, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under 'Forms and Publications' ([www.calpers.ca.gov](http://www.calpers.ca.gov)).

**Discount Rate.** The discount rate used to measure the total pension liability for Public Employee Retirement Fund (PERF) C was 6.90%. The projection of cash flows used to determine the discount rate assumed contributions from plan members will be made at the current member contribution rates and 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.

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

In determining the long-term expected rate of return, CalPERS considered 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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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.

## Actuarial Assumptions

June 30, 2023

Pension Plan	
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds.
Post-Retirement Benefit Increase	Contract COLA up to 2.30 until Purchasing Power Protection Allowance Floor on Purchasing Power applies

<sup>1</sup> The mortality table was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvements using 80% of scale MP 2020 published by Society of Actuaries. For more details on this table, please refer to the 2021 Experience Study Report.

The following table reflects the long-term expected real rates of return by asset class can be found in CalPERS' Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

### Long-Term Expected Real Rates of Return by Asset Class

June 30, 2023

Asset Class (1)	New Strategic Allocation	Real Return Years 1- 10 <sup>(1)(2)</sup>
Global equity - cap-w eighted	30.00%	4.54%
Global equity non-cap-w eighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
<b>Total</b>	<b><u>100.00%</u></b>	

<sup>(1)</sup> An expected inflation of 2.30% used for this period.

<sup>(2)</sup> Figures are based on the 2021-22 Asset Liability Management study.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following table 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

**City's Proportionate Share of Net Pension Liability**

June 30, 2023

	Discount Rate 1% Decrease 5.90%	Current Discount Rate 6.90%	Discount Rate 1% Increase 7.90%
<b>City's Proportionate Share of the Net Pension Liability:</b>	<b>52,201,819</b>	<b>18,659,903</b>	<b>(8,820,887)</b>

**Additional Financial and Actuarial Information.** Additional financial and actuarial information required for GASB Statement No. 68 disclosures is in CalPERS' Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, and the CalPERS' GASB 68 Accounting Valuation Reports for the public agency miscellaneous and safety risk pool, which can be found on CalPERS' website ([www.calpers.ca.gov](http://www.calpers.ca.gov)).

**NOTE C - OTHER POSTEMPLOYMENT BENEFITS**

Substantially all full-time employees and their eligible dependents are eligible for post-retirement health care benefits under the sponsored health plans currently funded during the employees' active service.

- 1. Plan Description.** By Council resolutions and through agreements with its labor units, the City provides certain health care benefits for employees who retire directly from the City. Employees taking a qualified retirement under the CalPERS system within 120 days of separation from the City may elect to participate in such group health insurance policies as provided by the City under the following conditions: (a) the unit member must be age 50 and have worked for the City at least 5 years prior to retiring; and (b) all retired unit members shall be eligible for a City-paid contribution up to the applicable maximum (caps) for single, single plus one, and family coverage.

Eligible retired employees (annuitants) under the Public Employees' Medical and Hospital Care Act (PEMHCA), Government Code Section 22750, et seq. are subject to PEMHCA laws. Under PEMHCA's "equal contribution rule" (Government Code Section 22892), the City is required to contribute the same premium amount for both active employees and annuitants, but not less than "the PEMHCA minimum," which is an amount adjusted annually by CalPERS to reflect any change in the medical care component of the Consumer Price Index. The "PEMHCA" minimum for 2024 is \$165 per month.

Under the "equal contribution rule," reducing the City's contribution for future hires' retiree benefits requires the same contribution reduction for active employees' benefits. To avoid decreasing the City's contribution towards the cost of medical premiums for active employees, the City can pay directly to CalPERS the "PEMHCA minimum" amount for active employees and then make the remainder of the City's premium contribution for active employees under the premium cost-share formula. For CalPERS' purposes, the City pays only the "PEMHCA minimum" for active employees. The employees continue to receive the City contribution to medical premiums required by the City's cost-share formula. In addition to group health insurance, the City will continue to pay the full premiums for both dental and vision insurance, as applicable to each of the respective labor unit agreements if the total premiums are under the respective caps. The plan is a single-employer defined benefit plan. Since no assets are legally segregated for the sole purpose of paying benefits under the Plan, the plan does not issue a separate financial report.



Many public agencies participating in PEMHCA use this type of mechanism to meet the PEMHCA “equal contribution rule” and to provide different additional contributions to active employees and annuitants. Similarly, to avoid decreasing the City’s current contribution toward current annuitants’ medical insurance premium costs, the City pays directly to CalPERS only the “PEMHCA minimum” and provides the remainder of the City’s premium cost-share through establishment of a Health Reimbursement Arrangement (HRA). For annuitants, the City pays into the HRA the City’s premium contribution minus the “PEMHCA minimum” paid directly to CalPERS. An annuitant will be reimbursed from the HRA up to the City’s contribution for premium costs associated with their selected CalPERS health plan. As a result of the various resolutions implemented and through updated labor agreements with its bargaining units, the City has identified three health care tiers for its employees:

- The first tier is for employees hired before January 1, 2013, who receive City premium contributions under Government Code Section 22892, which requires employers to provide an equal amount of health benefits for both active employees and retired annuitants.
- The second tier is for employees hired on or after January 1, 2013, who at retirement receive City premium contributions under Government Code Section 22893. These employees are subject to a vesting schedule for medical benefits ranging from 50% at 10 years of CalPERS service and increasing to 100% at 20 or more years - with the exception for employees taking a disability retirement, whereby they are 100% vested.
- The third tier is for employees hired after the dates listed below. These employees will not be eligible for retiree medical insurance provided by the City, other than payment of the PEMHCA minimum. In lieu of full retiree medical coverage, the City provides an HRA account into which it will deposit at least \$100 monthly beginning the first day of the following month after the employment start date and continuing through the term of their employment. An HRA account will only be available to active employees hired by the City after these dates:
  - Elected Officials and Non-represented Employees: September 1, 2019
  - Police Management: September 1, 2019
  - Police Officers: July 1, 2020
  - Fire Management: August 1, 2020
  - Fire Fighters: August 1, 2020
  - American Federation Society of Municipal Employees: October 31, 2020

**2. Contributions.** The plan is funded on a pay-as-you-go basis. There is no requirement imposed by CalPERS to contribute any amount beyond the pay-as-you-go contributions. No additional contributions have been made to date. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2023, the City’s cash contributions were \$2,377,871 in total payments, which were recognized as a reduction to the OPEB liability.

**3. Employees Covered.** As of the January 1, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:



#### Employees Covered by the Benefit Terms Under the Plan

June 30, 2023

Active employees	193
Retirees currently receiving benefits	138
Retirees entitled to but not yet receiving benefits	13

- 4. Total OPEB Liability.** The City's Total OPEB liability as of June 30, 2023 was determined by an actuarial valuation dated January 1, 2023 that was rolled forward to determine the June 30, 2023 total OPEB liability. As of June 30, 2023, the City reported a Total OPEB liability of \$40,100,171.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations as summarized below.

#### Actuarial Methods and Assumptions – OPEB

Actuarial valuation date	January 1, 2023
Contribution Policy	Annual Contributions to Trust
Discount Rate	5.75% at June 30, 2023 6.00% at June 30, 2022
Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll, closed
<u>Actuarial assumptions:</u>	
Inflation	2.50%
Projected salary increases	2.75%
Healthcare cost trend	8.50% (Non-Medicare), 7.50% (Medicare Non-Kaiser), and 6.25% (Medicare Kaiser) for 2022, reduced each year thereafter until an ultimate rate of 3.45% is reached in 2076 and later years
Retirement age	Based on CalPERS 2000-2019 Experience Study

- 5. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB.** For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$1,542,087. As of fiscal year ending June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

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

June 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,376,676	-
Changes in assumptions	11,799,498	(32,915,848)
Differences between expected & actual experience	-	(9,231,629)
Differences between projected & actual earnings	1,265,230	-
<b>Total</b>	<b>\$ 15,441,404</b>	<b>(42,147,477)</b>

The \$2,376,676 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date but before the end of this fiscal year will be recognized as a reduction of the total OPEB liability during the subsequent fiscal year ending June 30, 2024.

#### Reduction of the Total OPEB Liability

Fiscal Year End June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ (4,843,413)
2026	(4,600,408)
2027	(5,030,300)
2028	(7,371,543)
2029	(6,354,428)
Thereafter	(882,657)
Total	<u>\$ (29,082,749)</u>

#### Discount Rate.

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed City contributions will be made at rates equal to the actuarially determined contribution rates.

#### Change in Assumptions

The discount rate used to measure the total OPEB liability was changed from 6.00 percent to 5.75 percent.

#### Changes in the OPEB Liability

The changes in the Total OPEB liability for the Healthcare Plan are as follows:

#### Changes in the OPEB Liability

	Increase/(Decrease) Total OPEB Liability/(Assets)
<b>Balance at June 30, 2023 (Measurement Period)</b>	<b>\$ 41,799,448</b>
<u>Changes recognized over the measurement period:</u>	
Service cost	1,824,945
Interest	3,180,165
Actual vs. expected experience	(4,332,452)
Assumption changes	2,600,234
Contributions - employer	(4,623,492)
Net investment income	(362,786)
Administrative expenses	14,109
<b>Net changes</b>	<b>(1,699,277)</b>
<b>Balance at June 30, 2024</b>	<b><u>\$ 40,100,171</u></b>

## 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 one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

### Total Net OPEB Liability using Discount Rate

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Total Net OPEB Liability	\$ 47,950,032	40,100,171	33,715,223

## Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Total OPEB liability of the City if it were calculated using health care cost trend rates one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

### Total Net OPEB Liability using Health Care Cost Trend Rates

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total Net OPEB Liability	\$ 33,715,365	40,100,171	47,562,436

## NOTE D - TAX ABATEMENT PROGRAMS

In accordance with GASB 77, *Tax Abatements Disclosures*, information related to the City's Tax Abatement Programs is summarized below.

Cathedral City Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Tax Abatement Programs	
	Local Sales Tax Sharing	Transient Occupancy Tax Sharing
<b>Purpose of the Program</b>	Encourage economic development through commercial growth. Program is designed to retain, expand and attract commercial businesses along with the economic benefits associated with them.	Provide incentive program for the renovation and opening of existing and new hotel facilities. The program is designed to enhance the tourist and travel experiences of City visitors, provide amenities to the public, assist the City in achieving tourism goals and increase the transient occupancy tax revenue of the City.
<b>Tax Being Abated</b>	Local Sales Tax (LST)	Transient Occupancy Tax (TOT)
<b>Authority under which abatement agreements are entered</b>	Cathedral City (CC) Ordinance 730 § 1, 2013; CC Ordinance 712 § 1, 2012	CC Ordinance 729 § 1, 2013; CC Ordinance 713 § 1, 2012
<b>Criteria to be eligible to receive abatement</b>	All applicants must demonstrate a need for the improvement and provide evidence of the ability to construct the improvement to the satisfaction of the City.	All applicants must demonstrate a need for the improvement and provide evidence of the ability to construct the improvement to the satisfaction of the City.
<b>How recipient's taxes are reduced</b>	Entities with sharing agreements, receive a rebate of LST after they have filed and paid all required taxes within a reporting period.	Entities with sharing agreements, receive a rebate of TOT after they have filed and paid all required taxes within a reporting period.
<b>How abatement amount is determined</b>	A percentage is applied to the eligible LST increment.	A percentage is applied to the eligible TOT increment.
<b>Provisions for recapturing abated taxes</b>	N/A	N/A
<b>Types of commitments made by the City other than to reduce taxes</b>	N/A	N/A
<b>Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement</b>	\$10,282	\$682,977

## NOTE E - JOINTLY GOVERNED ORGANIZATION

On July 16, 2008, the City joined with the cities of Indio, Palm Springs, Beaumont, and Desert Hot Springs to create the Eastern Riverside County Interoperable Communications Authority (ERICA) by a joint exercise of powers agreement under the laws of the State of California. The primary purpose of ERICA is to acquire, plan, design, finance, construct, operate, and maintain a regional communications system serving the Coachella Valley and individual political jurisdictions therein. ERICA is governed by a Board of Directors, which consists of one official of the governing body of each member agency, appointed by the governing body. The debts, liabilities, and obligations of ERICA do not constitute debts, liabilities, or obligations of the member agencies, either jointly or severally.

During the year ended June 30, 2023, the City reimbursed the City of Indio \$238,482 for its final proportional share of annual operating costs for ERICA.

In FY 2020/2021, City Council approved to have the City join PSEC (Public Safety Enterprise Communications) to solve interoperability issues and improve communication with other local agencies within the County. The City is currently transitioning from ERICA to PSEC and there will be some overlap in order for there to be a seamless transition.

## NOTE F - CONTINGENCIES

The City is a defendant in pending lawsuits of a nature common to many similar jurisdictions. City management estimates potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial position of the City.

The City has received federal and state grants for specific purposes subject to review and audit by the federal and state government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

The City is self-insured and participates in a public entity risk pool as described in **Note IV-A**.

On March 11, 2021, in response to the economic fallout of the Coronavirus pandemic, President Biden passed the American Rescue Plan Act (ARPA), providing \$1.9 trillion in economic stimulus funding through a variety of channels. The plan included \$350 billion in emergency funding for state, local, territorial, and tribal governments, known as the Coronavirus State and Local Fiscal Recovery Funds. The State of California has received over \$43 billion to date. In FY 2023/2024 the City of Cathedral City used the following funding: rehiring of \$1,569,000, and revenue recovery of \$3,999,116.

## NOTE G - PRIOR PERIOD ADJUSTMENTS

### 1. CHANGE IN ACCOUNTING PRINCIPLE

The City implementation of GASB 101 during FY 2023/2024. The compensated absences restatement amount of \$412,322 is related to the projected sick use which the City previously did not consider. The effects of that change to or within the reporting entity are shown in the following table.

## 2. CHANGES TO OR WITHIN THE REPORTING ENTITY

The City engaged in an AB1600 Fee Justification Nexus Study to evaluate the current Development Impact Fees (DIF). As a result of the study, there was a restructuring of the DIF Funds. The restructuring resulted in a restatement of beginning fund balances for various Nonmajor Capital and Nonmajor Special Revenue Funds. The effects of that change to or within the reporting entity are shown in the following table.

During FY 2023/2024, changes in accounting principle, and changes to or within the financial reporting entity, resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2023 As Previously Reported	Changes to or within the Reporting Entity	Changes in Accounting Principle	June 30, 2023 As Restated
Statement of Activities				
Statement of Activities	\$ 146,365,727	-	(412,322)	145,953,405
<b>Total Governmental Activities</b>	<b>\$ 146,365,727</b>	<b>-</b>	<b>(412,322)</b>	<b>145,953,405</b>
Governmental Funds				
Major Funds				
General Fund	\$ 43,153,666	-	-	43,153,666
Developer Fees	256,490	-	-	256,490
Sucessor Housing Agency	11,714,540	-	-	11,714,540
Public Financing Authority	31,455,559	-	-	31,455,559
Areawide Capital Projects	4,160,423	-	-	4,160,423
Nonmajor Funds	19,428,059	-	-	19,428,059
Nonmajor Special Revenue Funds	15,668,296	563,497	-	16,231,793
Nonmajor Capital Projects Funds	3,759,763	(563,497)	-	3,196,266
<b>Total Governmental Funds</b>	<b>\$ 129,596,796</b>	<b>-</b>	<b>-</b>	<b>129,596,796</b>
Proprietary Funds				
Equipment Replacement	\$ 11,987,561	-	-	11,987,561
Insurance	1,167,543	-	-	1,167,543
Technology	1,870,367	-	-	1,870,367
Facilities	4,815,724	-	-	4,815,724
<b>Total Proprietary Funds</b>	<b>\$ 19,841,195</b>	<b>-</b>	<b>-</b>	<b>19,841,195</b>
Fiduciary Funds				
Private-Purpose Trust Fund	\$ (105,875,258)	-	-	(105,875,258)
Custodial Funds	-	-	-	-
<b>Total Fiduciary Funds</b>	<b>\$ (105,875,258)</b>	<b>-</b>	<b>-</b>	<b>(105,875,258)</b>



# REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City



# Required Supplementary Information Budgetary Comparison Schedule

## General Fund

For the Year Ended June 30, 2024

	General Fund (Fund 100)			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 51,705,693	51,705,693	50,186,992	(1,518,701)
Intergovernmental	5,275,000	5,334,852	5,995,911	661,059
Licenses and permits	3,147,600	3,147,600	3,427,345	279,745
Fines and forfeitures	438,000	438,000	354,490	(83,510)
Charges for services	4,719,000	4,719,000	5,974,364	1,255,364
Special assessments	260,000	260,000	266,226	6,226
Use of money and property	300,000	346,040	2,088,354	1,742,314
Contributions from other governments	250,000	250,000	250,000	-
Other revenue	80,000	80,000	80,114	114
<b>Total Revenues</b>	<b>66,175,293</b>	<b>66,281,185</b>	<b>68,623,796</b>	<b>2,342,611</b>
<b>Expenditures</b>				
Current:				
General government	21,209,343	24,519,040	22,515,525	2,003,515
Community development	6,952,431	7,652,093	6,177,235	1,474,858
Culture and recreation	780,653	832,203	444,436	387,767
Public safety	34,751,153	33,646,143	32,566,160	1,079,983
Public works	860,721	915,981	1,073,378	(157,397)
Capital outlay	2,310,210	1,501,469	2,267,376	(765,907)
Debt service:				
Principal	-	-	190,832	(190,832)
Interest	-	-	19,880	(19,880)
<b>Total Expenditures</b>	<b>66,864,511</b>	<b>69,066,929</b>	<b>65,254,822</b>	<b>3,812,107</b>
Excess (deficiency) of revenues over expenditures	<b>(689,218)</b>	<b>(2,785,744)</b>	<b>3,368,974</b>	<b>6,154,718</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	832,206	832,206	663,033	(169,173)
Transfers out	(3,755,039)	(3,610,139)	(3,681,393)	(71,254)
Related to leases	-	-	375,840	375,840
Related to subscriptions	-	-	1,499,949	1,499,949
<b>Total Other Financing Sources (Uses)</b>	<b>(2,922,833)</b>	<b>(2,777,933)</b>	<b>(1,142,571)</b>	<b>1,635,362</b>
Net change in fund balance	(3,612,051)	(5,563,677)	2,226,403	7,790,080
Fund balance - beginning (budgetary)	40,176,890	40,176,890	40,176,890	-
<b>Fund Balance - Ending (Budgetary)</b>	<b>\$ 36,564,839</b>	<b>34,613,213</b>	<b>42,403,293</b>	<b>7,790,080</b>
<b>Adjustments to Conform to GAAP:</b>				
GASB Statement No. 54 reporting adjustments:				
Special Deposits Fund 711 balance			1,125,643	
Big League Dreams Fund 431 balance			2,167,770	
<b>Fund Balance - June 30 (GAAP)</b>			<b>45,696,706</b>	

See note to required supplementary information.

# Required Supplementary Information Budgetary Comparison Schedule

## Major Special Revenue Funds

For the Year Ended June 30,2024

	Developer Fees				Successor Housing Agency			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>								
Developer fees	\$ 440,000	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	86,943	86,943
Use of money and property	-	-	-	-	-	-	153,154	153,154
Other revenue	-	-	-	-	30,000	30,000	70,461	40,461
<b>Total Revenues</b>	<b>440,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>	<b>310,558</b>	<b>280,558</b>
<b>Expenditures</b>								
Current:								
Community development	40,000	-	-	-	137,736	132,274	175,903	(43,629)
Capital outlay	80,000	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,736</b>	<b>132,274</b>	<b>175,903</b>	<b>(43,629)</b>
Excess (deficiency) of revenues over expenditures	<b>320,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(107,736)</b>	<b>(102,274)</b>	<b>134,655</b>	<b>236,929</b>
<b>Other Financing Sources (Uses)</b>								
Transfers out	-	-	(256,490)	(256,490)	(52,934)	(52,934)	(21,638)	31,296
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(256,490)</b>	<b>(256,490)</b>	<b>(52,934)</b>	<b>(52,934)</b>	<b>(21,638)</b>	<b>31,296</b>
Net change in fund balance	320,000	-	(256,490)	(256,490)	(160,670)	(155,208)	113,017	268,225
Fund balances - beginning (budgetary), as restated	256,490	256,490	256,490	-	11,714,540	11,714,540	11,714,540	-
<b>Fund Balance - Ending (Budgetary)</b>	<b>\$ 576,490</b>	<b>256,490</b>	<b>-</b>	<b>(256,490)</b>	<b>11,553,870</b>	<b>11,559,332</b>	<b>11,827,557</b>	<b>268,225</b>

See note to required supplementary information.

## Notes To Required Supplementary Information Budgetary Comparison Schedules

### NOTE A - BUDGETARY INFORMATION

1. **Budgetary Data.** The City adopted a biennial budget for fiscal years 2023/2024 and 2024/2025 in May 2023. The budget was prepared on the modified accrual basis of accounting for the General Fund and special revenue funds. Budgetary data for the debt service and capital projects funds is not presented herein, as the budgets for these funds are long-term in nature.

The City Manager and Financial Services Director prepare and submit the biennial budget to City Council for adoption prior to June 30 in odd numbered years and administer it after adoption. The annual appropriation limit is approved by City Council prior to the beginning of the annual budget period. All appropriations lapse at year-end.

The legal level for which expenditures are not to exceed appropriations is the fund level for all funds. The General Fund monitors appropriations at the department level. The Financial Services Director is authorized to adjust General Fund appropriations between departments or activities, provided the total appropriations for all departments do not exceed the amounts approved in the adopted budget and any subsequent amending resolutions. Such adjustments will be made only upon written request to the City Manager and/or Financial Services Director and approved by the Financial Services Director. Once the written request is properly executed and approved, the funds will be made available. Transfers of cash or unappropriated fund balance from one fund to another can be made with the approval of the Financial Services Director. Unexpended appropriations for authorized, but uncompleted, projects in the Capital Improvement Project (CIP) Plan can be carried forward budget to the next succeeding budget upon approval by the City Manager and/or the Financial Services Director.

For reporting purposes, the General Fund includes the following funds: The General Fund (Fund 100), Big League Dreams (Fund 431) and Special Deposits (Fund 711). The Big League Dreams fund accounts for the loan made by the City to a developer for constructing a sports complex (Big League Dreams). The Special Deposits fund accounts for deposits held by the City for others, such as developer security deposits, particulate matter (PM-10) deposits and business owner deposits. The latter two funds do not meet the fund type definitions included in GASB Statement No. 54 and are reported as part of the General Fund for GAAP reporting.

2. **Annual Appropriations Limit.** Under Article XIIIB of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2024, proceeds of taxes did not exceed appropriations.

## Required Supplementary Information

### Schedule of the City's Proportionate Share of the Net Pension Liability

#### Last Ten Fiscal Years

	Fiscal Year									
Safety	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proportion of the net pension liability	0.254740%	0.370020%	0.294378%	0.400772%	0.404998%	0.405249%	0.407991%	0.419733%	0.288891%	0.219421%
Proportionate share of the net pension liability	\$15,850,966	15,246,470	20,756,881	24,199,444	23,778,223	25,468,978	27,964,099	10,138,574	15,077,674	13,152,631
Covered payroll	\$ 8,550,024	8,455,958	9,570,575	9,840,773	11,136,589	11,558,416	11,795,603	11,819,484	12,583,927	12,583,927
Proportionate share of the net pension liability as a percentage of covered payroll	185.39%	180.30%	216.88%	245.91%	213.51%	220.35%	237.07%	85.78%	119.82%	104.52%
Plan fiduciary net position as a percentage of the total pension liability	82.30%	77.27%	78.69%	79.72%	80.45%	80.55%	79.91%	93.01%	90.49%	92.17%

	Fiscal Year									
Miscellaneous	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proportion of the net pension liability	0.186580%	0.270385%	0.213534%	0.288874%	0.298566%	0.297837%	0.301842%	0.306779%	0.252131%	0.150523%
Proportionate share of the net pension liability	\$11,610,177	7,417,913	10,035,138	11,769,605	11,224,619	12,087,249	12,940,153	4,787,464	7,043,298	5,507,272
Covered payroll	\$ 5,154,876	5,827,132	6,598,156	7,365,413	8,144,720	7,940,401	7,956,042	7,466,998	8,809,046	9,610,082
Proportionate share of the net pension liability as a percentage of covered payroll	225.23%	127.30%	152.09%	159.80%	137.81%	152.22%	162.65%	64.11%	79.96%	57.31%
Plan fiduciary net position as a percentage of the total pension liability	74.04%	79.89%	78.93%	78.87%	80.66%	80.74%	80.18%	92.98%	90.36%	92.90%

#### Notes to Schedule:

**Note 1:** Amounts reported are for the measurement date, which is one year prior to the reporting date.  
For example fiscal year 2024 data is for the measurement date of June 30, 2023.

**Source:** 2024 - GASB 68 Accounting Valuation Report - Safety Police Plan (CalPERS); GASB 68 Accounting Valuation Report - PEPPRA Safety Police Plan (CalPERS); GASB 68 Accounting Valuation Report - Safety Fire Plan (CalPERS); GASB 68 Accounting Valuation Report - Miscellaneous First Tier Plan (CalPERS); 2023 - GASB 68 Accounting Valuation Report - Safety Risk Pool (CalPERS); GASB 68 Accounting Valuation Report - Miscellaneous Risk Pool (CalPERS)

## Required Supplementary Information

### Schedule of Contributions

#### Last Ten Fiscal Years

Safety	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions (actuarially determined)	\$ 1,815,106	1,513,632	2,595,594	3,070,822	2,940,974	3,412,095	5,107,045	23,193,466	8,632,350	3,215,425
Contributions in relation to the actuarially determined contributions	(1,815,106)	(1,513,632)	(2,595,594)	(3,070,822)	(2,940,974)	(3,412,095)	(5,107,045)	(23,193,466)	(8,632,350)	(3,215,425)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	8,455,958	9,570,575	9,840,773	11,136,589	11,558,416	11,795,603	11,819,484	11,846,499	12,583,927	12,917,824
Contributions as a percentage of covered payroll	21.47%	15.82%	26.38%	27.57%	25.44%	28.93%	43.21%	195.78%	68.60%	24.89%

Miscellaneous	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions (actuarially determined)	\$ 742,834	524,469	1,377,778	1,498,985	1,165,154	1,361,443	2,020,343	10,454,445	2,855,978	1,265,633
Contributions in relation to the actuarially determined contributions	(742,834)	(524,469)	(1,377,778)	(1,498,985)	(1,165,154)	(1,361,443)	(2,020,343)	(10,454,445)	(2,855,978)	(1,265,633)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	5,827,132	6,598,156	7,365,413	8,144,720	7,940,401	7,956,042	7,466,998	8,809,046	9,610,082	9,840,783
Contributions as a percentage of covered payroll	12.75%	7.95%	18.71%	18.40%	14.67%	17.11%	27.06%	118.68%	29.72%	12.86%

#### Notes to Schedule:

**Note 1: Change of assumption:** Discount rate was increased to 7.15% in FY 2018 (measurement date 06/30/2017) from 7.65% in fiscal year 2017 (measurement date 06/30/2016).

**Note 2:** On April 13, 2022 the City issued a bond in the amount of \$28,780,000 to refinance a portion of the City's CALPERS Obligation

**Source:** City of Cathedral City financial records

## Required Supplementary Information

### Schedule of Changes in the Total OPEB Liability and Related Ratios

#### Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>										
Service Cost	N/A	N/A	N/A	\$ 3,758,000	3,209,000	3,305,270	3,741,702	5,325,662	4,702,089	1,824,945
Interest on the Total OPEB Liability	N/A	N/A	N/A	2,081,000	2,438,000	2,668,666	2,676,742	2,219,235	2,018,252	3,180,165
Actual and expected experience difference	N/A	N/A	N/A	-	-	(2,570,720)	-	(8,254,039)	-	(4,332,452)
Changes in assumptions	N/A	N/A	N/A	(8,643,000)	(3,153,000)	5,579,927	17,923,813	(4,123,808)	(42,170,512)	2,600,234
Changes in benefit terms	N/A	N/A	N/A	-	-	-	-	500,233	-	-
Benefit payments (3)	N/A	N/A	N/A	(1,546,000)	(1,640,000)	(1,803,000)	(1,995,022)	(1,978,308)	-	-
Administrative expenses	N/A	N/A	N/A	-	-	-	-	-	9,503	14,109
Contributions - Employer	N/A	N/A	N/A	-	-	-	-	-	(13,865,398)	(4,623,492)
Net investment income	N/A	N/A	N/A	-	-	-	-	-	1,335,161	(362,786)
<b>Net change in total OPEB liability</b>	N/A	N/A	N/A	(4,350,000)	854,000	7,180,143	22,347,235	(6,311,025)	(47,970,905)	(1,699,277)
<b>Total OPEB liability - beginning</b>	N/A	N/A	N/A	70,050,000	65,700,000	66,554,000	73,734,143	96,081,378	89,770,353	41,799,448
<b>Total OPEB liability - ending</b>	N/A	N/A	N/A	\$ 65,700,000	66,554,000	73,734,143	96,081,378	89,770,353	41,799,448	40,100,171
<b>Covered employee payroll</b>	N/A	N/A	N/A	\$ 17,568,000	21,608,000	22,942,000	21,854,289	23,040,075	24,214,356	24,214,356
<b>Total OPEB liability as a percentage of covered employee payroll</b>	N/A	N/A	N/A	374%	308%	321%	440%	390%	173%	166%

#### Notes to Schedule:

**Note 1:** Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Note 2:** No assets have been accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan

**Note 3:** Includes implied subsidy

**Source:** City of Cathedral City GASB 75 Retiree Healthcare Plan Actuarial Report

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**





# Cathedral City

# GOVERNMENTAL FUNDS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City

## Combining Schedule of Accounts

### General Fund

June 30, 2024

	General Fund - As Reported			Total
	General Fund (Fund 100)	Big League Dreams (Fund 431)	Special Deposits (Fund 711)	
<b>Assets</b>				
Cash and investments	\$ 38,931,251	160,392	2,800,740	41,892,383
Interest receivable	472,353	1,638	29,070	503,061
Accounts receivable	6,351,324	-	2,837	6,354,161
Loans receivable	900,000	2,005,740	-	2,905,740
Lease receivable	360,014	-	-	360,014
Interfund receivable	208,695	-	-	208,695
Prepaid assets	78,373	-	-	78,373
<b>Total Assets</b>	<b>\$ 47,302,010</b>	<b>2,167,770</b>	<b>2,832,647</b>	<b>52,302,427</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 3,261,700	-	27,794	3,289,494
Deposits from others	2,600	-	694,810	697,410
Unearned revenue	244,641	-	984,400	1,229,041
<b>Total Liabilities</b>	<b>3,508,941</b>	<b>-</b>	<b>1,707,004</b>	<b>5,215,945</b>
Deferred inflows of resources:				
Unavailable revenue	1,060,323	-	-	1,060,323
Lease related	329,453	-	-	329,453
<b>Total Deferred Inflow of Resources</b>	<b>1,389,776</b>	<b>-</b>	<b>-</b>	<b>1,389,776</b>
Fund balances:				
Nonspendable	978,373	2,005,740	-	2,984,113
Restricted	-	-	-	-
Assigned	-	162,030	-	162,030
Unassigned	41,424,920	-	1,125,643	42,550,563
<b>Total Fund Balances</b>	<b>42,403,293</b>	<b>2,167,770</b>	<b>1,125,643</b>	<b>45,696,706</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 47,302,010</b>	<b>2,167,770</b>	<b>2,832,647</b>	<b>52,302,427</b>

# Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

## General Fund

For the Year Ended June 30, 2024

	General Fund - As Reported			Total
	General Fund (Fund 100)	Big League Dreams (Fund 431)	Special Deposits (Fund 711)	
<b>Revenues</b>				
Taxes	\$ 50,186,992	-	-	50,186,992
Intergovernmental	5,995,911	-	-	5,995,911
Licenses and permits	3,427,345	-	-	3,427,345
Fines and forfeitures	354,490	-	-	354,490
Charges for services	5,974,364	-	-	5,974,364
Special assessments	266,226	-	-	266,226
Use of money and property	2,088,354	3,727	433,912	2,525,993
Contributions from other governments	250,000	-	-	250,000
Other revenue	80,114	-	-	80,114
<b>Total Revenues</b>	<b>68,623,796</b>	<b>3,727</b>	<b>433,912</b>	<b>69,061,435</b>
<b>Expenditures</b>				
Current:				
General government	22,515,525	-	-	22,515,525
Community development	6,177,235	-	-	6,177,235
Culture and recreation	444,436	-	-	444,436
Public safety	32,566,160	-	-	32,566,160
Public works	1,073,378	-	-	1,073,378
Capital outlay	2,267,376	-	-	2,267,376
Debt service:				
Principal	190,832	-	-	190,832
Interest	19,880	-	-	19,880
<b>Total Expenditures</b>	<b>65,254,822</b>	<b>-</b>	<b>-</b>	<b>65,254,822</b>
Excess of revenues over expenditures	<b>3,368,974</b>	<b>3,727</b>	<b>433,912</b>	<b>3,806,613</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	663,033	-	256,490	919,523
Transfers out	(3,681,393)	(377,492)	-	(4,058,885)
Related to leases	375,840	-	-	375,840
Related to subscriptions	1,499,949	-	-	1,499,949
<b>Total Other Financing Sources (Uses)</b>	<b>(1,142,571)</b>	<b>(377,492)</b>	<b>256,490</b>	<b>(1,263,573)</b>
Net change in fund balances	2,226,403	(373,765)	690,402	2,543,040
Fund balances - beginning	40,176,890	2,541,535	435,241	43,153,666
<b>Fund Balances - Ending</b>	<b>\$ 42,403,293</b>	<b>2,167,770</b>	<b>1,125,643</b>	<b>45,696,706</b>

## Schedule of Expenditures Compared with Authorizations

### General Fund

For the Year Ended June 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Gain/(Loss)
<b>Administration</b>				
City Council	\$ 590,572	595,079	390,610	204,469
City Clerk	381,900	400,039	412,880	(12,841)
City Attorney	250,000	250,000	180,744	69,256
City Management	6,019,796	6,424,715	6,397,100	27,615
Financial Services	9,949,584	10,658,848	10,545,041	113,807
General Government	6,962,230	9,108,703	9,492,767	(384,064)
<b>Community Development</b>				
Development Services	859,121	914,381	1,079,253	(164,872)
Public Works	10,710,294	10,679,159	7,458,538	3,220,621
<b>Public Safety</b>				
Police	19,991,658	18,941,585	18,558,930	382,655
Fire	14,904,395	14,704,558	14,420,352	284,206
<b>Total</b>	<b>\$ 70,619,550</b>	<b>72,677,067</b>	<b>68,936,215</b>	<b>3,740,852</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	Big League Dreams			Special Deposits		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>						
Charges for services	\$ -	-	-	40,000	-	(40,000)
Use of money and property	5,000	3,727	(1,273)	12,000	433,912	421,912
<b>Total Revenues</b>	<b>5,000</b>	<b>3,727</b>	<b>(1,273)</b>	<b>52,000</b>	<b>433,912</b>	<b>381,912</b>
<b>Expenditures</b>						
Current:						
General government	10,000	-	10,000	40,000	-	40,000
<b>Total Expenditures</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>
Excess (deficiency) of revenues over expenditures	(5,000)	3,727	8,727	92,000	433,912	421,912
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	256,490	256,490
Transfers out	(377,493)	(377,492)	1	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(377,493)</b>	<b>(377,492)</b>	<b>1</b>	<b>-</b>	<b>256,490</b>	<b>-</b>
Net change in fund balances	(382,493)	(373,765)	8,728	12,000	690,402	421,912
Fund balances - beginning	2,541,535	2,541,535	-	435,241	435,241	-
<b>Fund Balances - Ending</b>	<b>\$ 2,159,042</b>	<b>2,167,770</b>	<b>8,728</b>	<b>447,241</b>	<b>1,125,643</b>	<b>421,912</b>



## NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

1. **Transit Development (Fund 229).** Accounts for fees paid to fund new development and expansions of existing transportation facilities in the City, for the purpose of serving future increased transportation demand. Funding is provided by both new residential and non-residential development.
2. **Quimby Act (Fund 230).** Accounts for fees paid in-lieu of land dedicated to parks or recreational purposes. Funding is provided by residential developers meeting their parkland requirements.
3. **Art in Public Places (Fund 231).** Accounts for fees paid in-lieu for non-residential development. Funding is provided by developers paying a percentage-based fee related to a project valuation.
4. **Master Underground Plan (Fund 232).** Accounts for the cost of burying above ground utility lines. Funding is provided by developer fees.
5. **Traffic Safety (Fund 233).** Accounts for traffic safety signal installation, maintenance, and road repairs. Funding is provided by vehicle code fines collected by the County of Riverside and interest earnings.
6. **City Mitigation Fee (Fund 234).** Accounts for revenues collected by the County of Riverside as a City mitigation fee. Funds are to be used for road construction and maintenance of roadways to access the Edom Hill Transfer Station and various signalization requirements. Any excess funds are to be used for any streets or public services within the City.
7. **Public, Educational and Governmental (PEG) Fees (Fund 236).** Accounts for funds received from local cable companies to be used for funding local public education and government access stations.
8. **Transportation Development Act (TDA SB 821) (Fund 240).** Accounts for revenues provided by Riverside County Transportation Commission (RCTC). These funds are used for costs related to Transportation Development Act Article 3.
9. **State Gas Tax (Fund 241).** Accounts for street improvements and engineering costs. Funding is provided by the City's allocation of the state gasoline taxes and interest earnings through the Highway User Tax Account HUTA).
10. **Air Quality Improvement (Fund 242).** Accounts for revenues received under AB 2766. Expenditures are restricted to being used for air pollution reduction through the South Coast Air Quality Management District (AQMD) funding.
11. **Measure A (Fund 243).** Accounts for revenues provided by the County of Riverside Measure A use tax allocation. These funds are used for street improvements and engineering costs.
12. **Asset Forfeiture (Fund 244).** Accounts for expenditures incurred in narcotics interdiction efforts. Funding is provided by seized assets awarded by the court.
13. **Solid Waste (Fund 246).** Accounts for revenues received under AB 939. Expenditures are limited to programs initiating recycling efforts through the City.

- 14. Police Grants (Fund 247).** Accounts for revenues and expenditures related to local, state, and federal grants for the City's Police Department.
- 15. Road Maintenance and Rehabilitation Account (RMRA) (Fund 248).** Accounts for street improvements and engineering costs received under Senate Bill (SB) 1. Funding is provided by the City's allocation of the 12-cent state gasoline tax for rehabilitation, relief, and improvements.
- 16. Community Development Block Grant (Fund 251).** Accounts for projects designated in the annual action plan (AAP). Funding is provided by the U.S. Department of Housing and Urban Development.
- 17. Police Department Special Revenues (Fund 255).** Accounts for receipts collected that are restricted for expenditures related to the City's Police Department projects.
- 18. Fire Department Special Revenues (Fund 256).** Accounts for receipts collected that are restricted for expenditures related to the City's Fire Department projects.
- 19. Fire Grants (Fund 259).** Accounts for revenues and expenditures related to local, state, and federal grants for the City's Fire Department.
- 20. Landscape and Lighting District (Fund 261).** Accounts for special assessments levied on real property and expenditures to provide landscaping and street lighting maintenance for the 16 zones within the district.
- 21. Park Facilities (Fund 271).** Accounts for fees paid in connection with new park facility development and expansions to existing facilities. Funding is provided by developers associated with new residential development.
- 22. Transportation (Fund 272).** Accounts for impact mitigation costs associated with new developments on the City's traffic facilities. Funding is provided by both new residential and non-residential development.
- 23. General Government Facilities (Fund 273).** Accounts for fees paid to fund future City structures, vehicles, and equipment related to government facilities needed to serve the future service population of the City. Funding is provided by both new residential and non-residential development.
- 24. Fire Facilities (Fund 274).** Accounts for fees paid to fund new development portion of the fire facilities, new fire stations, training facilities, vehicles and fire equipment required to maintain City services. Funding is provided by both new residential and non-residential development.
- 25. Police Facilities (Fund 275).** Accounts for fees paid to fund new development portion of the police facilities, new police sub-stations, vehicles and police equipment required to maintain City services. Funding is provided by both new residential and non-residential development.

## DEBT SERVICE FUNDS

Debt service funds are used primarily to account for the accumulation of resources for the payment of principal and interest on long-term debt. The City does not have any nonmajor debt service funds.

## CAPITAL PROJECTS FUNDS

Capital projects funds account for the financial resources to be used for the acquisition, construction, or improvements of major capital facilities and infrastructure.

1. **Police and Fire Facilities (Fund 321).** Accounts for the purchase of police and fire land, buildings, and replacement equipment. Now being recorded in the Special revenue fund 274 Fire Facilities and 275 Police Facilities with an even distribution. Funding is provided by developer fees
2. **Traffic Signalization (Fund 322).** Accounts for the installation of traffic signals. Now being recorded in Special revenue fund 272 Transportation. Funding is provided by developer fees.
3. **Assessment District 85-1 (Fund 341).** Accounts for sewer improvements within Assessment District 85-1. Funding is provided from the Limited Obligation Improvement Bonds issued.
4. **Assessment District 86-5 (Fund 344).** Accounts for street improvements within Assessment District 86-5. Funding is provided from the Limited Obligation Improvement Bonds issued.
5. **Assessment District 87-2 (Fund 345).** Accounts for street improvements within Assessment District 87-2. Funding is provided from the Limited Obligation Improvement Bonds issued.
6. **Assessment District 88-3 (Fund 347).** Accounts for improvements within Assessment District 88-3. Funding is provided from the Limited Obligation Improvement Bonds issued.
7. **Assessment District 96-1 (Fund 348).** Accounts for street improvements within Assessment District 96-1. Funding is provided from the Limited Obligation Improvement Bonds issued.
8. **Assessment District 2001-01 (Fund 349).** Accounts for improvements within Assessment District 2001-01. Funding is provided from the Limited Obligation Improvement Bonds issued.
9. **CFD Rio Vista (Fund 351).** Accounts for improvements within the Rio Vista Community Facilities District. Funding is provided by the Special Tax Bonds related to the Rio Vista Community Facilities District (CFD 2000-1).
10. **Assessment District 2003-01 (Fund 352).** Accounts for improvements within Assessment District 2003-01. Funding is provided from the Limited Obligation Improvement Bonds issued.
11. **Assessment District 2004-01 (Fund 353).** Accounts for improvements within Assessment District 2004-01. Funding is provided from the Limited Obligation Improvement Bonds issued.
12. **Assessment District 2004-02 (Fund 354).** Accounts for improvements within Assessment District 2004-02. Funding is provided from the Limited Obligation Improvement Bonds issued.



# Cathedral City

## Combining Balance Sheet

### Nonmajor Governmental Funds by Fund Type

June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 21,114,702	3,488,274	24,602,976
Receivables:			
Interest	215,604	8,114	223,718
Accounts	1,282,900	-	1,282,900
Prepaid assets	877	-	877
Restricted assets:			
Cash and investments held with fiscal agent	-	85	85
<b>Total Assets</b>	<b>\$ 22,614,083</b>	<b>3,496,473</b>	<b>26,110,556</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,033,199	358,309	1,391,508
Interfund payable	208,695	-	208,695
Unearned revenue	2,728,954	-	2,728,954
<b>Total Liabilities</b>	<b>3,970,848</b>	<b>358,309</b>	<b>4,329,157</b>
Deferred inflows of resources:			
Unavailable revenue	298,717	-	298,717
<b>Total Deferred Inflow of Resources</b>	<b>298,717</b>	<b>-</b>	<b>298,717</b>
Fund balances:			
Nonspendable	877	-	877
Restricted	18,598,052	3,138,164	21,736,216
Unassigned	(254,411)	-	(254,411)
<b>Total Fund Balances</b>	<b>18,344,518</b>	<b>3,138,164</b>	<b>21,482,682</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 22,614,083</b>	<b>3,496,473</b>	<b>26,110,556</b>

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

### Nonmajor Governmental Funds by Fund Type

For the Year Ended June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$ 6,026,340	-	6,026,340
Fines and forfeitures	236,113	-	236,113
Charges for services	2,060,495	-	2,060,495
Special assessments	372,801	-	372,801
Development fees	304,617	-	304,617
Use of money and property	1,061,623	56,609	1,118,232
Other revenue	47,996	-	47,996
<b>Total Revenues</b>	<b>10,109,985</b>	<b>56,609</b>	<b>10,166,594</b>
<b>Expenditures</b>			
Current:			
General government	38,548	-	38,548
Community development	1,329,223	-	1,329,223
Public safety	217,044	-	217,044
Public works	3,306,043	-	3,306,043
Capital outlay	2,523,026	1,214,711	3,737,737
<b>Total Expenditures</b>	<b>7,413,884</b>	<b>1,214,711</b>	<b>8,628,595</b>
Excess (deficiency) of revenues over (under) expenditures	2,696,101	(1,158,102)	1,537,999
<b>Other Financing Sources (Uses)</b>			
Transfers in	493,764	1,100,000	1,593,764
Transfers out	(1,077,140)	-	(1,077,140)
<b>Total Other Financing Sources (Uses)</b>	<b>(583,376)</b>	<b>1,100,000</b>	<b>516,624</b>
Net change in fund balances	2,112,725	(58,102)	2,054,623
Fund balances - beginning, as restated	16,231,793	3,196,266	19,428,059
<b>Fund Balances - Ending</b>	<b>\$ 18,344,518</b>	<b>3,138,164</b>	<b>21,482,682</b>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2024**

	<b>Transit Development</b>	<b>Quimby Act</b>	<b>Art in Public Places</b>	<b>Master Underground Plan</b>
<b>Assets</b>				
Cash and investments	\$ 44,875	304,850	405,557	2,344,958
Receivables:				
Interest	451	3,056	4,069	23,943
Accounts	-	-	-	-
Prepaid assets	-	-	-	-
<b>Total Assets</b>	<b>45,326</b>	<b>307,906</b>	<b>409,626</b>	<b>2,368,901</b>
<b>Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	-	-	-
Interfund payable	-	-	-	-
Unearned revenue	35,974	291,734	380,491	-
<b>Total Liabilities</b>	<b>35,974</b>	<b>291,734</b>	<b>380,491</b>	<b>-</b>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	9,352	16,172	29,135	2,368,901
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>9,352</b>	<b>16,172</b>	<b>29,135</b>	<b>2,368,901</b>
<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>	<b>\$ 45,326</b>	<b>307,906</b>	<b>409,626</b>	<b>2,368,901</b>



<b>Traffic Safety</b>	<b>City Mitigation Fee</b>	<b>PEG Fees</b>	<b>TDA SB 821</b>
623,744	4,268,708	633,277	-
6,369	43,586	6,459	-
26,238	45,992	22,825	254,452
-	-	-	-
<b>656,351</b>	<b>4,358,286</b>	<b>662,561</b>	<b>254,452</b>
3,720	-	2,149	80,946
-	-	-	173,465
-	-	-	-
<b>3,720</b>	<b>-</b>	<b>2,149</b>	<b>254,411</b>
-	-	-	254,452
-	-	-	<b>254,452</b>
-	-	-	-
652,631	4,358,286	660,412	-
-	-	-	(254,411)
<b>652,631</b>	<b>4,358,286</b>	<b>660,412</b>	<b>(254,411)</b>
<b>656,351</b>	<b>4,358,286</b>	<b>662,561</b>	<b>254,452</b>

#### **Assets**

Cash and investments

Receivables:

Interest

Accounts

Prepaid assets

**Total Assets**

#### **Liabilities, Deferred Inflows Of Resources, And Fund Balances**

Liabilities:

Accounts payable

Interfund payable

Unearned revenue

**Total Liabilities**

Deferred inflows of resources:

Unavailable revenue

**Total Deferred Inflow of Resources**

Fund balances:

Nonspendable

Restricted

Unassigned

**Total Fund Balances (Deficits)**

**Total Liabilities, Deferred Inflows Of  
Resources, And Fund Balances**

Continued

## Combining Balance Sheet

### Nonmajor Special Revenue Funds (Continued)

June 30, 2024

	State Gas Tax	Air Quality Improvement	Measure A	Asset Forfeiture
<b>Assets</b>				
Cash and investments	\$ 33,511	326,014	1,570,457	316,819
Receivables:				
Interest	341	3,328	16,034	3,235
Accounts	121,990	17,304	323,339	-
Prepaid assets	-	-	-	-
<b>Total Assets</b>	<b>155,842</b>	<b>346,646</b>	<b>1,909,830</b>	<b>320,054</b>
<b>Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 29,872	26,375	220,879	-
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>29,872</b>	<b>26,375</b>	<b>220,879</b>	<b>-</b>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	125,970	320,271	1,688,951	320,054
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>125,970</b>	<b>320,271</b>	<b>1,688,951</b>	<b>320,054</b>
<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>	<b>\$ 155,842</b>	<b>346,646</b>	<b>1,909,830</b>	<b>320,054</b>

<b>Solid Waste</b>	<b>Police Grants</b>	<b>Road Maintenance and Rehabilitation</b>	<b>Community Development Block Grant</b>
3,327,399	623,793	2,574,751	-
33,975	6,861	26,289	-
157,309	26,773	107,063	114,772
107	-	-	-
<b>3,518,790</b>	<b>657,427</b>	<b>2,708,103</b>	<b>114,772</b>
139,401	-	417,481	64,119
-	-	-	35,230
-	-	-	-
<b>139,401</b>	<b>-</b>	<b>417,481</b>	<b>99,349</b>
19,069	25,196	-	-
<b>19,069</b>	<b>25,196</b>	<b>-</b>	<b>-</b>
107	-	-	-
3,360,213	632,231	2,290,622	15,423
-	-	-	-
<b>3,360,320</b>	<b>632,231</b>	<b>2,290,622</b>	<b>15,423</b>
<b>3,518,790</b>	<b>657,427</b>	<b>2,708,103</b>	<b>114,772</b>

Continued

#### **Assets**

Cash and investments

Receivables:

Interest

Accounts

Prepaid assets

**Total Assets**

#### **Liabilities, Deferred Inflows Of Resources, And Fund Balances**

Liabilities:

Accounts payable

Interfund payable

Unearned revenue

**Total Liabilities**

Deferred inflows of resources:

Unavailable revenue

**Total Deferred Inflow of Resources**

Fund balances:

Nonspendable

Restricted

Unassigned

**Total Fund Balances (Deficits)**

**Total Liabilities, Deferred Inflows Of  
Resources, And Fund Balances**

## Combining Balance Sheet

### Nonmajor Special Revenue Funds (Continued)

June 30, 2024

	Police Department Special Revenues	Fire Department Special Revenues	Fire Department Grants	Landscape and Lighting District	Park Facilities
<b>Assets</b>					
Cash and investments	\$ 403,280	24,613	10,231	487,270	1,251,304
Receivables:					
Interest	4,118	251	104	4,979	12,575
Accounts	61,132	-	-	3,711	-
Prepaid assets	-	-	-	770	-
<b>Total Assets</b>	<b>468,530</b>	<b>24,864</b>	<b>10,335</b>	<b>496,730</b>	<b>1,263,879</b>
<b>Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 27,666	-	-	20,559	-
Interfund payable	-	-	-	-	-
Unearned revenue	-	-	-	-	1,102,306
<b>Total Liabilities</b>	<b>27,666</b>	<b>-</b>	<b>-</b>	<b>20,559</b>	<b>1,102,306</b>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Nonspendable	-	-	-	770	-
Restricted	440,864	24,864	10,335	475,401	161,573
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>440,864</b>	<b>24,864</b>	<b>10,335</b>	<b>476,171</b>	<b>161,573</b>
<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>	<b>\$ 468,530</b>	<b>24,864</b>	<b>10,335</b>	<b>496,730</b>	<b>1,263,879</b>

<b>Transportation</b>	<b>General Government Facilities</b>	<b>Fire Facilities</b>	<b>Police Facilities</b>	<b>Total</b>	
719,677	275,811	238,672	305,131	21,114,702	<b>Assets</b>
					Cash and investments
7,265	2,780	2,436	3,100	215,604	Receivables:
-	-	-	-	1,282,900	Interest
-	-	-	-	877	Accounts
<b>726,942</b>	<b>278,591</b>	<b>241,108</b>	<b>308,231</b>	<b>22,614,083</b>	Prepaid assets
					<b>Total Assets</b>
					<b>Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>
					Liabilities:
32	-	-	-	1,033,199	Accounts payable
-	-	-	-	208,695	Interfund payable
473,141	267,581	57,251	120,476	2,728,954	Unearned revenue
<b>473,173</b>	<b>267,581</b>	<b>57,251</b>	<b>120,476</b>	<b>3,970,848</b>	<b>Total Liabilities</b>
					Deferred inflows of resources:
-	-	-	-	298,717	Unavailable revenue
-	-	-	-	<b>298,717</b>	<b>Total Deferred Inflow of Resources</b>
					Fund balances:
-	-	-	-	877	Nonspendable
253,769	11,010	183,857	187,755	18,598,052	Restricted
-	-	-	-	(254,411)	Unassigned
<b>253,769</b>	<b>11,010</b>	<b>183,857</b>	<b>187,755</b>	<b>18,344,518</b>	<b>Total Fund Balances (Deficits)</b>
<b>726,942</b>	<b>278,591</b>	<b>241,108</b>	<b>308,231</b>	<b>22,614,083</b>	<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>

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

### Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Transit Development	Quimby Act	Art in Public Places	Master Underground Plan
<b>Revenues</b>				
Intergovernmental	\$ -	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Development fees	7,250	-	8,496	33,856
Use of money and property	2,102	16,172	20,639	126,352
Other revenue	-	-	-	-
<b>Total Revenues</b>	<b>9,352</b>	<b>16,172</b>	<b>29,135</b>	<b>160,208</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	<b>9,352</b>	<b>16,172</b>	<b>29,135</b>	<b>160,208</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	9,352	16,172	29,135	160,208
Fund balances - beginning, as restated	-	-	-	2,208,693
<b>Fund Balances - Ending</b>	<b>\$ 9,352</b>	<b>16,172</b>	<b>29,135</b>	<b>2,368,901</b>

<b>Traffic Safety</b>	<b>City Mitigation Fee</b>	<b>PEG Fees</b>	<b>TDA SB 821</b>	
-	-	-	-	<b>Revenues</b>
236,113	-	-	-	Intergovernmental
-	459,170	94,466	-	Fines and forfeitures
-	-	-	-	Charges for services
-	-	-	-	Special assessments
-	-	-	-	Development fees
31,119	215,430	33,499	24	Use of money and property
-	-	-	-	Other revenue
<b>267,232</b>	<b>674,600</b>	<b>127,965</b>	<b>24</b>	<b>Total Revenues</b>
				<b>Expenditures</b>
				Current:
-	-	-	-	General government
-	-	18,253	840	Community development
74,070	-	-	-	Public safety
3,638	-	-	-	Public works
577	-	-	254,452	Capital outlay
<b>78,285</b>	<b>-</b>	<b>18,253</b>	<b>255,292</b>	<b>Total Expenditures</b>
<b>188,947</b>	<b>674,600</b>	<b>109,712</b>	<b>(255,268)</b>	Excess (deficiency) of revenues over (under) expenditures
				<b>Other Financing Sources (Uses)</b>
-	-	-	-	Transfers in
(83,182)	-	(46,591)	-	Transfers out
<b>(83,182)</b>	<b>-</b>	<b>(46,591)</b>	<b>-</b>	<b>Total Other Financing Sources (Uses)</b>
105,765	674,600	63,121	(255,268)	Net change in fund balances
546,866	3,683,686	597,291	857	Fund balances - beginning, as restated
<b>652,631</b>	<b>4,358,286</b>	<b>660,412</b>	<b>(254,411)</b>	<b>Fund Balances - Ending</b>

Continued



**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	State Gas Tax	Air Quality Improvement	Measure A	Asset Forfeiture
<b>Revenues</b>				
Intergovernmental	\$ 1,411,997	17,296	1,957,894	-
Fines and forfeitures	-	-	-	-
Charges for services	23,418	-	23,418	-
Special assessments	-	-	-	-
Development fees	-	-	-	-
Use of money and property	1,367	16,813	97,659	17,079
Other revenue	95	1,485	95	-
<b>Total Revenues</b>	<b>1,436,877</b>	<b>35,594</b>	<b>2,079,066</b>	<b>17,079</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	1,233,650	-	1,588,996	-
Capital outlay	-	-	860,619	-
<b>Total Expenditures</b>	<b>1,233,650</b>	<b>-</b>	<b>2,449,615</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	<b>203,227</b>	<b>35,594</b>	<b>(370,549)</b>	<b>17,079</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	73,824	-	73,824	-
Transfers out	(159,496)	-	(156,632)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(85,672)</b>	<b>-</b>	<b>(82,808)</b>	<b>-</b>
Net change in fund balances	117,555	35,594	(453,357)	17,079
Fund balances - beginning, as restated	8,415	284,677	2,142,308	302,975
<b>Fund Balances - Ending</b>	<b>\$ 125,970</b>	<b>320,271</b>	<b>1,688,951</b>	<b>320,054</b>

<b>Solid Waste</b>	<b>Police Grants</b>	<b>Road Maintenance and Rehabilitation</b>	<b>Community Development Block Grant</b>	
168,634	411,724	1,301,930	684,733	<b>Revenues</b>
-	-	-	-	Intergovernmental
1,460,023	-	-	-	Fines and forfeitures
-	-	-	-	Charges for services
-	-	-	-	Special assessments
174,908	29,009	102,438	-	Development fees
-	-	-	-	Use of money and property
<b>1,803,565</b>	<b>440,733</b>	<b>1,404,368</b>	<b>684,733</b>	Other revenue
				<b>Total Revenues</b>
				<b>Expenditures</b>
				Current:
38,138	-	-	410	General government
1,242,062	-	-	68,068	Community development
-	53,891	-	-	Public safety
-	-	-	-	Public works
72,175	-	612,227	570,822	Capital outlay
<b>1,352,375</b>	<b>53,891</b>	<b>612,227</b>	<b>639,300</b>	<b>Total Expenditures</b>
<b>451,190</b>	<b>386,842</b>	<b>792,141</b>	<b>45,433</b>	Excess (deficiency) of revenues over (under) expenditures
				<b>Other Financing Sources (Uses)</b>
-	-	-	-	Transfers in
(136,939)	(238,272)	-	(45,433)	Transfers out
<b>(136,939)</b>	<b>(238,272)</b>	<b>-</b>	<b>(45,433)</b>	<b>Total Other Financing Sources (Uses)</b>
314,251	148,570	792,141	-	Net change in fund balances
3,046,069	483,661	1,498,481	15,423	Fund balances - beginning, as restated
<b>3,360,320</b>	<b>632,231</b>	<b>2,290,622</b>	<b>15,423</b>	<b>Fund Balances - Ending</b>

Continued

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Police Department Special Revenues	Fire Department Special Revenues	Fire Department Grants	Landscape and Lighting District	Park Facilities
<b>Revenues</b>					
Intergovernmental	\$ 72,132	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	-	-	-	-	-
Special assessments	-	-	-	372,801	-
Development fees	-	-	-	-	253,402
Use of money and property	19,567	1,340	665	23,835	58,712
Other revenue	21,888	11	24,422	-	-
<b>Total Revenues</b>	<b>113,587</b>	<b>1,351</b>	<b>25,087</b>	<b>396,636</b>	<b>312,114</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public safety	61,561	-	27,522	-	-
Public works	-	-	-	479,759	-
Capital outlay	-	-	-	-	150,541
<b>Total Expenditures</b>	<b>61,561</b>	<b>-</b>	<b>27,522</b>	<b>479,759</b>	<b>150,541</b>
Excess (deficiency) of revenues over (under) expenditures	<b>52,026</b>	<b>1,351</b>	<b>(2,435)</b>	<b>(83,123)</b>	<b>161,573</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	346,116	-
Transfers out	-	-	-	(210,595)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,521</b>	<b>-</b>
Net change in fund balances	52,026	1,351	(2,435)	52,398	161,573
Fund balances - beginning, as restated	388,838	23,513	12,770	423,773	-
<b>Fund Balances - Ending</b>	<b>\$ 440,864</b>	<b>24,864</b>	<b>10,335</b>	<b>476,171</b>	<b>161,573</b>

<b>Transportation</b>	<b>General Government Facilities</b>	<b>Fire Facilities</b>	<b>Police Facilities</b>	<b>Total</b>	
-	-	-	-	6,026,340	<b>Revenues</b>
-	-	-	-	236,113	Intergovernmental
-	-	-	-	2,060,495	Fines and forfeitures
-	-	-	-	372,801	Charges for services
1,613	-	-	-	304,617	Special assessments
36,594	11,010	10,696	14,594	1,061,623	Development fees
-	-	-	-	47,996	Use of money and property
<b>38,207</b>	<b>11,010</b>	<b>10,696</b>	<b>14,594</b>	<b>10,109,985</b>	Other revenue
					<b>Total Revenues</b>
					<b>Expenditures</b>
					Current:
-	-	-	-	38,548	General government
-	-	-	-	1,329,223	Community development
-	-	-	-	217,044	Public safety
-	-	-	-	3,306,043	Public works
1,613	-	-	-	2,523,026	Capital outlay
<b>1,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,413,884</b>	<b>Total Expenditures</b>
<b>36,594</b>	<b>11,010</b>	<b>10,696</b>	<b>14,594</b>	<b>2,696,101</b>	Excess (deficiency) of revenues over (under) expenditures
					<b>Other Financing Sources (Uses)</b>
-	-	-	-	493,764	Transfers in
-	-	-	-	(1,077,140)	Transfers out
-	-	-	-	<b>(583,376)</b>	<b>Total Other Financing Sources (Uses)</b>
36,594	11,010	10,696	14,594	2,112,725	Net change in fund balances
217,175	-	173,161	173,161	16,231,793	Fund balances - beginning, as restated
<b>253,769</b>	<b>11,010</b>	<b>183,857</b>	<b>187,755</b>	<b>18,344,518</b>	<b>Fund Balances - Ending</b>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2024**

	Transit Development			Quimby Act		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>						
Development fees	\$ 5,950	7,250	1,300	-	-	-
Use of money and property	-	2,102	2,102	-	16,172	16,172
<b>Total Revenues</b>	<b>5,950</b>	<b>9,352</b>	<b>3,402</b>	<b>-</b>	<b>16,172</b>	<b>16,172</b>
<b>Expenditures</b>						
Current:						
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	5,950	9,352	3,402	-	16,172	(16,172)
<b>Other Financing Sources (Uses)</b>						
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	5,950	9,352	3,402	-	16,172	16,172
Fund balances - beginning, as restated	-	-	-	-	-	-
<b>Fund Balances - Ending</b>	<b>\$ 5,950</b>	<b>9,352</b>	<b>3,402</b>	<b>-</b>	<b>16,172</b>	<b>16,172</b>

Note: For FY 2023/2024 there was no adopted budget for the Quimby Act Fund.

Art in Public Places			Master Underground Plan			
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
64,460	8,496	(55,964)	40,000	33,856	(6,144)	<b>Revenues</b>
-	20,639	20,639	-	126,352	126,352	Development fees
<b>64,460</b>	<b>29,135</b>	<b>(35,325)</b>	<b>40,000</b>	<b>160,208</b>	<b>120,208</b>	Use of money and property
						<b>Total Revenues</b>
						<b>Expenditures</b>
16,150	-	16,150	-	-	-	Current:
-	-	-	100,000	-	100,000	Culture and recreation
<b>16,150</b>	<b>-</b>	<b>16,150</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>	Capital outlay
						<b>Total Expenditures</b>
48,310	29,135	(19,175)	(60,000)	160,208	(220,208)	Excess (deficiency) of revenues over expenditures
-	-	-	-	-	-	<b>Other Financing Sources (Uses)</b>
						<b>Total Other Financing Sources (Uses)</b>
48,310	29,135	(19,175)	(60,000)	160,208	220,208	Net change in fund balances
-	-	-	2,208,693	2,208,693	-	Fund balances - beginning, as restated
<b>48,310</b>	<b>29,135</b>	<b>(19,175)</b>	<b>2,148,693</b>	<b>2,368,901</b>	<b>220,208</b>	<b>Fund Balances - Ending</b>

continued

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	<u>Traffic Safety</u>			<u>City Mitigation Fee</u>		
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	-	-	-	-	-
Fines and forfeitures	125,000	236,113	111,113	-	-	-
Charges for services	-	-	-	324,000	459,170	135,170
Use of money and property	-	31,119	31,119	-	215,430	215,430
<b>Total Revenues</b>	<b>125,000</b>	<b>267,232</b>	<b>142,232</b>	<b>324,000</b>	<b>674,600</b>	<b>350,600</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public Safety	69,192	74,070	(4,878)	-	-	-
Public Works	200,000	3,638	196,362	-	-	-
Capital outlay	-	577	(577)	204,837	-	204,837
<b>Total Expenditures</b>	<b>269,192</b>	<b>78,285</b>	<b>190,907</b>	<b>204,837</b>	<b>-</b>	<b>204,837</b>
Excess (deficiency) of revenues over expenditures	(144,192)	188,947	333,139	119,163	674,600	555,437
<b>Other Financing Sources (Uses)</b>						
Transfers out	(83,182)	(83,182)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(83,182)</b>	<b>(83,182)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(61,010)	105,765	333,139	119,163	674,600	555,437
Fund balances - beginning, as restated	546,866	546,866	-	3,683,686	3,683,686	-
<b>Fund Balances - Ending</b>	<b>\$ 485,856</b>	<b>652,631</b>	<b>333,139</b>	<b>3,802,849</b>	<b>4,358,286</b>	<b>555,437</b>



PEG Fees			TDA SB 821			
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
-	-	-	1,538,000	-	(1,538,000)	<b>Revenues</b>
-	-	-	-	-	-	Intergovernmental
118,000	94,466	(23,534)	-	-	-	Fines and forfeitures
-	33,499	33,499	-	24	-	Charges for services
<b>118,000</b>	<b>127,965</b>	<b>9,965</b>	<b>1,538,000</b>	<b>24</b>	<b>(1,538,000)</b>	Use of money and property
						<b>Total Revenues</b>
						<b>Expenditures</b>
						Current:
12,000	-	12,000	-	-	-	General government
171,800	18,253	153,547	-	840	(840)	Community development
-	-	-	-	-	-	Public Safety
-	-	-	-	-	-	Public Works
-	-	-	-	254,452	(254,452)	Capital outlay
<b>12,000</b>	<b>18,253</b>	<b>12,000</b>	<b>-</b>	<b>255,292</b>	<b>(255,292)</b>	<b>Total Expenditures</b>
106,000	109,712	21,965	1,538,000	(255,268)	(1,793,292)	Excess (deficiency) of revenues over expenditures
(46,591)	(46,591)	-	-	-	-	<b>Other Financing Sources (Uses)</b>
<b>(46,591)</b>	<b>(46,591)</b>	-	-	-	-	Transfers out
						<b>Total Other Financing Sources (Uses)</b>
59,409	63,121	(2,035)	1,538,000	(255,268)	(1,538,000)	<b>Net change in fund balances</b>
597,291	597,291	-	857	857	-	Fund balances - beginning, as restated
<b>656,700</b>	<b>660,412</b>	<b>(2,035)</b>	<b>1,538,857</b>	<b>(254,411)</b>	<b>(1,538,000)</b>	<b>Fund Balances - Ending</b>

continued

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	State Gas Tax			Air Quality Improvement		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ 1,320,000	1,411,997	91,997	20,000	17,296	2,704
Charges for services	20,000	23,418	3,418	-	-	-
Use of money and property	-	1,367	1,367	-	16,813	(16,813)
Other revenue	-	95	95	-	1,485	(1,485)
<b>Total Revenues</b>	<b>1,340,000</b>	<b>1,436,877</b>	<b>96,877</b>	<b>20,000</b>	<b>35,594</b>	<b>(15,594)</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	-	-
Public works	1,354,234	1,233,650	120,584	10,000	-	10,000
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,354,234</b>	<b>1,233,650</b>	<b>120,584</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
Excess (deficiency) of revenues over expenditures	(14,234)	203,227	(23,707)	10,000	35,594	(25,594)
<b>Other Financing Sources (Uses)</b>						
Transfers in	69,003	73,824	(4,821)	-	-	-
Transfers out	(159,496)	(159,496)	-	(80,000)	-	(80,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(90,493)</b>	<b>(85,672)</b>	<b>(4,821)</b>	<b>(80,000)</b>	<b>-</b>	<b>(80,000)</b>
Net change in fund balances	(104,727)	117,555	212,640	(50,000)	35,594	(85,594)
Fund balances - beginning, as restated	8,415	8,415	-	284,677	284,677	-
<b>Fund Balances - Ending</b>	<b>\$ (96,312)</b>	<b>125,970</b>	<b>212,640</b>	<b>234,677</b>	<b>320,271</b>	<b>(85,594)</b>

Measure A			Asset Forfeiture			
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
2,040,000	1,957,894	82,106	-	-	-	<b>Revenues</b>
20,000	23,418	(3,418)	-	-	-	Intergovernmental
-	97,659	(97,659)	-	17,079	(17,079)	Charges for services
-	95	(95)	-	-	-	Use of money and property
<b>2,060,000</b>	<b>2,079,066</b>	<b>(19,066)</b>	<b>-</b>	<b>17,079</b>	<b>(17,079)</b>	Other revenue
						<b>Total Revenues</b>
						<b>Expenditures</b>
-	-	-	5,000	-	5,000	Current:
1,744,234	1,588,996	155,238	-	-	-	Public safety
-	860,619	(860,619)	-	-	-	Public works
<b>1,744,234</b>	<b>2,449,615</b>	<b>(705,381)</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	Capital outlay
						<b>Total Expenditures</b>
315,766	(370,549)	686,315	(5,000)	17,079	(22,079)	Excess (deficiency) of revenues over expenditures
						<b>Other Financing Sources (Uses)</b>
69,003	73,824	(4,821)	-	-	-	Transfers in
(159,496)	(156,632)	(2,864)	-	-	-	Transfers out
<b>(90,493)</b>	<b>(82,808)</b>	<b>(7,685)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total Other Financing Sources (Uses)</b>
225,273	(453,357)	(732,132)	(5,000)	17,079	(12,079)	Net change in fund balances
2142308	2,142,308	-	302975	302,975	-	Fund balances - beginning, as restated
<b>2,367,581</b>	<b>1,688,951</b>	<b>(732,132)</b>	<b>297,975</b>	<b>320,054</b>	<b>(12,079)</b>	<b>Fund Balances - Ending</b>

continued

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Solid Waste			Police Grants		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ 192,323	168,634	(23,689)	364,279	411,724	47,445
Charges for services	1,400,000	1,460,023	60,023	-	-	-
Use of money and property	-	174,908	174,908	-	29,009	29,009
<b>Total Revenues</b>	<b>1,592,323</b>	<b>1,803,565</b>	<b>211,242</b>	<b>364,279</b>	<b>440,733</b>	<b>76,454</b>
<b>Expenditures</b>						
Current:						
General government	-	38,138	(38,138)	-	-	-
Community development	-	1,242,062	(1,242,062)	-	-	-
Public safety	1,859,039	-	1,859,039	437,752	53,891	383,861
Capital outlay	252,935	72,175	180,760	-	-	-
<b>Total Expenditures</b>	<b>2,111,974</b>	<b>1,352,375</b>	<b>797,737</b>	<b>437,752</b>	<b>53,891</b>	<b>383,861</b>
Excess (deficiency) of revenues over expenditures	(519,651)	451,190	1,008,979	(73,473)	386,842	460,315
<b>Other Financing Sources (Uses)</b>						
Transfers out	(113,895)	(136,939)	(23,044)	(102,000)	(238,272)	(136,272)
<b>Total Other Financing Sources (Uses)</b>	<b>(113,895)</b>	<b>(136,939)</b>	<b>(23,044)</b>	<b>(102,000)</b>	<b>(238,272)</b>	<b>(136,272)</b>
Net change in fund balances	(633,546)	314,251	985,935	(175,473)	148,570	324,043
Fund balances - beginning, as restated	3,046,069	3,046,069	-	483,661	483,661	-
<b>Fund Balances - Ending</b>	<b>\$ 2,412,523</b>	<b>3,360,320</b>	<b>985,935</b>	<b>308,188</b>	<b>632,231</b>	<b>324,043</b>

Road Maintenance and Rehabilitation			Community Development Block Grant			
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
1,140,000	1,301,930	161,930	569,557	684,733	115,176	<b>Revenues</b>
-	-	-	-	-	-	Intergovernmental
-	102,438	102,438	500	-	(500)	Charges for services
<b>1,140,000</b>	<b>1,404,368</b>	<b>264,368</b>	<b>570,057</b>	<b>684,733</b>	<b>114,676</b>	Use of money and property
						<b>Total Revenues</b>
						<b>Expenditures</b>
-	-	-	-	410	(410)	Current:
-	-	-	105,292	68,068	37,224	General government
-	-	-	-	-	-	Community development
3,320,122	612,227	2,707,895	1,903,950	570,822	1,333,128	Public safety
<b>3,320,122</b>	<b>612,227</b>	<b>2,707,895</b>	<b>2,009,242</b>	<b>639,300</b>	<b>1,370,352</b>	Capital outlay
						<b>Total Expenditures</b>
(2,180,122)	792,141	2,972,263	(1,439,185)	45,433	1,485,028	Excess (deficiency) of revenues over expenditures
-	-	-	-	(45,433)	(45,433)	<b>Other Financing Sources (Uses)</b>
-	-	-	-	(45,433)	(45,433)	Transfers out
						<b>Total Other Financing Sources (Uses)</b>
(2,180,122)	792,141	2,972,263	(1,439,185)	-	1,439,595	Net change in fund balances
1,498,481	1,498,481	-	15,423	15,423	-	Fund balances - beginning, as restated
<b>(681,641)</b>	<b>2,290,622</b>	<b>2,972,263</b>	<b>(1,423,762)</b>	<b>15,423</b>	<b>1,439,595</b>	<b>Fund Balances - Ending</b>

continued

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	<u>Police Department Special Revenue</u>			<u>Fire Department Special Revenue</u>		
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>						
Intergovernmental	\$ 15,000	72,132	57,132	-	-	-
Special assessments	-	-	-	-	-	-
Use of money and property	-	19,567	19,567	-	1,340	1,340
Other revenue	25,000	21,888	(3,112)	25,000	11	(24,989)
<b>Total Revenues</b>	<b>40,000</b>	<b>113,587</b>	<b>73,587</b>	<b>25,000</b>	<b>1,351</b>	<b>(23,649)</b>
<b>Expenditures</b>						
Current:						
Public safety	26,004	61,561	(35,557)	30,650	-	30,650
Public works	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>26,004</b>	<b>61,561</b>	<b>(35,557)</b>	<b>30,650</b>	<b>-</b>	<b>30,650</b>
Excess (deficiency) of revenues over expenditures	13,996	52,026	38,030	(5,650)	1,351	7,001
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	13,996	52,026	38,030	(5,650)	1,351	7,001
Fund balances - beginning, as restated	388,838	388,838	-	23,513	23,513	-
<b>Fund Balances - Ending</b>	<b>\$ 402,834</b>	<b>440,864</b>	<b>38,030</b>	<b>17,863</b>	<b>24,864</b>	<b>7,001</b>

Fire Department Grants			Landscape and Lighting District			
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
-	-	-	-	-	-	<b>Revenues</b>
-	-	-	372,000	372,801	801	Intergovernmental
-	665	665	-	23,835	23,835	Special assessments
24,422	24,422	-	-	-	-	Use of money and property
<b>24,422</b>	<b>25,087</b>	<b>665</b>	<b>372,000</b>	<b>396,636</b>	<b>24,636</b>	Other revenue
						<b>Total Revenues</b>
						<b>Expenditures</b>
24,422	27,522	(3,100)	-	-	-	Current:
-	-	-	432,500	479,759	(47,259)	Public safety
<b>24,422</b>	<b>27,522</b>	<b>(3,100)</b>	<b>432,500</b>	<b>479,759</b>	<b>(47,259)</b>	Public works
						<b>Total Expenditures</b>
-	(2,435)	(2,435)	(60,500)	(83,123)	(22,623)	Excess (deficiency) of revenues over expenditures
-	-	-	323,000	346,116	-	<b>Other Financing Sources (Uses)</b>
-	-	-	(231,693)	(210,595)	21,098	Transfers in
-	-	-	<b>91,307</b>	<b>135,521</b>	<b>21,098</b>	Transfers out
						<b>Total Other Financing Sources (Uses)</b>
-	(2,435)	(2,435)	30,807	52,398	(1,525)	Net change in fund balances
12,770	12,770	-	423,773	423,773	-	Fund balances - beginning, as restated
<b>12,770</b>	<b>10,335</b>	<b>(2,435)</b>	<b>454,580</b>	<b>476,171</b>	<b>(1,525)</b>	<b>Fund Balances - Ending</b>

continued



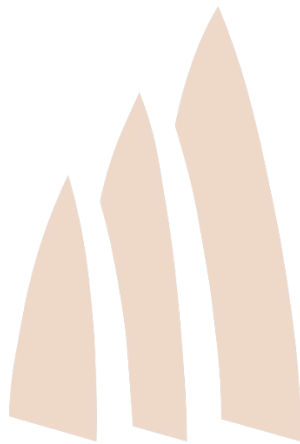
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Park Facilities			Transportation		
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>						
Development fees	\$ 169,640	253,402	83,762	85,980	1,613	(84,367)
Use of money and property	-	58,712	58,712	-	36,594	36,594
<b>Total Revenues</b>	<b>169,640</b>	<b>312,114</b>	<b>142,474</b>	<b>85,980</b>	<b>38,207</b>	<b>(47,773)</b>
<b>Expenditures</b>						
Capital outlay	420,732	150,541	270,191	381,087	1,613	379,474
<b>Total Expenditures</b>	<b>420,732</b>	<b>150,541</b>	<b>270,191</b>	<b>381,087</b>	<b>1,613</b>	<b>379,474</b>
Excess (deficiency) of revenues over expenditures	(251,092)	161,573	412,665	(295,107)	36,594	331,701
<b>Other Financing Sources (Uses)</b>						
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	-
Net change in fund balances	(251,092)	161,573	412,665	(295,107)	36,594	331,701
Fund balances - beginning, as restated	-	-	-	217,175	217,175	-
<b>Fund Balances - Ending</b>	<b>\$ (251,092)</b>	<b>161,573</b>	<b>412,665</b>	<b>(77,932)</b>	<b>253,769</b>	<b>331,701</b>

General Government Facilities			Fire Facilities			
Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
30,910	-	(30,910)	15,590	-	(15,590)	<b>Revenues</b>
-	11,010	11,010	-	10,696	10,696	Development fees
<b>30,910</b>	<b>11,010</b>	<b>(19,900)</b>	<b>15,590</b>	<b>10,696</b>	<b>(4,894)</b>	Use of money and property
						<b>Total Revenues</b>
420,732	-	420,732	420,732	-	420,732	<b>Expenditures</b>
<b>420,732</b>	-	<b>420,732</b>	<b>420,732</b>	-	<b>420,732</b>	Capital outlay
						<b>Total Expenditures</b>
(389,822)	11,010	400,832	(405,142)	10,696	415,838	Excess (deficiency) of revenues over expenditures
						<b>Other Financing Sources (Uses)</b>
-	-	-	-	-	-	<b>Total Other Financing Sources (Uses)</b>
(389,822)	11,010	400,832	(405,142)	10,696	415,838	Net change in fund balances
-		-	173,161	173,161	-	Fund balances - beginning, as restated
<b>(389,822)</b>	<b>11,010</b>	<b>400,832</b>	<b>(231,981)</b>	<b>183,857</b>	<b>415,838</b>	<b>Fund Balances - Ending</b>
continued						

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actuals**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended June 30, 2024**

	<b>Police Facilities</b>		
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Development fees	\$ 28,220	-	(28,220)
Use of money and property	-	14,594	14,594
<b>Total Revenues</b>	<b>28,220</b>	<b>14,594</b>	<b>(13,626)</b>
<b>Expenditures</b>			
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	28,220	14,594	(13,626)
<b>Other Financing Sources (Uses)</b>			
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	28,220	14,594	(13,626)
Fund balances - beginning, as restated	173,161	173,161	-
<b>Fund Balances - Ending</b>	<b>\$ 201,381</b>	<b>187,755</b>	<b>(13,626)</b>



# Cathedral City

**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2024**

	<b>Police and Fire Facilities</b>	<b>Traffic Signalization</b>	<b>Assessment District 85-1</b>
<b>Assets</b>			
Cash and investments	\$ -	-	275,384
Receivables:			
Interest	-	-	2,811
Restricted assets:			
Cash and investments held with fiscal agent	-	-	-
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>278,195</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:			
Restricted	-	-	278,195
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>278,195</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>-</b>	<b>278,195</b>

<b>Assessment District 86-5</b>	<b>Assessment District 87-2</b>	<b>Assessment District 88-3</b>
217,813	14,225	287,292
2,224	146	2,933
-	-	-
<b>220,037</b>	<b>14,371</b>	<b>290,225</b>
-	-	255,847
-	-	<b>255,847</b>
220,037	14,371	34,378
<b>220,037</b>	<b>14,371</b>	<b>34,378</b>
<b>220,037</b>	<b>14,371</b>	<b>290,225</b>

continued

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#### **Assets**

Cash and investments

Receivables:

Interest

Restricted assets:

Cash and investments held with fiscal agent

#### **Total Assets**

#### **Liabilities and Fund Balances**

Liabilities:

Accounts payable

#### **Total Liabilities**

Fund balances:

Restricted

#### **Total Fund Balances**

#### **Total Liabilities and Fund Balances**

## Combining Balance Sheet

### Nonmajor Capital Projects Funds (Continued)

June 30, 2024

	Assessment District 96-1	Assessment District 2001-01	CFD Rio Vista
<b>Assets</b>			
Cash and investments	\$ 487,467	217,649	4,196
Receivables:			
Interest	-	-	-
Restricted assets:			
Cash and investments held with fiscal agent	-	85	-
<b>Total Assets</b>	<b>487,467</b>	<b>217,734</b>	<b>4,196</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:			
Restricted	487,467	217,734	4,196
<b>Total Fund Balances</b>	<b>487,467</b>	<b>217,734</b>	<b>4,196</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 487,467</b>	<b>217,734</b>	<b>4,196</b>



<b>Assessment District 2003-01</b>	<b>Assessment District 2004-01</b>	<b>Assessment District 2004-02</b>	<b>Total</b>
359,349	607,753	1,017,146	
-	-	-	
-	-	-	
<b>359,349</b>	<b>607,753</b>	<b>1,017,146</b>	
			<b>Assets</b>
			3,488,274 Cash and investments
			Receivables:
			8,114 Interest
			Restricted assets:
			85 Cash and investments held with fiscal agent
			<b>3,496,473 Total Assets</b>
			<b>Liabilities and Fund Balances</b>
			Liabilities:
25,414	-	77,048	358,309 Accounts payable
<b>25,414</b>	<b>-</b>	<b>77,048</b>	<b>358,309 Total Liabilities</b>
			Fund balances:
333,935	607,753	940,098	3,138,164 Restricted
<b>333,935</b>	<b>607,753</b>	<b>940,098</b>	<b>3,138,164 Total Fund Balances</b>
<b>359,349</b>	<b>607,753</b>	<b>1,017,146</b>	<b>3,496,473 Total Liabilities and Fund Balances</b>

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

### Nonmajor Capital Projects Funds

For the Year End June 30, 2024

	Police and Fire Facilities	Traffic Signalization	Assessment District 85-1
<b>Revenues</b>			
Use of money and property	\$ -	-	14,984
<b>Total Revenues</b>	-	-	<b>14,984</b>
<b>Expenditures</b>			
Capital outlay	-	-	-
<b>Total Expenditures</b>	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	<b>14,984</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-
Net change in fund balances	-	-	14,984
Fund balances - beginning, as restated	-	-	263,211
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>-</b>	<b>278,195</b>

<b>Assessment District 86-5</b>	<b>Assessment District 87-2</b>	<b>Assessment District 88-3</b>
25,233	774	15,615
<b>25,233</b>	<b>774</b>	<b>15,615</b>
371,495	-	255,847
<b>371,495</b>	<b>-</b>	<b>255,847</b>
<b>(346,262)</b>	<b>774</b>	<b>(240,232)</b>
-	-	-
-	-	-
(346,262)	774	(240,232)
566,299	13,597	274,610
<b>220,037</b>	<b>14,371</b>	<b>34,378</b>

continued

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#### Revenues

Use of money and property

#### Total Revenues

#### Expenditures

Capital outlay

#### Total Expenditures

Excess (deficiency) of revenues over expenditures

#### Other Financing Sources (Uses)

Transfers in

#### Total Other Financing Sources (Uses)

Net change in fund balances

Fund balances - beginning, as restated

#### Fund Balances - Ending

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds (Continued)**  
**For the Year Ended June 30, 2024**

	Assessment District 96-1	Assessment District 2001-01	CFD Rio Vista
<b>Revenues</b>			
Use of money and property	\$ -	3	-
<b>Total Revenues</b>	-	<b>3</b>	-
<b>Expenditures</b>			
Capital outlay	-	-	-
<b>Total Expenditures</b>	-	-	-
Excess (deficiency) of revenues over expenditures	-	<b>3</b>	-
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	100,000	-
<b>Total Other Financing Sources (Uses)</b>	-	<b>100,000</b>	-
Net change in fund balances	-	100,003	-
Fund balances - beginning, as restated	487,467	117,731	4,196
<b>Fund Balances - Ending</b>	<b>\$ 487,467</b>	<b>217,734</b>	<b>4,196</b>

<b>Assessment District 2003-01</b>	<b>Assessment District 2004-01</b>	<b>Assessment District 2004-02</b>	<b>Total</b>	
-	-	-	56,609	<b>Revenues</b>
-	-	-	<b>56,609</b>	Use of money and property
				<b>Total Revenues</b>
				<b>Expenditures</b>
508,279	-	79,090	1,214,711	Capital outlay
<b>508,279</b>	-	<b>79,090</b>	<b>1,214,711</b>	<b>Total Expenditures</b>
<b>(508,279)</b>	-	<b>(79,090)</b>	<b>(1,158,102)</b>	Excess (deficiency) of revenues over expenditures
				<b>Other Financing Sources (Uses)</b>
-	400,000	600,000	1,100,000	Transfers in
-	<b>400,000</b>	<b>600,000</b>	<b>1,100,000</b>	<b>Total Other Financing Sources (Uses)</b>
(508,279)	400,000	520,910	(58,102)	Net change in fund balances
842,214	207,753	419,188	3,196,266	Fund balances - beginning, as restated
<b>333,935</b>	<b>607,753</b>	<b>940,098</b>	<b>3,138,164</b>	<b>Fund Balances - Ending</b>

# PROPRIETARY FUNDS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

## PROPRIETARY FUNDS

### INTERNAL SERVICE FUNDS

Internal service funds are used to account for activities involved in rendering services to various City departments. 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.

1. **Equipment Replacement (Fund 611).** Accounts for costs of maintaining and providing for replacement of the City's vehicles, equipment, and intangibles. Funding is provided by usage charges to various funds and departments and/or operating transfers from other funds of the City.
2. **Insurance (Fund 612).** Accounts for costs related to the City's insurance coverages, including employee and retiree benefits. Premium costs, self-insured claim losses, liability claims, and other administrative costs are reported in this fund. Funding is provided by usage charges to various funds and departments and/or operating transfers from other funds of the City.
3. **Technology (Fund 613).** Accounts for reserves set aside for the future acquisition and replacement of technology software used throughout the City. Funding is provided by usage charges to various funds and departments and/or operating transfers from other funds of the City.
4. **Facilities (Fund 614).** Accounts for reserves set aside for the future replacement of major building components. Funding is provided by usage charges to various funds and departments and/or operating transfers from other funds of the City.

## Combining Statement of Net Position

### Internal Service Funds

June 30, 2024

	Equipment Replacement	Insurance	Technology	Facilities	Total
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 5,527,365	9,994,015	1,589,313	5,345,140	22,455,833
Receivables:					
Interest	56,102	102,043	16,228	53,611	227,984
Accounts	-	12,308	-	135	12,443
Lease	-	-	-	31,131	31,131
Deposits with PERMA	-	1,753,413	-	-	1,753,413
Prepaid assets	166	375,029	-	-	375,195
Inventories	32,868	-	-	-	32,868
<b>Total Current Assets</b>	<b>5,616,501</b>	<b>12,236,808</b>	<b>1,605,541</b>	<b>5,430,017</b>	<b>24,888,867</b>
Noncurrent assets:					
Capital assets:					
Intangibles	-	-	95,098	-	95,098
Vehicles and equipment	16,404,628	-	-	-	16,404,628
Construction in progress	-	-	832,741	-	832,741
Amortization of intangible assets/Depreciation	(7,938,637)	-	(44,104)	-	(7,982,741)
Net capital assets	<b>8,465,991</b>	<b>-</b>	<b>883,735</b>	<b>-</b>	<b>9,349,726</b>
<b>Total Noncurrent Assets</b>	<b>8,465,991</b>	<b>-</b>	<b>883,735</b>	<b>-</b>	<b>9,349,726</b>
<b>Total Assets</b>	<b>14,082,492</b>	<b>12,236,808</b>	<b>2,489,276</b>	<b>5,430,017</b>	<b>34,238,593</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	9,801	41,853	-	-	51,654
Deposits from others	-	-	-	4,774	4,774
Claims payable	-	2,765,742	-	-	2,765,742
Unearned revenue	-	5,001	-	19,090	24,091
<b>Total Current Liabilities</b>	<b>9,801</b>	<b>2,812,596</b>	<b>-</b>	<b>23,864</b>	<b>2,846,261</b>
Noncurrent liabilities:					
Claims payable	-	9,786,705	-	-	9,786,705
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>9,786,705</b>	<b>-</b>	<b>-</b>	<b>9,786,705</b>
<b>Total Liabilities</b>	<b>9,801</b>	<b>12,599,301</b>	<b>-</b>	<b>23,864</b>	<b>12,632,966</b>
<b>Deferred Inflows of Resources</b>					
Related to leases	-	-	-	30,996	30,996
Unavailable revenue	-	750,000	-	-	750,000
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>750,000</b>	<b>-</b>	<b>30,996</b>	<b>780,996</b>
<b>Net Position</b>					
Invested in capital assets	8,465,991	-	883,735	-	9,349,726
Unrestricted	5,606,700	(1,112,493)	1,605,541	5,375,157	11,474,905
<b>Total Net Position</b>	<b>\$ 14,072,691</b>	<b>(1,112,493)</b>	<b>2,489,276</b>	<b>5,375,157</b>	<b>20,824,631</b>



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

### Internal Service Funds

For the Year Ended June 30, 2024

	Equipment Replacement	Insurance	Technology	Facilities	Total
<b>Operating Revenues</b>					
Charges for services	\$ 2,400,000	14,328,244	573,908	250,000	17,552,152
Other revenue	(24,688)	171,711	-	1,215	148,238
<b>Total Operating Revenues</b>	<b>2,375,312</b>	<b>14,499,955</b>	<b>573,908</b>	<b>251,215</b>	<b>17,700,390</b>
<b>Operating Expenses</b>					
Insurance claims and expenses	-	16,487,287	-	-	16,487,287
Annual contributions	-	687,927	-	-	687,927
Amortization of intangible assets/Depreciation	1,071,113	-	13,585	-	1,084,698
Repairs and maintenance	-	5,400	-	47,599	52,999
<b>Total Operating Expenses</b>	<b>1,071,113</b>	<b>17,180,614</b>	<b>13,585</b>	<b>47,599</b>	<b>18,312,911</b>
Operating Income (Loss)	<b>1,304,199</b>	<b>(2,680,659)</b>	<b>560,323</b>	<b>203,616</b>	<b>(612,521)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Lease income	-	-	-	53,279	53,279
Rental income	-	-	-	29,512	29,512
Interest and investment income	171,470	469,513	46,557	194,278	881,818
Gain on sale of capital assets	5,675	-	-	-	5,675
Net increase (decrease) in fair value of investments	131,115	67,547	12,029	78,748	289,439
<b>Total Nonoperating Revenues (Expenses)</b>	<b>308,260</b>	<b>537,060</b>	<b>58,586</b>	<b>355,817</b>	<b>1,259,723</b>
Income before transfers	1,612,459	(2,143,599)	618,909	559,433	647,202
Transfers in	472,671	-	-	-	472,671
Transfers out	-	(136,437)	-	-	(136,437)
Change in net position	2,085,130	(2,280,036)	618,909	559,433	983,436
<b>Total Other Financing Sources (Uses)</b>					
Total net position - beginning	11,987,561	1,167,543	1,870,367	4,815,724	19,841,195
<b>Total Net Position - Ending</b>	<b>\$ 14,072,691</b>	<b>(1,112,493)</b>	<b>2,489,276</b>	<b>5,375,157</b>	<b>20,824,631</b>

## Combining Statement of Cash Flows

### Internal Service Funds

For the Year Ended June 30, 2024

	Equipment Replacement	Insurance	Technology	Facilities	Total
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and user departments	\$ 2,406,062	16,381,471	573,908	255,685	19,617,126
Payments to suppliers for goods and services	(153,015)	(12,793,589)	(1,148)	(77,054)	(13,024,806)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,253,047</b>	<b>3,587,882</b>	<b>572,760</b>	<b>178,631</b>	<b>6,592,320</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers in	472,671	-	-	-	472,671
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>472,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>472,671</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Capital asset acquisitions	(4,277,521)	-	(45,041)	-	(4,322,562)
Proceeds from the sale of capital assets	5,675	-	-	-	5,675
Transfers out	-	(136,437)	-	-	(136,437)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(4,271,846)</b>	<b>(136,437)</b>	<b>(45,041)</b>	<b>-</b>	<b>(4,453,324)</b>
<b>Cash Flows From Investing Activities</b>					
Interest income	172,939	419,012	38,926	182,592	813,469
Rental income	-	-	-	81,349	81,349
Change in fair value of investments	131,115	67,547	12,029	78,748	289,439
<b>Net Cash (Used) by Investing Activities</b>	<b>304,054</b>	<b>486,559</b>	<b>50,955</b>	<b>342,689</b>	<b>1,184,257</b>
Net increase (decrease) in cash and cash equivalents	(1,242,074)	3,938,004	578,674	521,320	3,795,924
Cash and cash equivalents - beginning	6,769,439	6,056,011	1,010,639	4,823,820	18,659,909
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 5,527,365</b>	<b>9,994,015</b>	<b>1,589,313</b>	<b>5,345,140</b>	<b>22,455,833</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	1,304,199	(2,680,659)	560,323	203,616	(612,521)
Adjustments to Reconcile operating income to net cash provided (used) by operating activities:					
Amortization of intangible assets/Depreciation	1,071,113	-	13,585	-	1,084,698
Accounts receivable	30,750	(9,600)	-	2,720	23,870
Deposits with PERMA	-	1,136,961	-	-	1,136,961
Prepaid assets	(6)	(239,022)	-	-	(239,028)
Inventories	(1,244)	-	-	-	(1,244)
Accounts payable	(151,765)	22,419	(1,148)	(29,455)	(159,949)
Unearned revenue	-	754,154	-	1,750	755,904
Claims payable	-	4,603,629	-	-	4,603,629
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,253,047</b>	<b>3,587,882</b>	<b>572,760</b>	<b>178,631</b>	<b>6,592,320</b>



# Cathedral City

# FIDUCIARY FUNDS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

## FIDUCIARY FUNDS

Fiduciary funds are trust and custodial funds accounting for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include pension and other employee benefit trust funds, custodial funds, external investment trust funds and private-purpose trust funds. The City does not maintain any pension and other employee benefit trust funds or external investment trust funds.

### PRIVATE-PURPOSE TRUST FUNDS

Private-purpose trust funds report all other trust arrangements under which the principal and income benefits individuals, private organizations, or other governments. The City's private-purpose trust funds account for the assets, liabilities, and activities of the Successor Agency to the City's former redevelopment agency.

1. **Redevelopment Obligation Retirement (Fund 530).** Accounts for property taxes received to pay enforceable obligations and administrative overhead costs approved on the Recognized Obligation Payment Schedule (ROPS).
2. **Successor Agency 2014 & 2021 Series A/B/C TABs (Fund 536).** Accounts for principal and interest payments on long-term debt of the Successor Agency.
3. **Successor Agency Administration (Fund 540).** Accounts for administrative overhead costs subject to the percentage limitation established by AB 1X 26 in winding down the affairs of the former redevelopment agency.
4. **Successor Agency Other (Fund 541).** Accounts for other costs related to the payment of enforceable obligations of the former redevelopment agency.
5. **Successor Agency 2007 Series A TAB (Fund 550).** Accounts for ROPS-approved uses of 2007 Tax Allocation Bonds, Series A proceeds of the former redevelopment agency.
6. **Successor Agency 2007 Series C TAB (Fund 552).** Accounts for ROPS-approved uses of 2007 Tax Allocation Bonds, Series C proceeds of the former redevelopment agency.

### CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City as an agent for individuals, principal organizations, other governments, and/or funds.

7. **Assessment District 96-1 (Fund 448).** Accounts for special assessments receipts and principal and interest payments on the Limited Obligation Refunding Bonds (2004).
8. **Assessment District 2001-01 (Fund 449).** Accounts for special assessments receipts and principal and interest payments on the Limited Obligation Improvement Bonds.
9. **Rio Vista Community Facilities District (Fund 451).** Accounts for special assessments receipts and principal and interest payments on the Special Tax Bonds related to the Rio Vista Community Facilities District (CFD 2000-1).
10. **Assessment District 2003-01 (Fund 452).** Accounts for special assessments receipts and principal and interest payments on the Limited Obligation Improvement Bonds (35th Avenue).
11. **Assessment District 2004-01 (Fund 453).** Accounts for special assessments receipts and principal and interest payments on the Limited Obligation Improvement Bonds (Dream Homes).
12. **Assessment District 2004-02 (Fund 454).** Accounts for special assessments receipts and principal and interest payments on the Limited Obligation Improvement Bonds (Cove Improvement)

**Combining Statement of Fiduciary Net Position**  
**Private-Purpose Trust Funds - Successor Agency Trust Funds**  
**June 30, 2024**

	Redevelopment Obligation Retirement	Successor Agency 2014 & 2021 Series A/B/C TABs	Successor Agency Administration
<b>Assets</b>			
Cash and investments	\$ 9,868,299	-	-
Intergovernmental receivable	2,778,533	-	-
Prepaid assets	-	787,066	-
Restricted assets:			
Cash and investments held with fiscal agent	-	3,248,225	-
<b>Total Assets</b>	<b>\$ 12,646,832</b>	<b>4,035,291</b>	<b>-</b>
<b>Liabilities</b>			
Accounts payable	1,000	-	-
Intergovernmental payable	-	2,778,533	-
Accrued interest	-	1,558,503	-
Bonds and notes payable:			
Due in one year	-	5,785,000	-
Due in more than one year	-	89,566,935	-
<b>Total Liabilities</b>	<b>\$ 1,000</b>	<b>99,688,971</b>	<b>-</b>
<b>Net Position</b>			
Restricted for:			
Restricted for dissolution of former RDA	12,645,832	(95,653,680)	-
<b>Total Net Position</b>	<b>\$ 12,645,832</b>	<b>(95,653,680)</b>	<b>-</b>

Successor Agency Other	Successor Agency 2007 Series A TAB	Successor Agency 2007 Series C TAB	Total	
				<b>Assets</b>
-	-	-	9,868,299	Cash and investments
-	-	-	2,778,533	Intergovernmental receivable
-	-	-	787,066	Prepaid assets
				Restricted assets:
				Cash and investments held with fiscal agent
-	-	-	3,248,225	
-	-	-	<b>16,682,123</b>	<b>Total Assets</b>
				<b>Liabilities</b>
-	-	-	1,000	Accounts payable
			2,778,533	Intergovernmental payable
-	-	-	1,558,503	Accrued interest
				Bonds and notes payable:
-	-	-	5,785,000	Due in one year
22,867,410	-	-	112,434,345	Due in more than one year
<b>22,867,410</b>	-	-	<b>122,557,381</b>	<b>Total Liabilities</b>
				<b>Net Position</b>
				Restricted for:
(22,867,410)	-	-	(105,875,258)	Restricted for dissolution of former RDA
<b>(22,867,410)</b>	-	-	<b>(105,875,258)</b>	<b>Total Net Position</b>



**Combining Statement of Changes in Fiduciary Net Position**  
**Private-Purpose Trust Funds - Successor Agency Trust Funds**  
**For the Year Ended June 30, 2024**

	Redevelopment Obligation Retirement	Successor Agency 2014 & 2021 Series A/B/C TABs	Successor Agency Administration	Successor Agency Other
<b>Additions</b>				
Taxes	\$ 15,314,120	-	-	-
Use of money and property	-	7,944	-	-
<b>Total Additions</b>	<b>15,314,120</b>	<b>7,944</b>	<b>-</b>	<b>-</b>
<b>Deductions</b>				
Administrative expenses	-	86,982	-	-
Contractual services	15,355	-	-	-
Interest expense	-	2,757,516	-	2,186,138
Contributions to other governments	5,075,077	-	250,000	-
<b>Total Deductions</b>	<b>5,090,432</b>	<b>2,844,498</b>	<b>250,000</b>	<b>2,186,138</b>
<b>Transfers In (Out)</b>				
Transfers in	-	9,397,128	250,000	-
Transfers out	(9,647,128)	-	-	-
<b>Total Transfers In (Out)</b>	<b>(9,647,128)</b>	<b>9,397,128</b>	<b>250,000</b>	<b>-</b>
Change in net position	576,560	6,560,574	-	(2,186,138)
Net Position - beginning of the year	12,069,272	(102,214,254)	-	(20,681,272)
<b>Net Position - End of the Year</b>	<b>\$ 12,645,832</b>	<b>(95,653,680)</b>	<b>-</b>	<b>(22,867,410)</b>



Successor Agency 2007 Series A TAB	Successor Agency 2007 Series C TAB	Total	
-	-	15,314,120	<b>Additions</b>
-	-	7,944	Taxes
-	-	<b>15,322,064</b>	Use of money and property
			<b>Total Additions</b>
-	-	86,982	<b>Deductions</b>
12,644	11,611	39,610	Administrative expenses
-	-	4,943,654	Contractual services
-	-	5,325,077	Interest expense
<b>12,644</b>	<b>11,611</b>	<b>10,395,323</b>	Contributions to other governments
			<b>Total Deductions</b>
-	-	9,647,128	<b>Transfers In (Out)</b>
-	-	(9,647,128)	Transfers in
-	-	-	Transfers out
			<b>Total Transfers In (Out)</b>
(12,644)	(11,611)	4,926,741	Change in net position
12,644	11,611	(110,801,999)	Net Position - beginning of the year
-	-	<b>(105,875,258)</b>	<b>Net Position - End of the Year</b>

## Combining Statement of Fiduciary Net Position

### All Custodial Funds

June 30, 2024

	Assessment Dist 96-1 Debt Svc	Assessment Dist 01-01 Debt Svc	Comm Fac Dist 00-01 Debt Svc
<b>Assets</b>			
Cash and investments	\$ 970,876	416,048	1,434,618
Receivables:			
Interest	14,891	6,470	14,691
Special assessments	7,075	988	186,637
Restricted assets:			
Cash and investments held with fiscal agent	-	41	422,469
<b>Total Assets</b>	<b>\$ 992,842</b>	<b>423,547</b>	<b>2,058,415</b>
<b>Liabilities</b>			
Accounts payable	888	57	492
Due to bondholders	991,954	423,490	2,057,923
<b>Total Liabilities</b>	<b>\$ 992,842</b>	<b>423,547</b>	<b>2,058,415</b>
<b>Net Position</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

Assessment Dist 03-01 Debt Svc	Assessment Dist 04-01 Debt Svc	Assessment Dist 04-02 Debt Svc	Total Custodial Funds
796,297	733,254	2,266,825	6,617,919
11,800	13,692	33,531	95,075
12,103	15,221	70,185	292,208
-	-	-	422,510
<b>820,200</b>	<b>762,167</b>	<b>2,370,541</b>	<b>7,427,712</b>
535	1,591	1,366	4,929
819,665	760,576	2,369,175	7,422,783
<b>820,200</b>	<b>762,167</b>	<b>2,370,541</b>	<b>7,427,712</b>
-	-	-	-

#### Assets

Cash and investments

Receivables:

Interest

Special assessments

Restricted assets:

Cash and investments held with fiscal agent

#### Total Assets

#### Liabilities

Accounts payable

Due to bondholders

#### Total Liabilities

#### Net Position

## Combining Statement of Changes in Fiduciary Net Position

### All Custodial Funds

For the Year Ended June 30, 2024

	Assessment Dist 96-1 Debt Svc	Assessment Dist 01-01 Debt Svc	Comm Fac Dist 00-01 Debt Svc
<b>Additions</b>			
Collections for assessment districts	\$ 420,251	253,972	374,247
Use of money and property	50,477	20,137	71,703
Net increase (decrease) in fair value of investments	23,373	7,480	22,823
<b>Total Additions</b>	<b>494,101</b>	<b>281,589</b>	<b>468,773</b>
<b>Deductions</b>			
Administrative expenses	-	-	10,121
Contractual services	38,685	10,100	21,823
Interest expense	71,429	47,175	138,954
Bond payment	302,072	190,000	190,000
Other deductions	81,915	34,314	107,875
<b>Total Deductions</b>	<b>494,101</b>	<b>281,589</b>	<b>468,773</b>
Change in net position	-	-	-
Net Position - beginning of the year	-	-	-
<b>Net Position - End of the Year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

Assessment Dist 03-01 Debt Svc	Assessment Dist 04-01 Debt Svc	Assessment Dist 04-02 Debt Svc	Total Custodial Funds
427,849	411,501	1,948,434	3,836,254
49,649	42,855	97,287	332,108
31,899	10,476	36,756	132,807
<b>509,397</b>	<b>464,832</b>	<b>2,082,477</b>	<b>4,301,169</b>
6,555	9,703	22,098	48,477
7,185	11,030	21,289	110,112
201,853	194,863	854,535	1,508,809
240,000	200,000	990,000	2,112,072
53,804	49,236	194,555	521,699
<b>509,397</b>	<b>464,832</b>	<b>2,082,477</b>	<b>4,301,169</b>
-	-	-	-
-	-	-	-
-	-	-	-

#### Additions

Collections for assessment districts

Use of money and property

Net increase (decrease) in fair value of investments

#### Total Additions

#### Deductions

Administrative expenses

Contractual services

Interest expense

Bond payment

Other deductions

#### Total Deductions

Change in net position

Net Position - beginning of the year

#### Net Position - End of the Year

# STATISTICAL (UNAUDITED)



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

# CONTENTS

# PAGE

This part of the City of Cathedral City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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## FINANCIAL TRENDS 187

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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## REVENUE CAPACITY 197

These schedules contain information to help the reader assess the City's local revenue sources of sales tax and property tax.

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## DEBT CAPACITY 209

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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## DEMOGRAPHIC AND ECONOMIC INFORMATION 215

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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## OPERATING INFORMATION 219

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.



# FINANCIAL TRENDS



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**





# Cathedral City

## Net Position by Component

Last Ten Fiscal Years (dollar in thousands - accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
Net investment in capital assets	150,220	153,866	148,362	158,755	164,676	164,895	181,191	189,060	188,320	200,331
Restricted	58,485	92,298	86,986	81,329	59,708	60,653	60,369	69,979	67,055	73,740
Unrestricted	(147,400)	(184,264)	(181,885)	(209,315)	(180,835)	(180,272)	(115,925)	(103,494)	(109,010)	(105,700)
<b>Total governmental activities net position</b>	<b>2,680</b>	<b>61,305</b>	<b>53,463</b>	<b>30,769</b>	<b>43,549</b>	<b>45,276</b>	<b>125,635</b>	<b>155,545</b>	<b>146,366</b>	<b>168,371</b>
<b>Primary government:</b>										
Net investment in capital assets	150,220	153,866	148,362	158,755	164,676	164,895	181,191	189,060	188,320	200,331
Restricted	58,485	92,298	86,986	81,329	59,708	60,653	60,369	69,979	67,055	73,740
Unrestricted	(147,400)	(184,264)	(181,885)	(209,315)	(180,835)	(180,272)	(115,925)	(103,494)	(109,010)	(105,700)
<b>Total primary government net position</b>	<b>2,680</b>	<b>61,305</b>	<b>53,463</b>	<b>30,769</b>	<b>43,549</b>	<b>45,276</b>	<b>125,635</b>	<b>155,545</b>	<b>146,366</b>	<b>168,371</b>
	Note 1			Note 2				Note 3	Note 4	Note 5

### Notes to Schedule:

**Note 1:** Restated balances - includes prior period adjustment of (\$682).

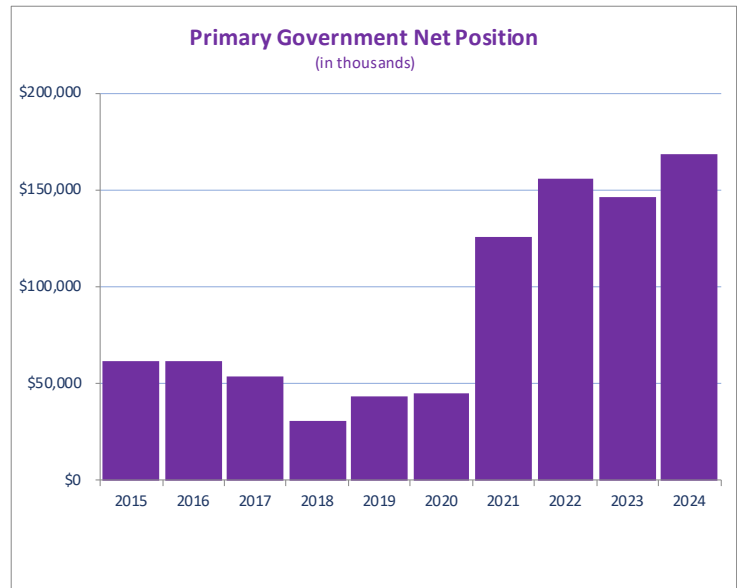
**Note 2:** Restated balances - includes prior period adjustment of (\$32,564).

**Note 3:** Restated balances - includes prior period adjustment of (\$10).

**Note 4:** Restated balances - includes prior period adjustment of \$130.

**Note 5:** Restated balances - includes prior period adjustment of (\$412).

**Source:** City of Cathedral City, Government-Wide Financial Statements



## Changes in Net Position - Program Revenue

Last Ten Fiscal Years (dollar in thousands - accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 3,541	2,888	3,512	15,764	8,471	9,532	11,226	5,872	6,219	6,513
Community development	459	702	714	1,166	1,178	951	1,239	773	782	979
Culture and recreation	-	-	-	-	-	-	-	-	-	9
Public safety	3,843	3,471	3,665	4,055	4,067	4,861	4,363	4,059	4,046	4,810
Public works	761	798	843	906	894	666	749	761	774	879
Operating grants and contributions	18,051	15,066	11,636	14,023	13,412	13,114	13,695	11,388	18,639	20,652
Capital grants and contributions	4,767	624	2,998	14,097	7,860	2,593	22,019	12,361	2,213	11,751
<b>Total governmental activities program revenues</b>	<b>31,422</b>	<b>23,549</b>	<b>23,368</b>	<b>50,011</b>	<b>35,882</b>	<b>31,717</b>	<b>53,291</b>	<b>35,214</b>	<b>32,674</b>	<b>45,592</b>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	10,543	10,550	12,378	22,668	12,914	16,393	15,585	19,340	25,575	23,405
Community development	4,741	7,455	12,929	5,864	6,416	6,345	9,782	6,725	7,916	8,183
Culture and recreation	695	1,134	979	729	1,125	859	740	1,136	1,461	719
Public safety	23,005	22,324	26,663	28,948	31,259	33,182	35,006	17,543	46,849	34,549
Public works	7,704	7,874	8,971	12,860	9,267	11,600	9,132	9,259	9,768	9,835
Interest on long-term debt	7,560	7,052	7,090	6,852	6,581	6,366	5,015	2,826	5,012	3,689
<b>Total governmental activities</b>	<b>54,248</b>	<b>56,389</b>	<b>69,010</b>	<b>77,921</b>	<b>67,562</b>	<b>74,744</b>	<b>75,262</b>	<b>56,828</b>	<b>96,581</b>	<b>80,380</b>
<b>Net (Expense)/Revenue</b>										
<b>Total Primary Government Net Expense</b>	<b>\$ (22,826)</b>	<b>(32,840)</b>	<b>(45,642)</b>	<b>(27,910)</b>	<b>(31,680)</b>	<b>(43,027)</b>	<b>(21,971)</b>	<b>(21,614)</b>	<b>(63,907)</b>	<b>(34,788)</b>

## Changes in Net Position - General Revenues

Last Ten Fiscal Years (dollar in thousands - accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Cannabis tax	\$ -	47	450	1,894	4,607	4,356	5,097	4,508	3,002	2,838
Franchise tax	1,995	2,021	2,146	2,114	2,231	2,213	2,440	2,684	2,915	3,027
Property tax	6,306	7,429	7,869	8,626	9,128	9,933	9,834	10,520	12,016	13,113
Sales tax (Note 1)	9,490	9,695	8,821	9,155	10,412	9,370	12,430	14,033	13,872	13,490
Transactions and use tax	5,327	5,821	5,658	6,105	7,289	6,644	8,049	9,712	9,706	8,871
Transient occupancy tax/timeshare developer	2,000	2,328	3,070	3,726	4,232	3,379	3,670	5,313	5,414	5,071
Utility users tax	2,803	2,754	2,717	2,699	2,692	2,694	2,940	3,242	3,627	3,778
Investment and interest income	2,867	4,296	5,117	2,713	3,498	3,996	2,418	676	3,611	6,514
Other revenues	456	318	1,357	747	371	2,171	399	801	434	505
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Proceeds of capital asset	-	-	-	-	-	-	-	47	-	-
Special items	82,563	(1,274)	-	-	-	-	55,051	-	-	-
<b>Total governmental activities</b>	<b>113,807</b>	<b>33,435</b>	<b>37,205</b>	<b>37,779</b>	<b>44,460</b>	<b>44,755</b>	<b>102,329</b>	<b>51,536</b>	<b>54,597</b>	<b>57,205</b>
<b>Changes in Net Position</b>										
<b>Total Primary Government</b>	<b>\$ 94,404</b>	<b>10,609</b>	<b>(8,437)</b>	<b>9,869</b>	<b>12,780</b>	<b>1,728</b>	<b>80,358</b>	<b>29,922</b>	<b>(9,310)</b>	<b>22,418</b>

Note 1

### Notes to Schedule:

**Note 1:** Sales tax includes supplemental amounts from the Sales Tax Compensation Fund beginning with the fiscal year ended June 30, 2005. The supplemental amounts are the results of the state's "triple flip", whereby local governments swapped part of their sales tax (0.25%) for a like amount of property tax. The triple flip ended in fiscal year 2014/2015, with final payments being received in fiscal year 2015/2016.

**Source:** City of Cathedral City, Government-Wide Financial Statements

## Fund Balances of Governmental Funds

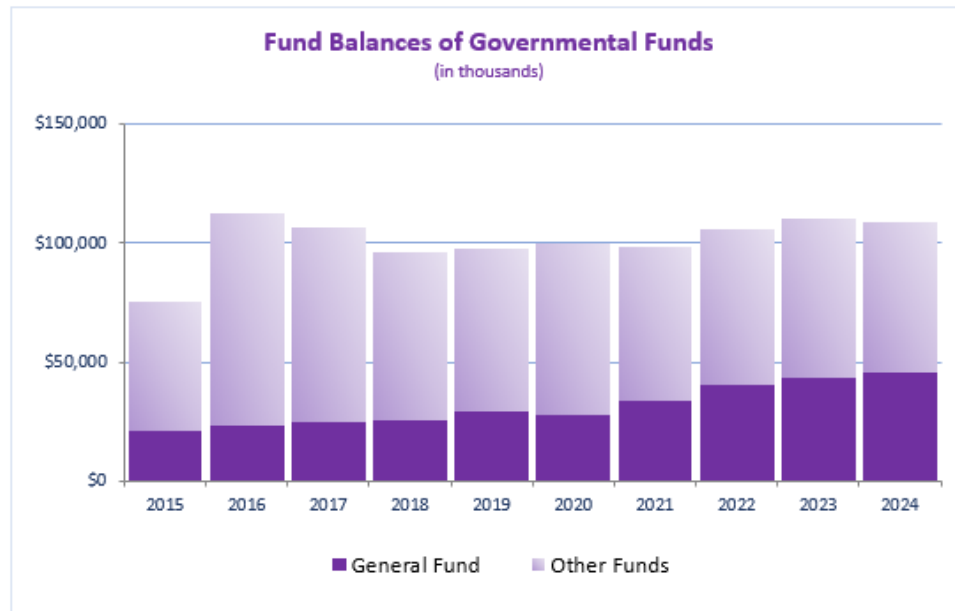
Last Ten Fiscal Years (dollar in thousands - modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund:</b>										
Nondisposable	\$ 13	47	10	16	6	64	1,980	1,985	3,304	2,984
Restricted	3,353	3,177	2,994	2,798	2,632	2,587	2,587	2,339	-	-
Assigned	680	830	4,341	862	833	503	1,133	420	448	162
Unassigned	16,626	19,186	17,656	22,044	25,867	24,401	28,155	35,623	39,402	42,551
<b>Total General Fund</b>	<b>\$ 20,672</b>	<b>23,240</b>	<b>25,001</b>	<b>25,720</b>	<b>29,338</b>	<b>27,555</b>	<b>33,855</b>	<b>40,367</b>	<b>43,154</b>	<b>45,697</b>
<b>All other governmental funds:</b>										
Nondisposable	\$ -	1	1	2	7	1	-	1	95	84
Restricted	54,259	88,754	81,465	70,548	68,205	72,413	64,395	61,987	63,149	63,260
Assigned	172	247	297	-	-	-	-	3,127	3,771	-
Unassigned	-	-	(79)	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 54,431</b>	<b>89,002</b>	<b>81,684</b>	<b>70,550</b>	<b>68,212</b>	<b>72,414</b>	<b>64,395</b>	<b>65,115</b>	<b>67,015</b>	<b>63,344</b>

### Notes to Schedule:

**Note 1:** Amounts include General, Special Revenue, Debt Service and Capital Projects funds.

**Source:** City of Cathedral City, Fund Financial Statements



## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (dollar in thousands - modified accrual basis of accounting)

	2015	2016	2017	2018	2019
<b>Revenues</b>					
Taxes	\$ 26,776	29,775	30,566	34,319	40,590
Intergovernmental	11,254	7,035	4,893	14,323	13,939
Licenses and permits	1,104	1,197	1,349	1,877	2,498
Fines and forfeitures	498	463	597	496	284
Charges for services	6,251	5,259	6,019	7,205	7,016
Special assessments	599	561	571	620	651
Development fees	222	84	170	678	402
Use of money and property	917	1,991	2,738	2,625	2,775
Contributions from City	-	794	-	-	-
Contributions from property owners	-	3,418	-	-	-
Contributions from other entities	-	-	1,400	-	-
Contributions from other governments	13,768	8,783	8,722	8,598	8,483
Other revenue	637	670	460	1,731	661
<b>Total Revenues</b>	<b>\$ 62,026</b>	<b>60,030</b>	<b>57,485</b>	<b>72,472</b>	<b>77,299</b>
<b>Expenditures</b>					
General government	\$ 9,537	8,861	9,910	11,180	11,472
Community development	4,381	4,662	5,679	5,459	5,951
Culture and recreation	425	742	709	458	854
Public safety	21,689	22,114	24,006	27,391	29,542
Public works	3,247	2,950	3,497	3,599	4,230
Capital outlay (Note 1)	6,797	4,254	8,625	20,094	12,040
Principal retirement	85,384	10,624	5,206	7,032	5,481
Interest	8,958	6,459	6,840	6,578	6,294
Debt issuance costs	-	838	-	-	-
<b>Total Expenditures</b>	<b>\$ 140,418</b>	<b>61,504</b>	<b>64,472</b>	<b>81,791</b>	<b>75,864</b>
Excess (deficiency) of revenues over (under) expenditures	(1,474)	(6,987)	(9,319)	(9,319)	1,435
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	36,170	-	-	-
Issuance of refunding debt	-	6,698	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
Related to leases	-	-	-	-	-
Proceeds from sale of capital assets	-	-	1,448	127	-
Gain (loss) on sale of assets held for disposition	(36)	-	-	-	-
Transfers in	12,910	2,146	508	678	837
Transfers out	(13,517)	(5,128)	(526)	(799)	(992)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (643)</b>	<b>39,886</b>	<b>1,430</b>	<b>6</b>	<b>(155)</b>
Special items	79,927	(1,274)	-	(1,102)	-
<b>Net Change in Fund Balances</b>	<b>\$ 77,810</b>	<b>31,625</b>	<b>(7,889)</b>	<b>(10,415)</b>	<b>1,280</b>
Debt service as a % of noncapital expenditures	70.6%	29.8%	21.6%	22.1%	18.4%

**Note 1:** The capital outlay amounts between the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities and the Changes in Fund Balance of Governmental Funds have been reconciled and the variance is diminishing and will continue to diminish in future years.

**Source:** City of Cathedral City, Fund Financial Statements

2020	2021	2022	2023	2024	
					<b>Revenues</b>
38,589	44,460	50,012	50,552	50,187	Taxes
9,519	15,601	19,669	16,735	20,842	Intergovernmental
2,861	2,957	2,960	3,530	3,427	Licenses and permits
422	621	768	570	591	Fines and forfeitures
7,248	7,232	6,967	6,887	8,035	Charges for services
557	1,444	606	653	639	Special assessments
1,104	312	315	341	305	Development fees
3,211	2,297	980	3,148	5,353	Use of money and property
-	-	-	-	-	Contributions from City
-	-	-	-	-	Contributions from property owners
-	-	-	-	-	Contributions from other entities
8,224	8,301	4,245	4,642	5,325	Contributions from other governments
1,427	945	754	566	517	Other revenue
<b>73,162</b>	<b>84,168</b>	<b>87,277</b>	<b>87,624</b>	<b>95,220</b>	<b>Total Revenues</b>
					<b>Expenditures</b>
13,176	12,518	23,437	16,331	22,554	General government
5,772	9,083	6,380	7,788	7,970	Community development
589	470	866	1,190	444	Culture and recreation
31,042	30,952	50,491	36,594	32,783	Public safety
3,254	3,072	4,252	4,378	4,380	Public works
6,025	14,822	13,670	5,592	17,969	Capital outlay (Note 1)
5,396	63,597	4,527	7,431	7,697	Principal retirement
6,041	5,840	2,830	3,701	4,091	Interest
-	-	521	-	-	Debt issuance costs
<b>71,295</b>	<b>140,354</b>	<b>106,974</b>	<b>83,006</b>	<b>97,888</b>	<b>Total Expenditures</b>
1,867	(19,697)	(19,698)	4,618	(2,668)	Excess (deficiency) of revenues over (under) expenditures
					<b>Other Financing Sources (Uses)</b>
-	-	-	-	-	Issuance of debt
-	-	28,780	-	-	Issuance of refunding debt
-	-	(1,997)	-	-	Payment to refunded bond escrow
-	-	367	212	1,876	Related to leases
851	-	-	-	-	Proceeds from sale of capital assets
-	-	47	-	-	Gain (loss) on sale of assets held for disposition
3,371	1,759	1,395	5,182	6,178	Transfers in
(3,670)	(2,344)	(1,663)	(5,325)	(6,514)	Transfers out
<b>552</b>	<b>(585)</b>	<b>26,929</b>	<b>69</b>	<b>1,540</b>	<b>Total Other Financing Sources (Uses)</b>
-	55,051	-	-	-	Special items
<b>2,419</b>	<b>34,769</b>	<b>7,230</b>	<b>4,686</b>	<b>(1,128)</b>	<b>Net Change in Fund Balances</b>
17.5%	55.3%	7.9%	14.4%	14.7%	Debt service as a % of noncapital expenditures

## Tax Revenues by Source - Governmental Funds

Last Ten Fiscal Years (dollar in thousands - modified accrual basis of accounting)

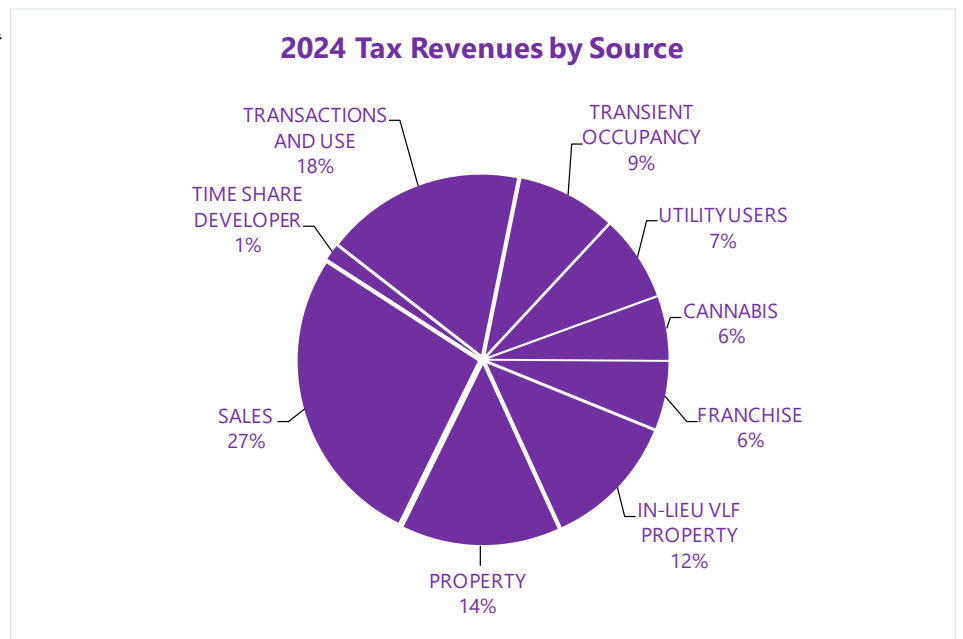
	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Taxes</b>										
Cannabis	\$ -	47	450	1,894	4,607	4,356	5,097	4,508	3,002	2,838
Franchise	1,995	1,885	2,145	2,114	2,230	2,213	2,440	2,684	2,915	3,027
In-lieu VLF property (Note 1)	3,578	3,776	3,959	4,140	4,331	4,571	4,836	5,107	5,644	6,053
Property	2,647	3,575	3,847	4,486	4,797	5,362	4,998	5,414	6,372	7,060
Sales (Note 2)	8,427	9,596	8,727	9,155	10,412	9,370	12,430	14,033	13,872	13,490
Time share developer	552	557	567	579	605	612	590	699	685	693
Transactions and use	5,327	5,821	5,658	6,105	7,289	6,644	8,049	9,712	9,706	8,871
Transient occupancy	1,447	1,771	2,504	3,147	3,627	2,766	3,081	4,613	4,729	4,377
Utility users	2,803	2,747	2,709	2,699	2,692	2,694	2,940	3,242	3,627	3,778
<b>Total</b>	<b>\$ 26,776</b>	<b>29,775</b>	<b>30,566</b>	<b>34,319</b>	<b>40,590</b>	<b>38,588</b>	<b>44,460</b>	<b>50,013</b>	<b>50,552</b>	<b>50,187</b>

### Notes to Schedule:

**Note 1:** As part of the negotiations surrounding a state budget deficit, cities and counties agreed to exchange state general fund revenues they received to offset vehicle license fee (VLF) reductions for a like amount of property tax revenues from ERAF (Education Revenue Augmentation Fund). The VLF/Property Tax swap began with the fiscal year ended June 30, 2005.

**Note 2:** Sales tax includes supplemental amounts from the Sales Tax Compensation Fund beginning with the fiscal year ended June 30, 2005. The supplemental amounts are the results of the state's "triple flip", whereby local governments swapped part of their sales tax (0.25%) for a like amount of property tax. The triple flip ended in fiscal year 2014/2015, with final payments being received in fiscal year 2015/2016.

**Source:** City of Cathedral City Finance Department







# Cathedral City

# REVENUE CAPACITY



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City

## Taxable Sales by Category

Last Ten Calendar Years (dollar in thousands)

	Calendar Year				
	2014	2015	2016	2017	2018
Apparel stores	\$ 10,691	10,230	10,052	7,628	3,629
General merchandise	31,276	29,907	29,425	31,286	33,893
Food stores	27,873	29,100	29,666	30,188	31,598
Eating and drinking places	60,149	67,831	73,249	74,842	79,124
Building materials	31,851	36,067	32,773	33,639	39,185
Auto dealers and supplies	405,431	447,819	445,684	458,742	473,724
Service stations	87,171	85,656	71,767	75,526	88,300
Other retail stores	81,831	80,082	81,580	86,336	95,277
All other outlets	50,296	53,761	53,434	54,287	46,899
<b>Total</b>	<b>\$ 786,569</b>	<b>840,453</b>	<b>827,630</b>	<b>852,474</b>	<b>891,629</b>
<b>Sales tax rate:</b>					
State rate	6.50%	6.50%	6.50%	6.50%	6.50%
Local rate	1.00%	1.00%	1.00%	1.00%	1.00%
District rate-Riverside County - Measure A (transit) (Note 3)	0.50%	0.50%	0.50%	0.25%	0.25%
District rate-Cathedral City - Measures H/B (Note 2)	1.00%	1.00%	1.00%	1.00%	1.00%
<b>Total sales tax rate</b>	<b>9.00%</b>	<b>9.00%</b>	<b>9.00%</b>	<b>8.75%</b>	<b>8.75%</b>

### Notes to Schedule:

**Note 1:** Sales tax data is required to be kept confidential by California Revenue and Taxation Code Section 7056. Sales tax information for groups of businesses are allowed to be disclosed if: (1) at least 25 retailers are included; (2) businesses are presented in random or alphabetical order; (3) businesses are not ranked by amount paid; and (4) sales or use tax amounts are omitted.

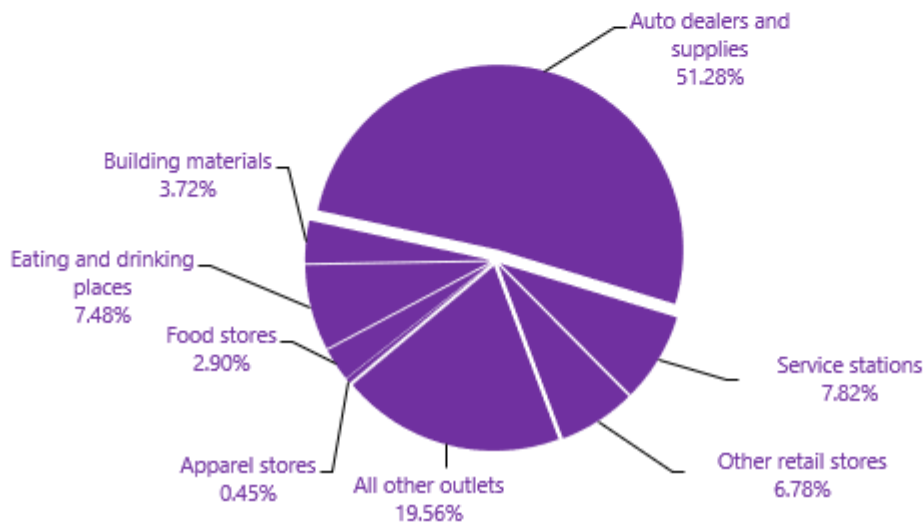
**Note 2:** Additional District tax rate of 1.00% effective October 1, 2010, resulting from the passage of Measure H in June 2010. The District tax was temporary and set to expire September 30, 2015. In June 2014, voters approved Measure B extending the 1% tax indefinitely.

**Note 3:** Rate decreased from 0.50% to 0.25% effective January 1, 2017.

**Source:** State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, Hinderliter, de Llamas & Associates

Calendar Year					
2019	2020	2021	2022	2023	
1,321	977	5,343	5,550	6,042	Apparel stores
31,797	36,539	N/A	N/A	N/A	General merchandise
31,558	34,297	34,627	36,919	39,228	Food stores
87,342	75,502	98,290	107,825	101,074	Eating and drinking places
40,869	39,587	49,123	56,276	50,188	Building materials
486,485	514,695	669,075	707,859	692,753	Auto dealers and supplies
89,491	75,244	101,966	119,766	105,693	Service stations
90,127	97,942	103,547	99,877	91,591	Other retail stores
56,402	43,715	55,606	266,629	264,245	All other outlets
<b>915,392</b>	<b>918,498</b>	<b>1,117,577</b>	<b>1,400,701</b>	<b>1,350,814</b>	<b>Total</b>
					<b>Sales tax rate:</b>
6.50%	6.50%	6.50%	6.50%	6.50%	State rate
1.00%	1.00%	1.00%	1.00%	1.00%	Local rate
0.25%	0.25%	0.25%	0.25%	0.25%	District rate-Riverside County - Measure A (transit) (Note 3)
1.00%	1.00%	1.00%	1.00%	1.00%	District rate-Cathedral City - Measures H/B (Note 2)
<b>8.75%</b>	<b>8.75%</b>	<b>8.75%</b>	<b>8.75%</b>	<b>8.75%</b>	<b>Total sales tax rate</b>

### Calendar Year 2023 Taxable Sales by Category





## Top 25 Sales Tax Producers

Current Year and Nine Years Ago (listed alphabetically)

2023	
Taxpayer	Business
76	Service Stations
Acura of the Desert	New Motor Vehicle Dealers
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
C & M Building Materials	Building Materials
Crystal Chrysler Jeep Dodge Center	New Motor Vehicle Dealers
Honda of the Desert	New Motor Vehicle Dealers
Jessup Auto Plaza Cadillac	New Motor Vehicle Dealers
Jessup Volvo Cars	New Motor Vehicle Dealers
Mike Thompson RVs	Trailers/RVs
Palm Springs Ford	New Motor Vehicle Dealers
Palm Springs Kia	New Motor Vehicle Dealers
Palm Springs Nissan	New Motor Vehicle Dealers
Palm Springs Subaru	New Motor Vehicle Dealers
Shottenkirk Desert Lexus	New Motor Vehicle Dealers
Stater Bros	Grocery Stores
Target	Discount Dept Stores
Tesla Motors	New Motor Vehicle Dealers
Tower Market	Service Stations
Toyota of the Desert	New Motor Vehicle Dealers
United Rentals	Repair Shop/Equip. Rentals
Volkswagen of Palm Springs	New Motor Vehicle Dealers
Percentage of total paid by top 25 accounts - 66.70%	

2014	
Taxpayer	Business
76	Service Stations
Acura of the Desert	New Motor Vehicle Dealers
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Burlington	Family Apparel
Circle K	Service Stations
Crystal Chrysler Jeep Dodge Center	New Motor Vehicle Dealers
Desert Lexus	New Motor Vehicle Dealers
Honda of the Desert	New Motor Vehicle Dealers
Jessup Auto Plaza Cadillac	New Motor Vehicle Dealers
Mike Thompsons RVs	Trailers/RVs
Palm Springs Ford	New Motor Vehicle Dealers
Palm Springs Kia	New Motor Vehicle Dealers
Palm Springs Nissan	New Motor Vehicle Dealers
Palm Springs Subaru	New Motor Vehicle Dealers
Stater Bros	Grocery Stores
Target	Discount Dept Stores
Toyota Lease Trust	Auto Lease
Toyota of the Desert	New Motor Vehicle Dealers
United Rentals	Repair Shop/Equip. Rentals
Valero	Service Stations
Volkswagen of Palm Springs	New Motor Vehicle Dealers
Walgreens	Drug Stores
Percentage of total paid by top 25 accounts - 63.56%	

### Notes to Schedule:

**Note 1:** Information is for the period January 2023 through December 2023 and January 2014 through December 2014, respectively.

**Note 2:** Sales tax data is required to be kept confidential by California Revenue and Taxation Code Section 7056. Sales tax information for groups of businesses are allowed to be disclosed if: (1) at least 25 retailers are included; (2) businesses are presented in random or alphabetical order; (3) businesses are not ranked by amount paid; and (4) sales or use tax amounts are omitted.

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



# Cathedral City

## Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (dollar in thousands)

	Fiscal Year				
	2015	2016	2017	2018	2019
Residential	\$2,466,935	2,625,425	2,745,532	2,876,288	3,021,328
Commercial	438,756	462,758	481,117	515,231	536,161
Industrial	87,068	89,529	96,035	115,863	133,061
Agricultural	-	-	-	-	-
Government owned	537	548	557	1,144	1,156
Institutional	178	181	5,301	3,977	273
Recreational	21,724	21,557	21,862	24,579	28,289
Vacant	86,718	90,054	116,356	119,914	123,162
Cross reference	550,002	567,938	585,569	603,650	622,037
Unsecured	90,909	83,412	92,497	74,021	76,336
Other	-	-	-	52	-
<b>Total net taxable assessed value (Note 2)</b>	<b>\$3,742,827</b>	<b>3,941,402</b>	<b>4,144,826</b>	<b>4,334,719</b>	<b>4,541,803</b>
Total direct tax rate	0.19547	0.21475	0.21335	0.21487	0.21438
<b>Estimated actual taxable value (Note 3)</b>	N/A	N/A	N/A	N/A	N/A
Assessed value as a percentage of estimated actual value (Note 3)	N/A	N/A	N/A	N/A	N/A

### Notes to Schedule:

**Note 1:** In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time that it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or the purchase price (market value) or economic value 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.

**Note 2:** The "total net taxable assessed value" is net of tax-exempt property. In addition, homeowners exemptions are not included in the above totals.

**Note 3:** N/A - Data unavailable.

**Source:** HdL, Coren & Cone (Riverside County Assessor 2014/2015 - 2023/2024 Combined Tax Rolls)



Fiscal Year					
2020	2021	2022	2023	2024	
3,194,080	3,393,368	3,624,506	4,014,724	4,321,383	Residential
554,771	581,577	599,436	613,618	666,973	Commercial
151,508	184,560	193,973	221,691	246,334	Industrial
3,199	4,111	4,673	7,866	8,091	Agricultural
1,233	602	609	621	633	Government owned
7,848	8,061	8,470	11,137	13,765	Institutional
28,216	29,499	32,492	32,593	33,576	Recreational
122,637	117,734	112,715	124,511	124,171	Vacant
639,326	659,783	689,335	791,858	806,392	Cross reference
77,616	79,575	82,531	88,672	107,441	Unsecured
3,938	3,492	-	-	-	Other
<b>4,784,372</b>	<b>5,062,362</b>	<b>5,348,740</b>	<b>5,907,291</b>	<b>6,328,759</b>	<b>Total net taxable assessed value (Note 2)</b>
0.21470	0.21415	0.21420	0.21416	0.21403	Total direct tax rate
N/A	N/A	N/A	N/A	N/A	<b>Estimated actual taxable value (Note 3)</b>
N/A	N/A	N/A	N/A	N/A	Assessed value as a percentage of estimated actual value (Note 3)

## Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years (rate per \$100 of assessed value)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Direct rate</b>										
City's share of 1% levy per Prop 13 (Note 1)	0.13976	0.13976	0.13911	0.14072	0.14072	0.14072	0.14072	0.14072	0.14072	0.14072
Total direct rate	0.19547	0.21475	0.21335	0.21487	0.21438	0.21470	0.21415	0.21420	0.21416	0.21403
<b>Direct and overlapping rates (Note 2)</b>										
Basic levy (Note 3)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Coachella Valley Water District (CVWD)	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.11000	0.11000	0.11000
Desert Community College	0.02325	0.02087	0.02036	0.04030	0.03978	0.03983	0.03947	0.03950	0.03950	0.03950
Desert Water Agency	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.08000
Palm Springs Unified B&I - 1992-A	0.10160	0.08978	0.11802	0.11146	0.10603	0.10542	0.10334	0.15030	0.15187	0.14493
<b>Total direct and overlapping rates</b>	<b>1.32485</b>	<b>1.31065</b>	<b>1.33838</b>	<b>1.35176</b>	<b>1.34581</b>	<b>1.34525</b>	<b>1.34281</b>	<b>1.39980</b>	<b>1.40137</b>	<b>1.37443</b>

### Notes to Schedule:

**Note 1:** City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. Educational Revenue Augmentation Funds (ERAF) general fund tax shifts may not be included in tax ratio figures.

**Note 2:** Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all city property owners.

**Note 3:** In 1978, California voters passed Proposition 13, which set the property tax rate at a 1% fixed amount (basic levy). This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter-approved bonds.

**Source:** HdL, Coren & Cone (Riverside County Assessor 2014/2015 - 2023/2024 Tax Rate Table)

## Principal Property Taxpayers

Current Year and Nine Years Ago (dollars in thousands)

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Welk Park North	\$ 41,500	1	0.64%	\$ 26,741	2	0.69%
Bobs LLC	37,836	2	0.58%			
MHC Date Palm LLC	37,201	3	0.57%	31,538	1	0.82%
RDS Development	23,767	4	0.37%			
MHH Cathedral City Holdings LLC	23,645	5	0.36%			
CC RP LLC	22,161	6	0.34%			
Frome Development Omega	20,484	7	0.32%			
Robertas LP	19,709	8	0.30%	22,910	3	0.60%
Ocotillo Place Apartments LLC	19,194	9	0.30%			
T Alliance One Palm Springs LLC	18,519	10	0.28%			
BRE Throne Plaza Rio Vista				15,210	4	0.40%
Meristar Sub C1				14,290	5	0.37%
Rolling Hills Silver Spur Pickford Theater				14,251	6	0.37%
Goble Investment				13,669	7	0.36%
Palm Springs Motors Inc				13,211	8	0.34%
Forest Lawn Mortuary				11,969	9	0.31%
34251 Date Palm Drive Holdings				11,891	10	0.31%
<b>Totals</b>	<b>\$ 264,016</b>		<b>4.06%</b>	<b>\$ 175,680</b>		<b>4.57%</b>

### Note to Schedule:

**Note:** Rankings are based on taxable assessed value, not property taxes paid.

**Source:** HdL, Coren & Cone (Riverside County Assessor 2023/2024 and 2014/2015 Combined Tax Rolls and the SBE Non Unitary Tax Roll)

## Property Tax Levies and Collections

Last Ten Fiscal Years (dollars in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxes levied for fiscal year (Note 1 & 2)	\$ 688	688	614	605	605	687	750	745	748	806
Structural Fire Tax levied (Note 1 & 2)	484	481	462	455	456	484	486	485	488	436
RPTTF and RDV collected (Note 2)	1,327	2,263	2,423	3,062	3,385	3,948	3,372	3,683	4,825	5,550
Total tax	2,499	3,432	3,499	4,122	4,446	5,119	4,608	4,913	6,061	6,792
Collections in year due (Note 3)	1,029	1,032	1,055	1,052	1,167	1,187	1,263	1,251	1,281	1,275
Collections in subsequent years (Note 4)	21	21	19	18	19	24	16	12	16	20
RPTTF and RDV collected	1,327	2,263	2,423	3,062	3,385	3,948	3,372	3,683	4,825	5,550
Total collections identifiable with levy year	2,377	3,316	3,497	4,132	4,571	5,159	4,651	4,946	6,122	6,845
Percentage of levy collected in year due	94.28%	96.01%	99.40%	99.81%	102.38%	100.31%	100.59%	100.43%	100.74%	100.49%
Total percentage of levy collected	95.12%	96.62%	99.94%	100.24%	102.81%	100.78%	100.93%	100.67%	101.01%	100.78%

### Notes to Schedule:

**Note 1:** The total tax levy is based on the Statements of Original Charge from the Riverside County Auditor-Controller's Office.

This amount does not include supplemental taxes on secured property or the results of any successful appeals of a taxpayers assessed valuation.

**Note 2:** Beginning in 2019, the amounts for the Structural Fire Tax levied are reported separately. The amounts received for RPTTF/RDV are reported as the levy and the collection. As a result, fiscal year's 2015 through 2018 were modified to reflect these changes.

**Note 3:** Collections reflect payments recorded in the fiscal year. These include supplemental property tax payments, sent from the County of Riverside, as needed.

Prior year payments for secured, unsecured, State Board of Equalization, and supplemental secured property taxes are recorded in the fiscal year sent by the County. Unsecured collections may come in above original charge due to escapes bills or CY roll corrections.

**Note 4:** The City participates in the Riverside County Teeter program, which pays out in six increments. The first is a 30% advance in early December, followed by a settlement payment in late January, then a 10% advance in April, then a settlement payment in mid-May, followed by a settlement payment late July or early August. The sixth "Teeter Settlement" generally is received during November of the subsequent fiscal year. Teeter for 2024 was received prior to publication and shown above.

**Source:** City of Cathedral City; Riverside County Auditor-Controller's Office



# Cathedral City



# DEBT CAPACITY



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (dollar in thousands, except per capita amount)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Long-Term Debt Instruments-Governmental Activities</b>										
Lease revenue bonds	\$ 4,065	3,554	3,322	3,081	2,827	2,561	2,284	28,780	26,150	23,445
Limited obligation bonds	3,233	39,100	37,410	33,900	32,110	30,310	28,520	26,635	24,755	22,845
Tax allocation bonds	113,859	111,429	108,889	106,231	103,446	100,531	39,328	37,450	35,476	32,286
<b>Total primary government</b>	<b>\$121,157</b>	<b>154,083</b>	<b>149,621</b>	<b>143,212</b>	<b>138,383</b>	<b>133,402</b>	<b>70,132</b>	<b>92,865</b>	<b>86,381</b>	<b>78,576</b>
<b>Percentage of personal income</b>	<b>11.77%</b>	<b>14.90%</b>	<b>14.36%</b>	<b>13.11%</b>	<b>11.85%</b>	<b>9.59%</b>	<b>4.82%</b>	<b>6.02%</b>	<b>5.53%</b>	<b>4.34%</b>
<b>Per capita</b>	<b>2,305</b>	<b>2,840</b>	<b>2,742</b>	<b>2,614</b>	<b>2,520</b>	<b>2,490</b>	<b>1,299</b>	<b>1,791</b>	<b>1,679</b>	<b>1,543</b>
<b>Long-Term Liabilities-Governmental Activities</b>										
Capital leases	\$ 1,317	917	518	262	-	-	-	-	-	-
Compensated absences ( <b>Note 1</b> )	3,062	3,450	3,731	3,911	4,092	4,399	4,701	5,118	4,966	4,951
Net pension liability	27,461	22,664	30,792	35,969	35,003	37,556	40,904	14,926	22,121	18,660
Other postemployment benefits	29,280	31,912	70,050	65,700	66,554	73,734	96,081	89,770	41,799	40,100
Lease liabilities	-	-	-	-	-	-	-	494	304	465
Subscription liabilities	-	-	-	-	-	-	-	-	3,340	4,208
Claims and judgments	2,225	2,892	3,357	5,013	4,324	4,185	3,596	3,374	7,949	12,552
<b>Total primary government</b>	<b>\$ 63,345</b>	<b>61,835</b>	<b>108,448</b>	<b>110,855</b>	<b>109,973</b>	<b>119,874</b>	<b>145,282</b>	<b>113,682</b>	<b>80,479</b>	<b>80,936</b>
<b>Percentage of personal income</b>	<b>6.15%</b>	<b>5.98%</b>	<b>10.41%</b>	<b>10.15%</b>	<b>9.42%</b>	<b>8.62%</b>	<b>9.98%</b>	<b>7.37%</b>	<b>5.16%</b>	<b>4.47%</b>
<b>Per capita</b>	<b>1,205</b>	<b>1,140</b>	<b>1,988</b>	<b>2,023</b>	<b>2,003</b>	<b>2,237</b>	<b>2,692</b>	<b>2,193</b>	<b>1,565</b>	<b>1,590</b>

### Notes to Schedule:

**Note 1:** Beginning in fiscal year 2024 Compensated Absences now included projected sick use due to updated GASB No.101 guidelines. The City calculated back for 2023 but not practical to go back more than one year.

**Note:** See the *Demographic and Economic Statistics* table for personal income and population data. Personal income, population and per capita personal income data were based on calendar year information. To calculate the "% of Personal Income" and Per Capita statistics, total primary government debt for the fiscal year and personal income/population data for the calendar were used. (e.g., for fiscal year 2024 debt, calendar year 2023 personal income/population data were used.)

**Source:** California State Department of Finance, City of Cathedral City Finance Department,  
The HdL Companies, US Census Bureau

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years (dollar in thousands, except per capita amount)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lease revenue bonds	\$ 4,065	3,554	3,322	3,081	2,827	2,561	2,284	28,780	26,150	23,445
Limited obligation bonds	3,233	39,100	37,410	33,900	32,110	30,310	28,520	26,635	24,755	22,845
Tax allocation bonds	113,859	111,429	108,889	106,231	103,446	100,531	39,328	37,450	35,476	32,286
Total bonded debt	121,157	154,083	149,621	143,212	138,383	133,402	70,132	92,865	86,381	78,576
Less: Debt service reserves	(4,165)	(4,778)	(3,578)	-	(4,774)	(5,178)	(3,363)	(3,194)	(3,234)	(3,616)
Net bonded debt	<u>\$116,992</u>	<u>149,305</u>	<u>146,043</u>	<u>143,212</u>	<u>133,609</u>	<u>128,224</u>	<u>66,769</u>	<u>89,671</u>	<u>83,147</u>	<u>74,960</u>
Percentage of net bonded debt to actual taxable assessed value of property (Note 2)	2.97%	3.60%	3.52%	3.30%	2.94%	2.53%	1.25%	1.52%	1.31%	1.18%
Net bonded debt per capita (Note 3)	2,156	2,737	2,677	2,614	2,433	2,393	1,288	1,743	1,633	1,472

### Notes to Schedule:

**Note 1:** General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none). Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**Note 2:** See the Assessed Value and Actual Value of Taxable Property table for property value data.

**Note 3:** See the Demographic and Economic Statistics table for population data. The ratio is calculated using population data for the calendar year.

**Source:** City of Cathedral City Finance Department; Assessed Value and Actual Value of Taxable Property table; Demographic and Economic Statistics table



# Direct and Overlapping Governmental Activities Debt

For the Year Ended June 30, 2024

	Debt Outstanding	Percentage Applicable <sup>(2)</sup>	City of Cathedral City Share of Debt
<b>Direct and Overlapping Tax and Assessment Debt <sup>(1)</sup></b>			
Desert Community College District	\$ 664,990,000	5.741%	38,177,076
Palm Springs Unified School District	475,359,672	14.846%	70,571,897
<b>Cathedral City Limited Obligation Improvement Bonds</b>	<b>22,845,000</b>	<b>100.000%</b>	<b>22,845,000</b>
City of Cathedral City Community Facilities District No. 2000-01	1,980,000	100.000%	1,980,000
City of Cathedral City 1915 Act Bonds	24,651,378	100.000%	24,651,378
Total direct and overlapping tax and assessment debt			<u>\$ 158,225,351</u>
<b>Direct and Overlapping General Fund Debt</b>			
Riverside County General Fund Obligations	\$ 1,169,217,035	1.597%	\$ 18,672,396
Riverside County Pension Obligation Bonds	670,785,000	1.597%	10,712,436
<b>City of Cathedral City General Fund Obligations</b>	<b>23,445,000</b>	<b>100.000%</b>	<b>23,445,000</b>
Total direct and overlapping general fund debt			<u>\$ 52,829,832</u>
<b>Direct Tax Increment Debt (Cathedral City Public Financing Authority Bonds)</b>			
<b>City of Cathedral City Merged Redevelopment Project Area Nos. 1 and 2</b>	<b>\$ 8,136,481</b>	<b>100.000%</b>	<b>\$ 8,136,481</b> <sup>(3)</sup>
<b>City of Cathedral City Redevelopment Project Area No. 3</b>	<b>4,385,000</b>	<b>100.000%</b>	<b>4,385,000</b>
<b>City of Cathedral City 2006 Merged Redevelopment Project Area</b>	<b>68,666,678</b>	<b>100.000%</b>	<b>68,666,678</b> <sup>(4)</sup>
Total direct tax increment debt			<u>\$ 81,188,159</u>
<b>Overlapping Tax Increment Debt (Successor Agencies)</b>			
City of Cathedral City Redevelopment 2006 Merged Project Area	\$ 25,295,000	97.325%	\$ 24,618,359 <sup>(5)</sup>
City of Cathedral City Redevelopment Housing Bonds	17,150,000	97.325%	16,691,238 <sup>(5)</sup>
City of Rancho Mirage 1984 Redevelopment Project Area	37,896,027	0.212%	80,340
City of Rancho Mirage Redevelopment Housing Bonds	6,265,000	0.135%	8,458
Total overlapping tax increment debt			<u>\$ 41,398,395</u>
<b>City of Cathedral City Direct Debt:</b>			
Lease Liabilities			\$ 464,744
Subscription Liabilities			4,208,084
Total City of Cathedral City direct debt			<u>\$ 4,672,828</u>
Total direct debt			\$ 132,150,987
Total overlapping debt			\$ 201,490,750
Combined total debt			\$ 333,641,737 <sup>(6)</sup>
<b>Ratios to 2023-24 Assessed Valuation: (\$6,336,244,456)</b>			
Total direct and overlapping tax and assessment debt			2.50%
<b>Total direct debt (\$127,478,159)</b>			<b>2.01%</b>
Combined total debt			5.27%
<b>Ratio to Redevelopment Incremental Valuation: (\$5,836,882,486)</b>			
Total direct and overlapping tax increment debt			2.10%

(1) Includes all bonded debt which requires a tax levy or assessment charge: e.g., general obligation bonds, Mello-Roos Act and 1915 Act Bonds, benefit assessments, lease tax obligations and parcel tax obligations.

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

(3) Includes accreted interest of capital appreciation bonds.

(4) Includes bond premiums.

(5) A portion of Project Area No. 3 is within the boundaries of the City of Rancho Mirage, which is why the percent applicable is less than 100%.

(6) Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue bonds.

**Source:** California Municipal Statistics, Inc.

Legal Debt Margin Information

Last Ten Fiscal Years (dollar in thousands)

Calculation of Legal Debt Margin for Fiscal Year 2024

Assessed Value	\$ 6,328,759
Debt limit % (Note 1)	15.00%
Debt limit - (15% of assessed value)	949,314
Less: Debt applicable to limit	(23,445)
Legal debt margin — June 30	<u>\$ 925,869</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 583,377	591,210	621,724	650,208	681,270	717,656	759,354	802,311	949,314	949,314
Total net debt applicable to limit	-	-	-	-	-	-	-	(28,780)	(26,150)	(23,445)
Legal debt margin	<u>\$ 583,377</u>	<u>591,210</u>	<u>621,724</u>	<u>650,208</u>	<u>681,270</u>	<u>717,656</u>	<u>759,354</u>	<u>773,531</u>	<u>923,164</u>	<u>925,869</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-3.59%	-2.75%	-2.47%

Note to Schedule:

**Note 1:** The California Government Code, Section 43605, limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

**Source:** City of Cathedral City Finance Department; HdL, Coren & Cone (Riverside County Assessor 2023/2024 Combined Tax Rolls)

## Pledged-Revenue Coverage

Last Ten Fiscal Years (dollar in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Lease Revenue Bonds</b>										
Pledged lease revenues	\$ 475	299	378	377	380	380	380	2,403	3,758	3,665
Available for debt service	<b>\$ 475</b>	<b>299</b>	<b>378</b>	<b>377</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>2,403</b>	<b>3,758</b>	<b>3,665</b>
Debt service - principal and interest	506	299	378	377	380	380	380	2,403	3,758	3,665
Coverage	0.94	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Tax Allocation Bonds (Note 1):</b>										
Pledged property taxes	\$ 16,803	14,073	15,017	14,501	14,734	14,748	14,820	15,258	14,931	15,314
Available for debt service	<b>\$ 16,803</b>	<b>14,073</b>	<b>15,017</b>	<b>14,501</b>	<b>14,501</b>	<b>14,748</b>	<b>14,820</b>	<b>15,258</b>	<b>14,931</b>	<b>15,314</b>
Debt service - principal and interest	13,096 (Note 2)	8,075	8,069	8,065	8,060	8,050	8,051	14,372	14,768	14,464 (Note 3)
Coverage	1.28	1.74	1.86	1.80	1.83	1.83	1.84	1.06	1.01	1.06

### Notes to Schedule:

**Note 1:** The former redevelopment agency was dissolved as of February 1, 2012. Prior to that date, tax increment monies were received from Riverside County to make the tax allocation bond payments. Subsequent to dissolution, the Successor Agency only receives property taxes in the amount necessary to pay enforceable obligations, including bonds, for each six-month period (July through December and January through June). The coverage ratio is calculated based on debt service requirements for the current fiscal year compared to property taxes received during the same period. However, property taxes actually received by the Successor Agency are for the second half of the fiscal year (January receipts) and the first half of the following fiscal year (June receipts).

**Note 2:** Tax allocation bonds principal and interest totaled \$93,022,679 for the fiscal year ended June 30, 2015. Of this amount, \$79,926,621 was paid from "contributions from other governments".

**Note 3:** Pledged property taxes received totaled \$15,314,120. These amounts were pledged to pay the tax allocation bond debt issued by the Public Financing Authority (principal/interest of \$5,067,294), and the Successor Agency (principal/interest of \$9,397,127).

**Source:** City of Cathedral City Finance Department

# DEMOGRAPHIC AND ECONOMIC INFORMATION



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**

## Demographic and Economic Statistics

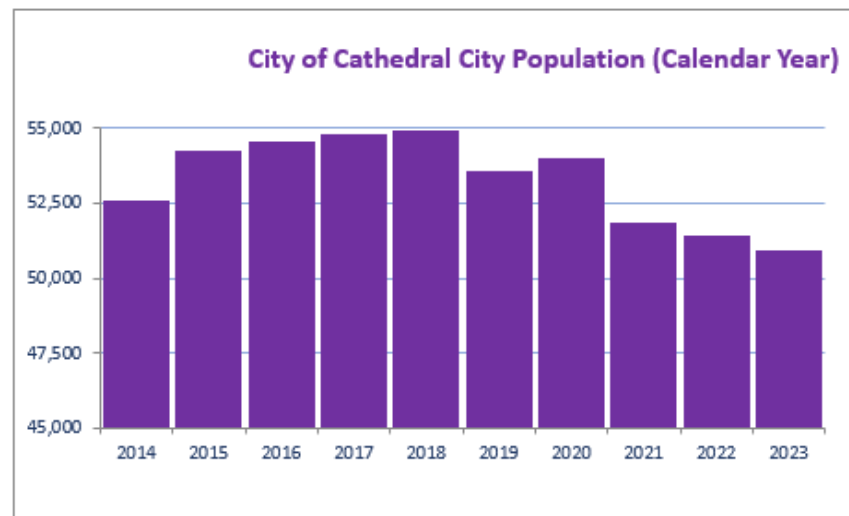
Last Ten Calendar Years

	Calendar Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population <sup>1</sup>	52,571	54,261	54,557	54,791	54,907	53,580	53,973	51,840	51,433	50,911
Personal income (expressed in thousands) <sup>2</sup>	\$1,029,235	1,033,859	1,041,771	1,092,392	1,167,636	1,391,108	1,456,142	1,543,093	1,560,661	1,808,733
Per capita personal income <sup>2</sup>	\$ 19,578	19,053	19,095	19,937	21,265	25,963	26,979	29,766	30,343	35,527
Unemployment rate <sup>3</sup>	6.70%	5.50%	4.90%	4.50%	4.00%	3.80%	11.50%	6.90%	3.70%	4.30%
Median age <sup>2</sup>	34.5	34.8	35.9	37.1	37.3	38.1	39.4	40.6	40.3	40.5
% of population 25+ — high school degree <sup>2</sup>	73.40%	74.40%	75.30%	76.30%	77.10%	77.30%	78.30%	79.30%	78.60%	80.70%
% of population 25+ — bachelor's degree <sup>2</sup>	15.00%	16.10%	16.70%	18.00%	18.60%	19.80%	21.60%	23.80%	24.10%	26.00%

**Source:** <sup>1</sup> HdL, Coren & Cone (State of California, Department of Finance);

<sup>2</sup> HdL, Coren & Cone (U.S. Census Bureau, most recent American Community Survey);

<sup>3</sup> HdL, Coren & Cone (California Employment Development Department)





## Principal Employers

Current Year and Nine Years Ago

	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Angel View	500-999		1.91% - 3.81%			
Target	250-499		.96% - 1.90%	250-499	1T	1.06% - 2.11%
Desert Princess Homeowners	250-499		.96% - 1.90%	250-499	1T	1.06% - 2.11%
Doubletree-Golf Resort	250-499		.96% - 1.90%			
City of Cathedral City	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Cathedral City High School	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Toyota of the Desert	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Honda of the Desert	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
CA Developmental Services	100-249		0.38% - .95%			
Grocery Outlet	100-249		0.38% - .95%			
Jessup Auto Plaza	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Nellie N. Coffman Middle School	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Quick Lane Tire & Auto Center	100-249		0.38% - .95%			
Stater Bros. Markets (Ramon)	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Stater Bros. Markets (Vista Chino)	100-249		0.38% - .95%	100-249	4T	0.42% - 1.06%
Addus Healthcare				250-499	1T	1.06% - 2.11%
Palm Springs Motors				100-249	4T	0.42% - 1.06%
<b>Totals</b>	<b>2,350 - 5,235</b>		<b>8.97% - 19.96%</b>	<b>1,650 - 3,738</b>		<b>6.96% - 15.87%</b>
		(Note 2)			(Note 2)	

### Note to Schedule:

**Note 1:** Total employees by employer are presented as a range as specific employer totals are not available. In addition, the percentage of total city employment is also presented as a range.

**Note 2:** Rank no longer available. Prior year data is presented.

**Source:** U.S. Department of Labor, Bureau of Labor Statistics; State of California, Employment Development Department, Labor Market Info (information provided by Data-Axle).

## Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

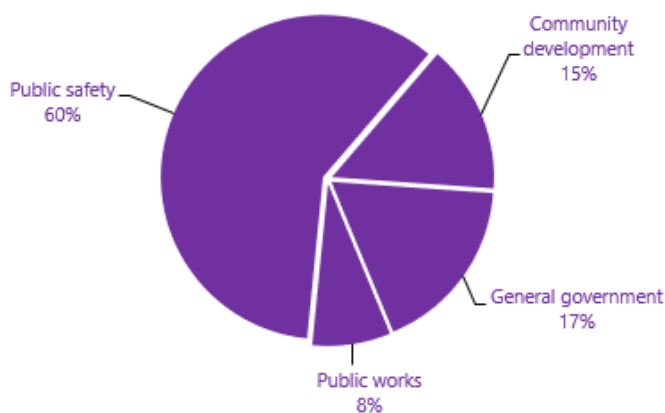
	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
City Council	5.00	5.00	5.00	5.00	5.50	5.00	5.00	6.00	6.00	6.00
City Management (note 1, 2)	5.20	9.80	9.80	8.40	8.40	8.00	7.00	7.00	8.50	13.50
City Clerk	2.40	2.60	2.60	2.40	1.40	1.50	1.50	2.00	2.00	2.00
Financial Services (note 1)	12.00	12.55	14.65	14.20	14.20	15.50	19.00	21.50	22.50	17.50
Total General Government	24.60	29.95	32.05	30.00	29.50	30.00	32.50	36.50	39.00	39.00
Public Works	22.00	15.70	17.70	17.00	19.25	17.00	13.00	14.85	14.60	17.25
Public Safety:										
Police	74.00	73.00	75.00	75.00	77.00	88.50	80.50	83.50	79.50	79.50
Fire	36.00	37.00	40.00	46.00	46.00	45.00	44.00	52.00	52.00	52.50
Total Public Safety	110.00	110.00	115.00	121.00	123.00	133.50	124.50	135.50	131.50	132.00
Community Development	12.95	13.90	17.25	20.00	-	-	-	-	-	-
Community and Economic Development (note 2)	-	-	-	-	14.50	15.50	12.00	18.00	24.00	25.00
Engineering	-	-	-	-	4.25	7.00	4.00	5.15	9.40	7.75
Total Community Development	12.95	13.90	17.25	20.00	18.75	22.50	16.00	23.15	33.40	32.75
Successor Agency to the RDA	1.50	1.60	1.00	1.00	-	-	-	-	-	-
<b>Total</b>	<b>171.05</b>	<b>171.15</b>	<b>183.00</b>	<b>189.00</b>	<b>190.50</b>	<b>203.00</b>	<b>186.00</b>	<b>210.00</b>	<b>218.50</b>	<b>221.00</b>

**Source:** City of Cathedral City (Payroll Department)

**Note 1:** In 2024, information technology moved from Administrative Services to City Management. Administrative Services was renamed to Financial Services.

**Note 2:** In 2024, economic development moved from City Management to Building, Planning, and Code. Building, Planning, and Code was renamed to Community and Economic Development.

### 2024 City Employees by Function Full-Time Equivalents



# OPERATING INFORMATION



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**





# Cathedral City

## Operating Indicators by Function

Last Ten Calendar Years

	Calendar Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Works</b>										
Streets maintained (miles)	154	157	157	157	157	159	161	161	161	161
<b>Public Safety</b>										
Police:										
Physical arrests	1,216	1,068	1,029	1,222	1,910	1,697	1,192	1,056	1,011	1,309
Parking violations	1,821	1,413	990	1,511	1,120	1,265	3,143	1,889	2,155	3,737
Traffic violations	3,292	2,703	3,113	3,479	3,853	1,978	1,381	1,323	1,393	1,844
Number of 9-1-1 calls answered	-	-	-	-	49,901	48,065	47,800	45,051	48,115	48,824
Fire:										
Number of 9-1-1 calls answered (Note 2)	5,047	5,280	5,660	5,836	5,826	6,121	6,362	6,784	7,311	7,293
<b>Community Development</b>										
Building permits issued	1,894	1,463	1,995	2,173	2,080	2,212	1,805	2,119	2,495	2,231
Code complaints	2,080	935	1,486	1,866	1,643	1,879	2,040	1,656	1,573	1,188
Property/vehicle abatements	325	254	334	683	636	273	133	168	133	136
Notices/citations issued	765	1,080	884	1,731	1,886	2,034	1,467	1,536	1,247	1,174

### Notes to Schedule:

**Note 1:** Statistics are for the fiscal year end, not calendar year end.

**Note 2:** The number of 9-1-1 calls answered reflect the number of emergency incidents that were responded to.

**Source:** City of Cathedral City (various departments)

## Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Public Works</b>										
Streets (center line miles)	157	157	157	157	157	159	161	161	161	161
Streetlights	1,190	1,190	1,190	1,190	1,190	2,220	2,225	2,229	2,232	2,232
Traffic signs	4,333	4,333	4,333	4,333	4,333	4,373	4,381	4,405	4,420	4,576
Traffic signals	50	50	50	50	50	47	47	48	49	49
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	65	57	55	55	60	68	59	59	63	64
Fire stations	3	3	3	3	3	3	3	3	3	3
<b>Culture and Recreation</b>										
Parks	9	10	10	10	10	10	10	10	10	10
Parks acreage	43	48	48	48	48	48	48	48	48	48
Community centers	1	1	0	0	0	0	0	0	0	0
Libraries	1	1	1	1	1	1	1	1	1	1

**Source:** City of Cathedral City (various departments)

# GLOSSARY



**CITY OF CATHEDRAL CITY | Year Ended June 30, 2024**



# Cathedral City

## GLOSSARY OF ACRONYMS

### A

**AAP:** Annual Action Plan

**AB:** Assembly Bill

**ACBCI:** Agua Caliente Band of Cahuilla Indians

**AQMD:** Air Quality Management District

**ARPA:** American Rescue Plan Act

**ATP:** Active Transportation Plan

### C

**CA:** California

**CalPERS:** California Public Employees Retirement System

**CARES:** Coronavirus Aid, Relief, and Economic Security

**CCSC:** Cathedral City Senior Center

**CDBG:** Community Development Block Grant

**CERBT:** California Employers' Retiree Benefit Trust Fund

**CFD:** Community Facilities District

**COVID-19:** Novel Coronavirus 2019-nCoV

**CRF:** Coronavirus Relief Funds

**CURC:** City Urban Revitalization Corporation

**CV:** Coachella Valley

**CVAG:** Coachella Valley Association of Government

**CVREP:** Coachella Valley Repertory

**CVRM:** Coachella Valley Rescue Mission

**CVWD:** Coachella Valley Water District

**CY:** Calendar Year

### D

**DOF:** Department of Finance

### E

**EARL:** Expected average remaining service lifetime

**ERAF:** Education Revenue Augmentation Fund

**ERICA:** Eastern Riverside County Interoperable Communications Authority

**ERP:** Enterprise Resource Planning

### F

**FDIC:** Federal Deposit Insurance Corporation

**FY:** Fiscal Year

### G

**GAAP:** Generally Accepted Accounting Principles  
**GAAS:** Generally Accepted Auditing Standards  
**GASB:** Governmental Accounting Standards Board  
**GFOA:** Government Finance Officers Association

## H

**HRA:** Health Reimbursement Arrangement  
**HSIP:** Highway Safety Improvement Program  
**HUTA:** Highway User Tax Account

## L

**LAIF:** Local Agency Investment Fund  
**LGBT+:** Lesbian, Gay, Bisexual, Transgender Plus  
**LLP:** Limited Liability Partnership  
**LOB:** Limited Obligation Bonds  
**LST:** Local Sales Tax

## M

**MD&A:** Management's Discussion and Analysis  
**MOU:** Memorandum of Understanding

## O

**OMB:** Office of Management and Budget  
**OPA:** Owner Participation Agreements  
**OPEB:** Other Postemployment Benefits

## P

**PEG:** Public Education Government  
**PEMHCA:** Public Employees' Medical and Hospital Care Act  
**PERF:** Public Employee Retirement Fund  
**PERMA:** Public Entity Risk Management Authority  
**PERS:** Public Employees Retirement System  
**PM:** Particulate Matter  
**PMIA:** Pooled Money Investment Account  
**PPP:** Public-Public Partnership Arrangements  
**PSEC:** Public Safety Enterprise Communication

## R

**RCTC:** Riverside County Transportation Commission  
**RDA:** Redevelopment Agency  
**RMRA:** Road Maintenance and Rehabilitation Account  
**ROPS:** Recognized Obligation Payment Schedule  
**RPTTF:** RDAs Property Tax Trust Fund



## S

**S&P:** Standard & Poor's

**SBITA:** Subscription-Based Information Technology Arrangements

**SEFA:** Schedule of Expenditures of Federal Awards

**SNAP:** Supplemental Nutrition Assistance Program

**SPT:** Small Professional Theatre

**STVR:** Short-Term Vacation Rental

## T

**TAB:** Tax Allocation Bonds

**TDA:** Transportation Development Act

**TOT:** Transient Occupancy Tax

**TTP:** Tribal Transportation Program

## U

**UAL:** Unfunded Actuarial Liability

## V

**VLF:** Vehicle License Fee



# Cathedral City

## GLOSSARY OF TERMS

### A

**ABATEMENT:** A reduction or an exemption on the level of taxation faced by an individual or company.

**ACCRUAL BASIS OF ACCOUNTING:** Revenues are recognized when both measurable and earned; expenditures are recorded when services have been substantially performed or goods have been received and the liabilities incurred.

**ACTUARY:** A professional who uses financial and economic theory, statistics, and mathematics to assess the likelihood of future events and the associated costs.

**AD HOC:** Ad hoc is a word that originally comes from Latin and means “for this” or “for this situation.”

**ADOPTED BUDGET:** The official budget as approved by the City Council prior to the start of each fiscal year.

**AGGREGATE:** The whole sum or amount; sum total.

**ALLOTMENT:** A portion of an appropriation that is set aside for a specific purpose or period of time.

**AMENDED BUDGET:** The official budget as approved by the City Council with amendments approved throughout the budgeted fiscal year.

**AMORTIZATION:** The expense of an intangible asset over time.

**ANNEXATION:** The inclusion, attachment, or addition of territory to a city.

**ANNUITY:** A contract that requires regular payments for more than one full year to the person entitled to receive the payments (annuitant)

**APPROPRIATIONS:** A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

**ARBITRAGE:** A financial strategy that involves buying and selling the same or similar asset in different markets to profit from price differences.

**ASSESSED VALUATION:** A municipality’s property tax base stated in dollars based on real estate and/or other taxable business property for the purposes of taxation, sometimes expressed as a percent of the full market value of the taxable property within a community.

**ASSESSMENT DISTRICT:** Assessment Districts are created to provide public works improvements to a large area at one time. Municipal bonds are sold for the full cost of the improvements.

**ASSET:** Any resource owned or controlled by the city that can be used to produce positive economic value.

**ASSET (INTANGIBLE):** Non-physical assets that are not financial in nature and have a useful life that extends beyond a single reporting period. This can include assets such as easements, water rights, timber rights, patents, trademarks, and computer software.

**AUDIT:** An official examination of an organization’s accounts, performed by an independent entity.

**AUTHORITY OR AGENCY:** A state or local unit of government created to perform a single activity or a limited group of functions and authorized by the state legislature to issue bonded debt.

### B

**BALANCED BUDGET:** When the budgeted expenditures are equal to or less than the budgeted revenues plus other available sources.

**BIENNIAL:** Every other year.

**BIENNIUM:** A specified period of two years.

**BLIGHT:** A wide array of urban problems, which can range from physical deterioration of buildings and the environment to health, social and economic problems in a particular area.

**BOND:** A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

**BOND (DEFEASE):** A bond that has been rendered risk-free by setting aside assets to cover all future interest and principal payments

**BOND (REFUNDING):** The issuance of a new bond for the purpose of retiring an already outstanding bond issue.

**BOND (REVENUE):** A municipal bond whose debt service is payable solely from the revenues received from operating the facilities acquired or constructed with the proceeds of the bonds.

**BOND (TAX ALLOCATION):** Bonds repaid with tax increments flowing to the Successor Agency to the RDA resulting from an increase in property taxes and assessed values over the original (frozen) base.

**BOND DISCOUNT:** The amount at which a bond or note is bought, or sold, below its par value excluding accrued interest.

**BOND PREMIUM:** The amount at which a bond or note is bought or sold above its par value or face value without including accrued interest.

**BROKER:** A bond trader in the secondary market buying from and selling to bond dealers. Its most common usage is as a description of a bond salesperson.

**BUDGET:** A plan of financial operation composed of estimated expenditures for a given period and the proposed means of financing the expenditures (through revenues).

**BUDGET MESSAGE:** A written discussion of the budget presented by the City Manager, or their designee, to the City Council.

## C

**CALENDAR YEAR:** A period of a year beginning January 1 and ending December 31.

**CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION:** The state organization responsible for the administration of 30+ different taxes and fees, categorized as: 1) Prepaid Telephony, 2) Sales and Use Tax, 3) Special Taxes and Fees, or 4) Collection Cost Recovery Fees.

**CAPITAL IMPROVEMENT PROJECT:** The budget unit to group activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

**CAPITAL IMPROVEMENT PROJECT (CIP) PLAN:** A plan for capital improvements to be implemented each year over multiple years to meet capital needs arising from the assessment of long-term needs. It sets forth the estimated cost for each project and specifies the resources required to finance the projected expenditures.

**CAPITAL OUTLAY:** Expenditures for equipment/furniture and fixtures with a cost of more than \$5,000 and a useful life exceeding one year.

**CAPITAL PROJECTS FUNDS:** Used to account for financial resources for the acquisition or construction of major capital facilities other than those financed by proprietary (internal service) and trust funds.

**CAPITALIZE:** An accounting determination whereby the recognition of expenses is delayed by recording the expense as a long-term asset and then released over its useful life

**CESSATION:** The fact or process of ending or being brought to an end.

**COLLATERAL:** Something pledged as security for repayment of a loan, to be forfeited in the event of a default.

**COMMENCEMENT:** A beginning or start.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):** Grants funded by the Federal government's Department of Housing and Urban Development (HUD) to eliminate blight and provide benefits to low-income and moderate-income households.

**CONDUIT DEBT OBLIGATIONS (CDO):** A debt instrument issued by a state or local government to fund a third party that is not part of the government's financial reporting entity. CDOs are typically limited-obligation revenue bonds or certificates of participation.

**CONTRACTED SERVICES:** Services rendered in support of City operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

**CUSTODIAL FUND:** Used to account for assets held by the City in a fiduciary capacity for individuals, government entities, and others. Such funds are operated by carrying out the specifications of trust indentures, statutes, ordinances, or other governing regulations.

## D

**DEALER:** A corporation or partnership buying, selling, and maintaining an ongoing position in bonds and/or notes. They are also authorized to underwrite new issues. Some large commercial banks are licensed to act as bond dealers.

**DEBT LIMIT:** The maximum statutory or constitutional amount of debt the general obligation bond issuer can either issue or have outstanding at any time.

**DEBT SERVICE FUNDS:** Account for the accumulation of resources set aside to meet current and future debt service requirements (payments) on general long-term debt.

**DEFEASE BOND:** A bond that has been rendered risk-free by setting aside assets to cover all future interest and principal payments.

**DEFERRED:** Withheld or delayed for or until a stated time.

**DELINQUENT TAXES:** Property taxes that have been levied but remain unpaid on and after the due date. In California, the due dates are November 1 and March 1, and are considered delinquent if not paid by December 10 and April 10, respectively. Special levies and assessments are often due on these dates as well. When tax delinquencies exceed 5%, the Bond Advisor places the issue on its internal Bond Watch.

**DEPARTMENT:** A major organizational group of the City with overall management responsibility for an operation or a group of related operations within a functional area.

**DEPRECIATION:** The expense incurred with the expiration of a capital asset.

**DERIVATIVE PRODUCT:** A financial instrument created from, or the value of which depends on (is derived from), the value of one or more underlying assets or indices of asset values.

**DISPOSITION:** The disposal of assets through a sale, assignment, or transfer where the ownership of the asset is transferred.

**DISSOLUTION:** The process of closing down a business or partnership and settling its financial obligations.

**DIVISION:** An organizational subgroup of a department.

## E

**ENCUMBRANCE:** The commitment of appropriated funds to purchase goods, which have not been received, or services yet to be rendered.

**ENTERPRISE FUNDS:** Used to report any activity for which a fee is charged to external users for goods or services. Traditionally provide significant financial assistance to city's operations.

**EXPENDITURES:** Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlays.

**EXPENSES:** Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related payments.

## F

**FIDUCIARY FUNDS:** Used to account for assets held by the City acting in a fiduciary capacity for other entities, carrying out specific actions of agreements, ordinances, and other governing regulations. These funds cannot be used to support City programs.

**FISCAL AGENT:** Also known as the Paying Agent, the bank, designated by the issuer, to pay interest and principal to the bondholder.

**FISCAL YEAR (FY):** A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position, the results of its operations, and adopts a budget for the coming year. The City of Cathedral City's fiscal year is from July 1 to June 30.

**FIXED ASSETS:** Equipment costing \$5,000 or more with a useful life more than one year, and not qualifying as a capital improvement project. Includes buildings, land, automotive equipment, office equipment, office furniture, acquisitions, landscaping improvements, and the like.

**FULL-TIME EQUIVALENT (FTE):** The conversion of part-time employee hours to an equivalent of a full-time position. For example: one person working 20 hours a week for a year would be 0.5 FTE.

**FUND:** 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.

**FUND (MAJOR):** Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

**FUND (NON-MAJOR):** Funds deemed insignificant enough to not warrant an individual separate column when reported. These are aggregated and reported in a separate column.

**FUND (PROPRIETARY):** These funds are used to account for business-type activities. These include the Internal Service Funds and Enterprise Funds.

**FUND BALANCE:** The equity (assets minus liabilities) of governmental fund and fiduciary fund types. However, for budgeting purposes, a working capital definition of current assets minus current liabilities is used for the computation.

## G

**GENERAL FUND:** The City's main operating fund used to pay for City services.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):** Uniform minimum standards of and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

**GOVERNMENTAL FUNDS:** These funds are used to account for tax-supported (governmental) activities. These include the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

**GRANT:** Contributions or gifts of cash or other assets from another governmental entity or charitable organization to be expended for a specific purpose, activity, or facility. Examples are the Community Development Block Grant awarded by the Federal government, CalRecycle grants awarded by the State government, and grants awarded by the Firehouse Subs Public Safety Foundation.

## I

**INTERFUND TRANSFERS:** Defined as "flows of assets" (such as goods or services) without equivalent flows of assets in return and without requirement for repayment.

**INTERGOVERNMENTAL REVENUE:** Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government(s).

**INTERNAL SERVICE FUNDS:** Account for the goods or services provided by one fund and/or department to another fund and/or department on a cost reimbursement basis.

**ISSUER:** A state or local unit of government borrowing money through the sale of bonds and/or notes.

## L

**LIABILITY:** The debts and financial obligations the city owes to others.

**LIABILITY (CURRENT):** The debts and financial obligations the city owes to others that are due within 12 months.

**LIABILITY (NONCURRENT):** The debts and financial obligations the city owes to others that are due in more than 12 months.

**LIEN:** A form of security interest granted over an item of property to secure the payment of a debt or performance of some other obligation.

**LIQUIDATE:** To convert stocks or goods into cash by selling them, to finish business neatly, and to clear debts.

## M

**MAJOR FUND:** Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

**MATERIAL MISSTATEMENT:** The notion that an omission or misstatement of accounting information is of such significance as to make it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

**MELLO-ROOS BOND:** The Mello-Roos (named for its legislative sponsors) Community Facilities District Act of 1982 established a method whereby almost every municipal subdivision of the state may form a special, separate district to finance a long list of public facilities by the sale of bonds and finance certain public services on a pay-as-you-go basis. These Community Facilities Districts are formed and bonds are issued authorized by a two-thirds vote of the property owners in the district. Typically, the only voters in a district are one or more real estate developers who own or have an option on the land in the district. These land-based financings were nicknamed "dirt bonds" by the Bond Advisor years ago. Bonds are sold to finance the building of facilities such as schools, parks, libraries, public utilities, and other forms of infrastructure. The Districts may provide public services that include police and fire protection, recreation programs, area maintenance, library services, flood, and storm drainage. Bonded debt service and/or the public services are paid for by special taxes levied on the real property within the district. As the developer subdivides and sells off the land, the new property owner assumes the tax burden.

**MODIFIED ACCRUAL BASIS:** The accrual basis of accounting where revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. All governmental funds and custodial funds are accounted for using the modified accrual basis of accounting.

## N

**NON-MAJOR FUND:** Funds deemed insignificant enough to not warrant an individual separate column when reported. These are aggregated and reported in a separate column.

## O

**OBJECTIVE:** A simply phrased, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should specify a standard of performance for a given program or stated goal.

**OPERATING BUDGET:** A budget focusing on everyday operating activities and programs. Usually includes personnel, maintenance and operations, and capital equipment.

## P

**PAR VALUE:** The face value or principal amount of a bond, usually \$5,000, due to the holder at maturity. It has no relation to the market value.

**PERSONNEL EXPENSES:** Compensation paid to or on behalf of City employees for salaries and wages, overtime, and benefits.

**PREMIUM:** The amount, if any, by which the price exceeds the principal amount (par value) of a bond. Its current yield will be less than its coupon rate.

**PRINCIPAL:** The face value of a bond, exclusive of interest.

**PROJECT AREA:** An area designated in the Redevelopment Plan for redevelopment and revitalization efforts.

**PROPERTY TAX:** A tax levied on real estate and personal property. The basic rate in Riverside County is 1% of assessed value, of which the City of Cathedral City receives approximately 16 cents for every dollar collected.

**PROPOSED BUDGET:** The budget as formulated and proposed by the City Manager. It is submitted to the City Council for review and approval.

**PROPRIETARY FUND:** These funds are used to account for business-type activities. These include the Internal Service Funds and Enterprise Funds.

## R

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS):** A document that outlines the minimum payment amounts and due dates for a redevelopment agency's enforceable obligations.

**REDEVELOPMENT AGENCY (RDA):** A legislatively established subdivision of government established to revitalize blighted and economically depressed areas of a community and to promote economic growth. Tax Allocation Bonds were issued to pay the cost of land and building acquisition and their redevelopment and are repaid by the incremental increase in property tax revenues produced by the increase assessed value of the area after redevelopment. Redevelopment Agencies could sell Housing Mortgage Revenue Bonds to finance housing units within the area, 20% of which must be for low-cost housing. As a result of Assembly Bill X1-26, effective February 1, 2012, redevelopment agencies were dissolved by the state of California.

**REFUNDING BOND:** The issuance of a new bond for the purpose of retiring an already outstanding bond issue.

**RETAINED EARNINGS:** An equity account reflecting the accumulated earnings of Proprietary Fund types. For budgeting purposes, the working capital definition of fund balance is used.

**REVENUE:** Moneys the City receives as income such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

**REVENUE BOND:** A municipal bond whose debt service is payable solely from the revenues received from operating the facilities acquired or constructed with the proceeds of the bonds.



## S

**SELF-INSURANCE:** The retention of liabilities, arising out of the ownership of property or from some other cause, instead of transferring risk to an independent third party through the purchase of an insurance policy. The City currently provides self-insurance for \$250,000 for workers' compensation and general liability. The City participates in risk sharing pools related to general liability for losses up to \$5 million per occurrence, limited to \$10 million.

**SPECIAL REVENUE FUNDS:** Account for the revenue derived from specific taxes or other earmarked revenue sources (other than expendable trusts or for major capital projects) restricted by law or administrative action to expenditures for specified purposes.

**SUCCESSOR AGENCY:** The agency, such as city or county authorizing the creation of each redevelopment agency or another entity as provided for in Health & Safety Code Section 34173.

**SUPPLEMENTAL ROLL PROPERTY TAXES:** Assessed on property that changes ownership during the year and is based on the difference between the new and old assessed values.

## T

**TAX ALLOCATION BONDS:** Bonds repaid with tax increments flowing to the Successor Agency to the RDA resulting from an increase in property taxes and assessed values over the original (frozen) base.

**TAX BASE:** The total resources of the community that are legally available for taxation.

**TAXES:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against certain persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, e.g., user charges.

**TRUSTEE:** A bank designated as the custodian of funds and official representative of bondholders. They are appointed to ensure compliance with the trust indenture.

## U

**USER CHARGES:** Payments made by users or customers of publicly provided services benefiting specific individuals. These services exhibit "public good" characteristics. Examples of user charges are fees paid for recreational activities, building fees, police fees, etc.

## W

**WORKING CAPITAL:** Working capital (also known as net working capital) represents the amount of day-by-day operating liquidity available to a governmental organization. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital. It is calculated as current assets minus current liabilities.

*Note: This is a combined glossary of terms to include terminology for both the City of Cathedral City Adopted Budget as well as the City of Cathedral City Annual Comprehensive Financial Report.*



**Cathedral City**

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