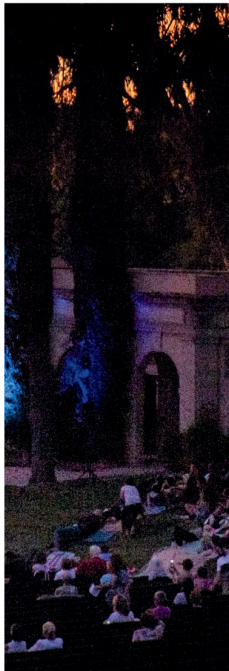
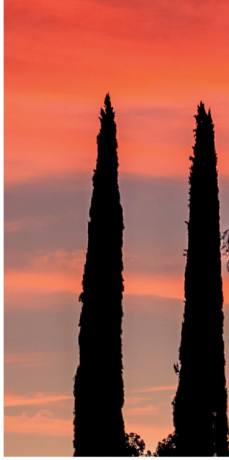




# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2024



CITY OF REDLANDS  
CALIFORNIA





# **City of Redlands**

Redlands, California

## **Annual Comprehensive Financial Report**

*For the Fiscal Year Ended June 30, 2024*

Prepared by  
Management Services/Finance Department



**City of Redlands**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2024**  
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MANAGEMENT SERVICES  
DEPARTMENT  
FINANCE DIVISION

City of  
**REDLANDS**

Incorporated 1888  
35 Cajon Street, Redlands, CA 92373

Danielle Garcia  
Management Services/Finance  
Director

James Garland  
Assistant Finance Director

December 18, 2024

To the Members of the City Council and Citizens of the City of Redlands:

It is the policy of the City of Redlands to annually 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 auditing standards generally accepted in the United State of America by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial statements of the City of Redlands (the City) for the Fiscal Year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City'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 of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by The Pun Group, LLP, an independent firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the Fiscal Year ended June 30, 2024 were fairly presented in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is typically part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

## PROFILE OF THE CITY OF REDLANDS

The City of Redlands, incorporated in 1888, is located 63 miles east of Los Angeles, 110 miles north of San Diego, and 500 miles southeast of San Francisco. It lies within the San Bernardino Valley in the southwestern portion of San Bernardino County, covering an area of 36 square miles, within the heart of the Inland Empire. It serves a population of 72,692.

The City was incorporated under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is a municipal corporation governed by a five-member city council in which all policy-making and legislative authority is vested. The City Council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is the chief administrative officer of the City and as such is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing department heads. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with elections occurring every two years. The mayor is currently elected by a majority vote of the Council. Adopted in 2017, Ordinance No. 2848, amended the Redlands Municipal Code to change the City's electoral system for City Council Members from at-large to by-district elections.

The City provides a full range of services, including police and fire protection, animal control, emergency medical aid, building safety regulation and inspection, street lighting, landscaping, sewer and water utilities, solid waste collection and disposal, land use planning and zoning, recreation and community services, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement, and a full range of recreational and cultural programs for citizen participation, as well as being the home of the historic A. K. Smiley Public Library.

Budgets are adopted on a basis consistent with U.S. GAAP. While annual appropriated budgets are adopted for all departments within the general, special revenue, and capital project funds, the City operates on a biennial budget cycle to guide its financial planning and control.

Every two years, during the period from February through May, department heads prepare estimates of required appropriations for the upcoming two-year budget cycle. These estimates are compiled into a proposed operating budget, which includes a summary of projected expenditures, financial resources, and historical data from the preceding budget cycle. The City Manager's Recommended Budget is then presented either to the full City Council or to the Budget Subcommittee (comprised of two members of the City Council and the City Treasurer) at a public meeting noticed in accordance with the Brown Act. Following a series of two to three budget presentations during regular and special Council meetings, the biennial budget is formally adopted by the City Council at a regular meeting prior to June 30th of the second year in the current cycle.

The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered, in which case they are automatically carried over into the following fiscal year as part of the biennial budget resolution of City Council.

The City maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds and internal service funds are included in the annual budget. Formal budgets are not employed for debt service funds because debt indenture provisions specify payments. The permanent fund is not budgeted. The level of control (level at which expenditures may not exceed budget) is the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are carried forward into the next fiscal year of a biennial budget by resolution of the City Council that is adopted at the same time the budget is adopted. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

## ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local economy.** Throughout fiscal year 2024, economic indicators reflected a mixed performance, showcasing both growth and challenges. Property tax revenue experienced robust growth of 8% compared to the prior fiscal year, with nearly 1.7% of this increase attributed the annual adjustment for CPI. New residential and commercial construction contributed 1.7% to this growth, while prior-year property sales accounted for an additional 3%.

Conversely, sales tax revenue contracted by 2%, driven by a decline in consumer spending. While inflation has begun to cool, the prolonged period of elevated prices in recent years has left many Americans financially strained, contributing to reduced discretionary spending. Despite these challenges, the City's economic foundation remains strong, buoyed by continued development and a growing property tax base.

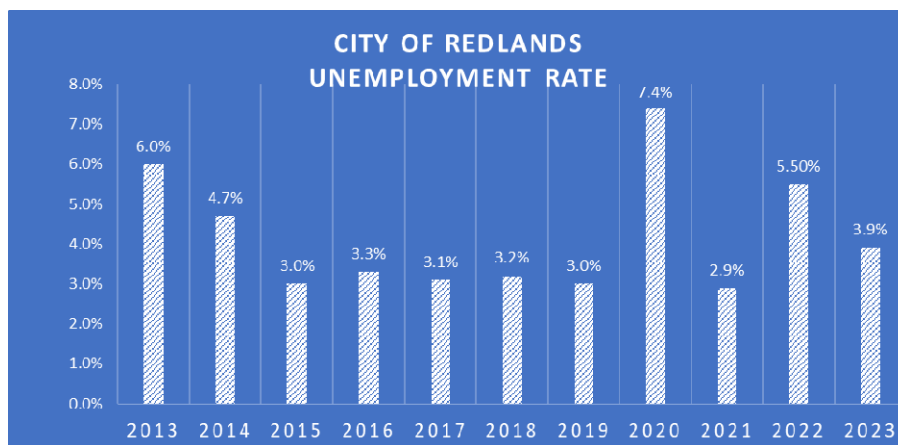
The City of Redlands' economy is based largely in the service and trade sectors (health care, retail trade, logistics, technology, and education). The region has a varied manufacturing and industrial base that has added to the relative stability of the unemployment rate over the years. Redlands' unemployment rate remains lower than its neighboring communities. Since 2002, the annual unemployment rate for the City has ranged from a low of 2.9% in 2021 to a high of 10.5% in 2010, which surpasses the 2020 pandemic-related peak of 7.4%.

Major industries within the City's boundaries or in proximity include computer software manufacturers, higher education institutions, light manufacturing, regional distribution centers and several financial and insurance institutions. Major employers in the City, or within the vicinity, include the Redlands Unified School District, Esri (Environmental Systems Research Institute), Redlands Community Hospital, Amazon Fulfillment Center, Beaver Medical Group, the City of Redlands, the University of Redlands, Burlington Coat Factory Distribution Center and Loma Linda University Behavioral Medical Center.

The City reviews a variety of indicators during the fiscal year as a part of the evaluation of the economic conditions impacting the City and to analyze trends and patterns therein.

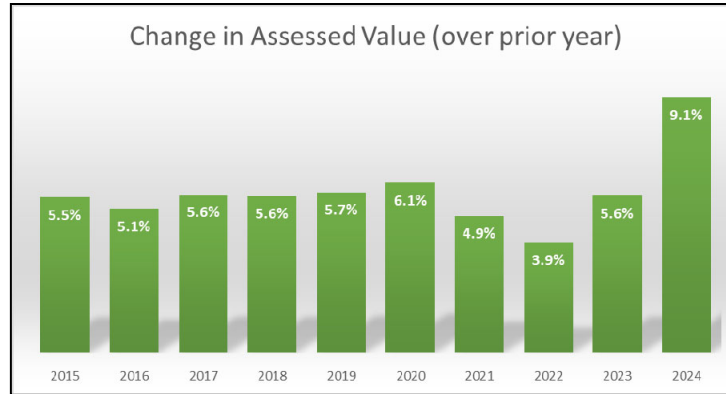
Unemployment Rate – The City’s unemployment rate has experienced significant fluctuations over the past four years, reflecting broader regional and national trends. In 2020, unemployment reached its highest level since the Great Recession, driven by pandemic-induced economic disruptions. By 2021, the rate had recovered to a pre-pandemic low of 2.9%, a testament to the resilience of the City’s labor market. However, in 2022, unemployment rose to 5.5% as labor force participation outpaced job creation. In 2023, this trend moderated, with unemployment declining to 3.6%, a near 2% improvement from the prior year, signaling that the economy successfully generated jobs to support the expanding workforce.

This recovery aligns with the Inland Empire’s broader economic rebound, where industries such as logistics, healthcare, and professional services have driven job growth. Southern California as a whole has experienced steady hiring, with demand for skilled workers increasing in technology, education, and advanced manufacturing. Redlands has benefited from these regional trends, leveraging its diverse economic base and strategic location to foster job creation and economic stability.



Assessed Value – The City’s assessed property values experienced remarkable growth in FY 2024, increasing by 9% over the prior fiscal year. This significant growth is attributable to a variety of factors that underscore the strength of the local real estate market. Nearly 1.7% of this increase resulted from new residential and commercial construction, while 3% was attributed to prior-year property sales at prices above assessed value. Another 1.7% of this growth stemmed from the standard 2% Consumer Price Index (CPI) adjustment allowed under California property tax law, further boosting the City’s revenue base.

The sustained rise in assessed value highlights the appeal of Redlands as a destination for both residential and commercial investment. The City's strategic location within the Inland Empire, coupled with state legislation encouraging housing development, has supported ongoing construction and property transactions. This growth also reflects broader trends in Southern California, where rising demand for housing and commercial spaces continues to push property values higher despite challenges in the broader economy.



**Housing Market** - The local real estate market in Redlands demonstrated continued strength in FY 2024, with median home sale prices remaining well above pre-pandemic levels. Although increased borrowing costs from interest rate hikes beginning in May 2022 eventually slowed housing sales in September 2022, home prices remained resilient, with the median price increasing approximately 4% between 2022 and 2023. This sustained demand for housing, combined with favorable state legislation, has spurred ongoing residential development across the City, with several projects currently in the entitlement process.

Assessed property values in Redlands grew by nearly \$1.1 billion in FY 2024, driven largely by prior-year transfers of ownership, which contributed 3% of the total increase, higher than the 2% average seen over the past decade. The assessed values for non-single-family residential (non-SFR) properties more than doubled as a result of these sales, reflecting strong demand for commercial and multifamily properties. These trends underscore the strength of Redlands’ real estate market as a key component of its fiscal health.

Regional and national economic conditions continue to shape the City’s outlook. While inflationary pressures have eased and unemployment remains low, rising interest rates pose potential challenges for the housing market in the medium term. However, Redlands’ strengthening tax base, fueled by a robust real estate market and investments in multiuse and transit-oriented developments, positions the City to remain a key participant in the Inland Empire’s long-term housing demand growth.

The budget for fiscal year 2024 was part of the City’s first biennial budget adopted by the City Council, covering fiscal years 2023 & 2024. This biennial budget builds on the City’s continuing recovery from the pandemic and the significant addition of Measure T tax revenue beginning in April 2021 while investing in enhancements to services, infrastructure and programs that address deferred maintenance, homelessness, and other community priorities. In the General Fund, City revenue from combined sales tax sources increased from roughly \$17,510,000 in 2020 to \$47,629,600 million in 2024 (an increase of 172%). Property tax has continued to perform well as home prices remain high and new development that has occurred in years passed is added to the tax rolls. During the same time frame from 2020 to 2024, the City’s revenue from property tax grew from roughly \$32,000,000 to approximately \$41,700,000 (an increase of almost 30%).

In residential construction, the City has continued to expand its housing stock with several major projects. At the close of FY 2024, there were over 2,400 apartment units and 1,400 single-family dwelling units in various stages of planning, entitlement, and construction. These include:

- The Tennessee Village Project: A mixed-use development featuring 460 apartments (with 5% designated as very low-income units) and 18,000 sq. ft. of commercial space on Tennessee Street.
- Lugonia Village Project: A high-density residential development with 436 apartments, 56 condominium townhomes, and 19 single-family residences on 25 acres near Pennsylvania Avenue.
- The State Street Village Project: A transformative transit-oriented development to redevelop the former Redlands Mall site into a mixed-use district with up to 700 apartments/condominiums and 65,468 sq. ft. of retail and commercial space.

The uptick in residential projects has been supported by compliance with the Regional Housing Needs Allocation (RHNA) targets and favorable state legislation. These developments continue to meet the growing demand for housing in Redlands and contribute to the City's expanding tax base.

In terms of commercial growth, Redlands saw several new developments completed or underway, including:

- Packing House District Phase 2: Two commercial buildings on 3.9 acres for retail and restaurant uses.
- Redlands Railway District: Multiple retail and restaurant buildings, including a 7,968 sq. ft. multi-tenant structure and a 3,898 sq. ft. bank facility, alongside historic preservation projects.
- The MOD Packinghouse Food Hall: Adaptive reuse of a historic structure into a vibrant multi-tenant retail and dining destination.

These projects illustrate Redlands' strong commitment to mixed-use and transit-oriented developments, ensuring a balanced approach to housing and economic growth. The City remains poised to address the challenges of rising interest rates while continuing to attract residential and commercial investment.

Other notable business openings in fiscal year 2023-24 include the following:

- Sojo Industries, founded in 2021, expanded its operations to Redlands, California, in April 2024. Sojo Industries is an industrial automation company that utilizes robotics, mobility, and modularity to deliver efficient packaging and assembly solutions to the food and beverage industry.
- Finney's Crafthouse & Kitchen, a family-owned American tavern known for its globally inspired, made-from-scratch menu, expanded into the Inland Empire with the opening of its Redlands location on September 25, 2023.
- The Three Stags Irish Pub and Restaurant opened in November 2023 in downtown Redlands. They offer a warm and inviting atmosphere, serving traditional Irish food and live music.
- R Burgers Drive Thru opened in summer 2024. Located at 1280 Alabama Street, the establishment operates seven days a week from 5:00 AM to 11:00 PM.

- Zoom Room, a dog training, agility and obedience facility opened in March 2024. They offer a variety of classes, including obedience training, agility, puppy classes, and enrichment workshops, all using positive reinforcement methods.
- D-BAT Redlands, a premier baseball and softball training facility, opened in spring of 2024 and offers a range of training services, from developmental youth camps to private lessons.
- Cornerstone BBQ, a Texas-style barbeque fast-casual restaurant, opened in November 2023. This is the business' second location.
- Le Chat Noir Bookstore & Cat Lounge opened its doors in January 2024. This unique establishment combines a bookstore, café, and cat lounge, offering visitors the opportunity to enjoy coffee, browse books, and interact with adoptable cats. Since its opening, Le Chat Noir has facilitated the adoption of over 70 cats.

**Successor Agency.** The City of Redlands Redevelopment Agency – and all redevelopment agencies in California – were dissolved under AB1X 26 (and subsequently AB1484), effective as of February 1, 2012, and the City of Redlands, as “Successor Agency,” assumed responsibilities for winding down the operations of the Successor Agency.

On September 8, 2015, the DOF approved the Successor Agency’s Long-Range Property Management Plan (LRPMP). As of April 2019, the City has disposed of all remaining properties not specified for a governmental purpose in accordance with the LRPMP. In addition, all outstanding liabilities of the Successor Agency were satisfied as of the end of Fiscal Year 2023.

In order for the Successor Agency to dissolve, HSC Section 34187(b) requires the following:

- A. All enforceable obligations have been retired or paid off;
- B. All real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,
- C. All outstanding litigation has been resolved

With all enforceable obligations paid in full, all land disposed of, and all litigation settled, there is no need for the Agency to continue to exist and the criteria to proceed with formally dissolving has been met. On June 10, 2024, the Countywide Oversight Board approved a resolution to formally dissolve the Successor Agency to the Redevelopment Agency of the City of Redlands. July 2, 2024, the state Department of Finance acknowledged the end of the Agency's existence. Final dissolution of the Successor Agency of the Former Redevelopment Agency of the City of Redlands took place in the fiscal year ended June 30, 2024.

Further discussion about the Successor Agency can be found in Note 17 of the Notes to the Basic Financial Statements.

**Long-term financial outlook/planning.** As the economy transitions into a post-pandemic phase, the City continues to experience stability bolstered by a diversified tax base, growing reserves, and a steady pipeline of residential and commercial developments. However, new economic dynamics, shaped by higher interest rates, evolving labor market conditions, and persistent inflation, will influence long-term financial planning. These factors, coupled with global and national economic trends, present both opportunities and challenges for maintaining fiscal resilience.

Provided the significant growth in assessed value seen in FY 2024 of 9%, growth in assessed property values remains a cornerstone of the City's fiscal health, providing consistent revenues despite broader economic uncertainties. However, with the Federal Reserve maintaining a higher interest rate environment, the housing market is likely to experience slower price appreciation and reduced transaction volumes in the coming years. Housing affordability and borrowing constraints may temper growth in property tax revenues, necessitating careful monitoring and prudent fiscal forecasting.

The City continues to benefit from a robust labor market, characterized by low unemployment and steady workforce expansion. However, labor market dynamics are shifting as employers compete for talent in a constrained labor pool, driving up wages. While this has supported consumer spending, a key piece of economic stability, it also imposes cost pressures on local businesses. The City's proactive approach to attracting diverse industries and supporting workforce development will play a critical role in sustaining economic growth.

Inflation has been a significant concern nationally, reaching levels not seen in decades. While there are signs of moderation due to monetary policy interventions, inflation remains elevated. Despite higher interest rates intended to temper economic activity, consumer spending and business investments have remained robust. This resilience suggests that the economy may avoid a severe downturn, aligning with projections of a "soft landing" where growth slows but does not contract sharply.

Global supply chain disruptions and geopolitical uncertainties have affected economic conditions locally and nationally. While these factors pose challenges, they also present opportunities for local businesses to adapt and innovate. The City's diverse economic base positions it to navigate these global headwinds more effectively, leveraging local strengths to maintain economic momentum.

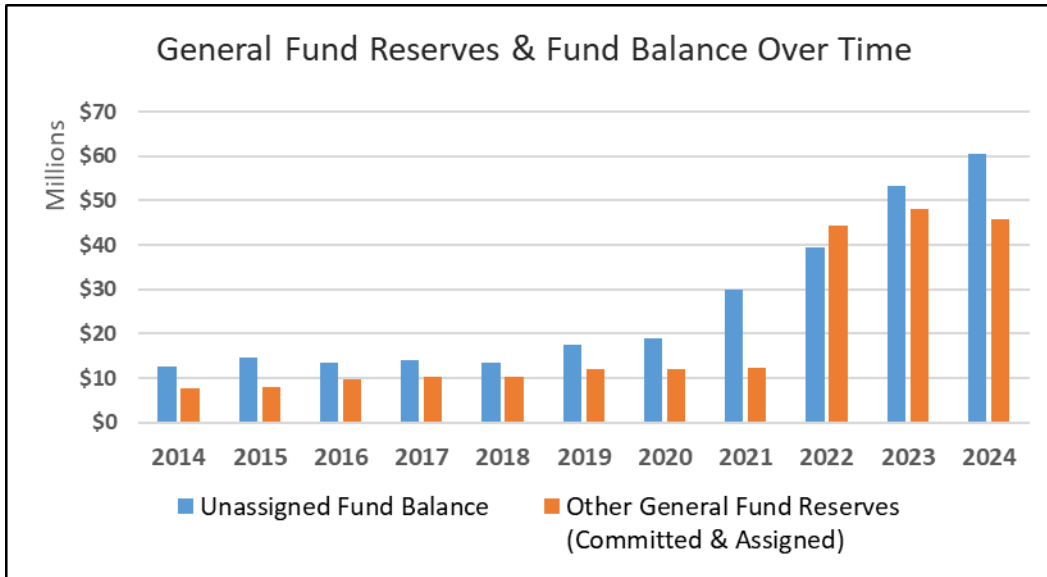
Despite these challenges, the City is well-positioned for long-term financial sustainability. Key strengths include:

- **Diversified Revenue Base:** Continued growth in assessed property values and development activities have expanded the City's fiscal foundation.
- **Business Resilience:** New and expanding businesses provide a reliable source of tax revenue and employment opportunities.
- **Infrastructure Investments:** Strategic use of Measure T funding supports critical infrastructure and enhances the City's appeal to residents and businesses alike.
- **Workforce Adaptability:** Efforts to address labor market constraints and support workforce development strengthen the City's economic base.

The long-term financial outlook for the City reflects cautious optimism amid a complex and evolving economic landscape. While external factors such as inflation, interest rates, and global dynamics will continue to pose challenges, the City's fiscal management and strategic planning provide a foundation for resilience. By investing in infrastructure, supporting workforce growth, and fostering economic development, the City is prepared to navigate uncertainties and secure a sustainable future for its residents.

The graph below provides an at-a-glance view of the City's ability to prioritize spending and facilitate investment in long-term capital needs. In fiscal year 2024, the City's General Fund reserves for capital projects included: \$994,000 for parking improvements in the downtown, roughly \$6 million in parks, equipment, facilities, sidewalks and building capital, \$24.6 million for future city facilities, \$2.5 million for public safety/homelessness, and \$2 million for unfunded mandates.





Notably, the ending unassigned fund balance for the General Fund was approximately \$7.2 million higher than the prior year and roughly \$21 million higher than FY 2022, increasing from \$39.5 million in FY 2022 to \$60.5 million in FY 2023. Further review of the General Fund is included within Management’s Discussion and Analysis which follows the independent auditor’s report.

### Relevant Financial Policies

The City has adopted a set of financial policies based on best management practices and GFOA standards. These policies direct the administration of the budget, accounting practices, purchasing, debt, capital financing, investments, and capital assets. Central to the management of the budget and reserves are two policies: the Balanced Budget Policy – Ordinance No. 2660 (2007) and the Fund Balance Policy established by Resolution No. 7346 (2013). The Balanced Budget Policy requires that the City Council adopt a balanced budget on an annual basis wherein total financial sources meet or exceed the total financial requirements of the City, excluding one-time capital expenditures. This ensures a structural balance of revenues and expenditures and creates sustainability with regard to ongoing appropriations. The Fund Balance Policy provides that it is the policy of the City to assign a minimum of 45% of the General Fund’s excess of Revenues over Expenses (the surplus – if any) each fiscal year for general fund assigned reserves in the categories of Capital Equipment, Building Purchases and/or Improvements, and Unfunded Mandates in equal proportion and 15% of that excess to the committee reserve for operating contingency. This policy has contributed to the City’s ability to invest in capital replacement of aging infrastructure of parks and public buildings as well as funding adequate reserves to respond to natural disasters or other disruptions to the City’s critical revenue streams.

In June 2018, the City Council adopted Resolution No. 7983 establishing the City’s Debt Management Policy. Among other things, this policy establishes guidelines for the use of various categories of debt; creates procedures and policies that minimize the City’s debt service and issuance costs; and provides for full and complete financial disclosure and reporting. The Policy was developed to improve the quality of decision-making, provide justification for how debt issuance is structured, identify goals, and to validate the City’s commitment to strategic long-term financial planning. Maintaining compliance with the Policy should demonstrate to rating agencies and to capital markets that the City is well managed and will be able to meet its financial obligations on a timely basis.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Redlands for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023. This was the twenty first consecutive year that the government has achieved this prestigious award. 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 is valid for a period of one year only. We believe that 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.

The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance division. Special recognition is due to Assistant Finance Director, James Garland; Finance Manager, Marie Datuin; Principal Accountant Denise Camarillo, Senior Accountants Jannette Mendoza and Justine Wickman, and Budget Analyst, Miriam Valtierra for their efforts in overseeing the compilation of the accounting data and interfacing with our auditors; and to the accounting firm of The Pun Group, LLP, and to the City Manager's Office. Credit is also due to City Manager Charles M. Duggan, Jr., Assistant City Manager Janice McConnell, and the Mayor and the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Danielle Garcia  
Management Services / Finance Director

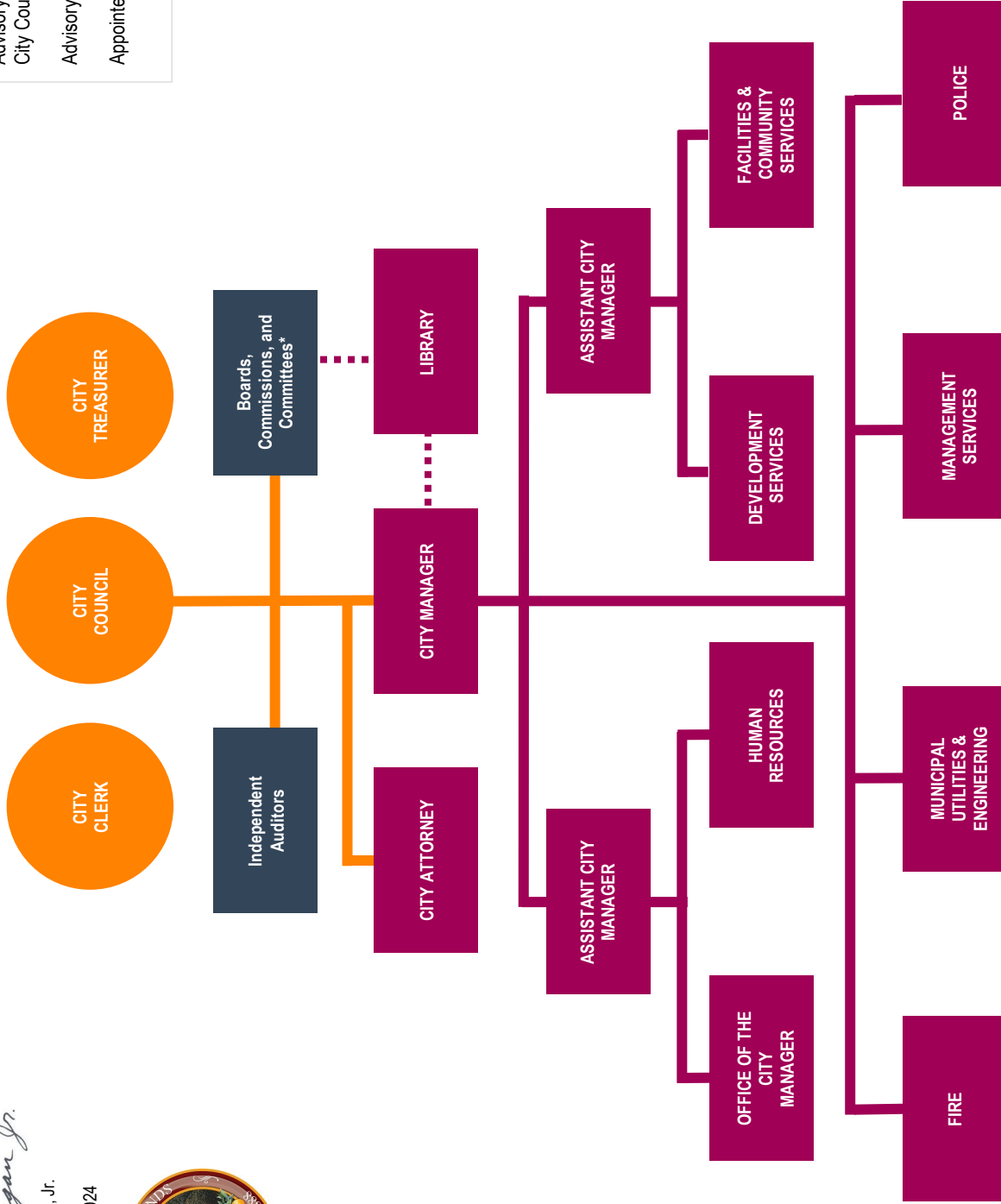
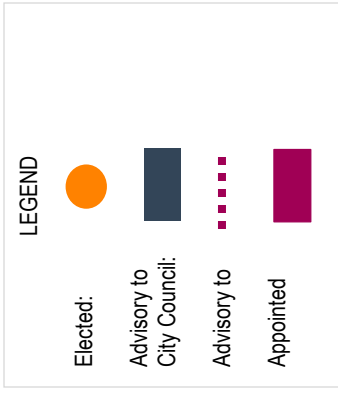
# City of Redlands

Principal Officers  
as of June 30, 2024

<b>City Council (Elected)</b>	Eddie Tejada, Mayor
	Paul T. Barich, Mayor Pro Tem
	Denise Davis, Councilmember
	Mario Saucedo, Councilmember
	Jenna Guzman-Lowery, Councilmember
<b>City Manager</b>	Charles M. Duggan, Jr.
<b>Assistant City Manager</b>	Janice McConnell
<b>Assistant City Manager</b>	Christopher Boatman
<b>City Clerk (Elected)</b>	Jeanne Donaldson
<b>City Treasurer (Elected)</b>	Phillip Doolittle
<b>City Attorney</b>	Yvette Abich Garcia
<b>Development Services Director</b>	Brian Desatnik
<b>Fire Chief</b>	Rich Sessler
<b>Library Director</b>	Donald McCue
<b>Management Services/Finance Director</b>	Danielle Garcia
<b>Municipal Utilities &amp; Engineering Director</b>	John Harris
<b>Facilities &amp; Community Services Director</b>	Tabitha Crocker
<b>Police Chief</b>	Rachel Tolber

*Charles M. Duggan, Jr.*

Charles M. Duggan, Jr.  
City Manager  
Effective July 1, 2024



❖ There are fourteen advisory Boards/Commissions/Committees as follows: Airport Advisory Board, Citrus Preservation Commission, Cultural Arts Commission, Disaster Council, Historic & Scenic Preservation Commission, Human Relations Commission, Measure T Oversight Committee, Municipal Utilities & Public Works Commission, Parks & Recreation Advisory Board, Planning Commission, Library Board, Street Tree Committee, Traffic & Parking Commission, and the Utilities Advisory Committee.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Redlands  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT



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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redlands, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the basic 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, business-type 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Schedules, Schedule of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension Plans, and Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of 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 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
December 18, 2024

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**City of Redlands**  
**Management’s Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2024**

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The information contained in the Management’s Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the City of Redlands (the “City”) financial activities and performance for the fiscal year ended June 30, 2024. Please read the MD&A in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual ACFR consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City’s finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of four parts – *management’s discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City’s operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates like businesses, such as the water system.
  - *Fiduciary fund* statements provide information about fiduciary relationships – like the custodial funds of the City – in which the City acts solely as *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides additional financial and budgetary information.

Figure A-1 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

**Figure A-1**

*Major Features of the City's Government-wide and Fund Financial Statements*

	<b>Government-wide Statements</b>	<b>Fund Statements</b>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow of resources, deferred inflow of resources, and liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of financial inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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**Reporting the City as a Whole**

The accompanying **government-wide financial statements** include two statements that present financial data for the City as a whole. One of the most important questions asked about the City's finances is, "Is the City, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and its changes. You can think of the City's net position – the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net position may be one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, City services are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds.

**Reporting the City's Most Significant Funds**

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants or other money. The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *current-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in a reconciliation on the page following the fund financial statements.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) *are part of* the business-type activities we report in the government-wide statements but provide more detail and additional information for proprietary funds, such as statement of cash flows. The City's internal service funds (the other component of proprietary funds) reports activities that provide supplies and services internally to other City departments and programs.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Statement of Net Position**

*The following is a condensed Statement of Net Position as of June 30, 2024 and June 30, 2023, which allows for analysis of the City's net position as a whole.*

**Table 1**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other Assets	\$ 187,645,957	\$ 171,147,279	\$ 117,588,266	\$ 118,298,267	\$ 305,234,223	\$ 289,445,546
Capital Assets	637,176,157	595,664,117	209,622,726	205,597,161	846,798,883	801,261,278
Total Assets	<b>824,822,114</b>	<b>766,811,396</b>	<b>327,210,992</b>	<b>323,895,428</b>	<b>1,152,033,106</b>	<b>1,090,706,824</b>
Deferred Outflows of Resources						
Pension & OPEB	<b>82,986,820</b>	<b>91,969,372</b>	<b>17,689,993</b>	<b>20,066,931</b>	<b>100,676,813</b>	<b>112,036,303</b>
Long-Term Liabilities Outstanding	265,587,300	268,208,274	94,590,929	94,801,822	360,178,229	363,010,096
Other Liabilities	22,887,043	20,507,492	8,200,221	8,489,325	31,087,264	28,996,817
Total Liabilities	<b>288,474,343</b>	<b>288,715,766</b>	<b>102,791,150</b>	<b>103,291,147</b>	<b>391,265,493</b>	<b>392,006,913</b>
Deferred Inflows of Resources						
Leases & Pension & OPEB	<b>61,402,646</b>	<b>54,513,053</b>	<b>18,168,957</b>	<b>15,230,825</b>	<b>79,571,603</b>	<b>69,743,878</b>
Net Position						
Net Investment in Capital Assets	629,390,358	590,288,015	196,064,177	190,475,232	825,454,535	780,763,247
Restricted	26,403,823	13,385,123	19,763,252	16,677,323	46,167,075	30,062,446
Unrestricted (Deficit)	(97,862,236)	(88,121,189)	8,113,449	18,287,832	(89,748,787)	(69,833,357)
Total Net Position	<b>\$ 557,931,945</b>	<b>\$ 515,551,949</b>	<b>\$ 223,940,878</b>	<b>\$ 225,440,387</b>	<b>\$ 781,872,823</b>	<b>\$ 740,992,336</b>

Net position over time may serve as a useful indicator of a government's financial position, however it may change dramatically year-to-year as a result of changes in accounting practices and assumptions. Table 1 shows that the net position of government-wide activities increased by approximately \$40.9 million or 5.5%, from \$740,992,336 in 2023 to \$781,872,823 in 2024.

Governmental activities net position increased by 8.2%, from \$515,551,949 at June 30, 2023 to \$557,931,945 at June 30, 2024. The City's net position for business-type activities decreased by 0.7% from \$225,440,387 in 2023 to \$223,940,878 in 2024. For governmental activities, the increase of roughly \$42.4 million in net position is mostly attributable to the change in total assets less the change in total liability of \$52.3 million, combined with the total changes in deferred inflows and outflows related to leases, pension and OPEB. For the business type activities, the slight decrease in total net position of 0.7% (or \$1.5 million) is attributable to an increase in total net assets of \$3.8 million combined with changes in deferred outflows and deferred inflows of \$5.3 million. Further detail on comparisons to the prior year is provided be

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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Statement of Net Position - Total Primary Government

- Again, this year, the largest portion of total assets consists of capital assets (e.g., land, infrastructure and equipment), totaling \$847 million or 73.5% of total assets. These are detailed in Note 6 of the financial statements.
- Net investment in capital assets of approximately \$825 million represents the City's investment in infrastructure and other capital assets, less accumulated depreciation and outstanding balances on borrowings used to construct or acquire those assets.
- Cash and investments comprised \$270.9 million in the City treasury and \$933,000 of cash and investments held with fiscal agents. These assets are detailed in Note 2 of the financial statements.
- Deferred outflow of resources related to pension and OPEB decreased notably by \$11.4 million, roughly 10%. This change was primarily due to pension contributions made after the measurement date, the amortization of prior differences between expected and actual experience, and changes in assumptions. Deferred outflows related to OPEB were impacted by the recognition of prior changes in assumptions and differences in expected and actual experience.
- Receivables, totaling \$24.1 million, consist of accounts, taxes, interest and leases receivable. While most receivables consist of taxes and accounts payable, it is noted here that leases receivable recognizes agreements with third parties for the right-to-use of City property that is leased for special purposes. More information on leases receivable is found in Note 3 to the financial statements.
- Noncurrent long-term liabilities totaled \$344 million, approximately, and represent the City's obligations on debt, pensions, and other post-employment benefits. More information is presented in Notes 7 and 9-13 of the financial statements.
- Other liabilities increased by 7%, from \$29 million to \$31.1 million. Aside from fluctuations in several other accounts in this category, the main cause of this increase is related to a significant increase in accounts payable, accrued payroll and unearned revenue.
- Lease-related deferred inflows of resources decreased by \$2.1 million for spaces and land leased out by the City. As well, deferred inflows related to pension & OPEB increased by a net amount \$11.9 million, roughly 19%. These fluctuations are based on actuarial assumptions that are made during the measurement of each corresponding deferred inflow. More will be discussed regarding these categories below.
- Overall investment in capital assets, net of related debt, increased by \$44.7 million, or 5.7%. This steady increase over the prior year is reflective of additions to right-of-way assets, higher amounts of construction in progress, and additions to infrastructure assets, machinery, equipment & vehicles and lease assets.
- Restricted net position, totaling \$46.1 million, represents resources that are subject to restrictions on how they may be used. Some funds are restricted for the purposes of funding specific capital projects, funding specific debt service obligations, to hold in trust as an endowment, or for other specific uses.
- The unrestricted net position amount of -\$89.8 million represents an unrestricted net position deficit, mainly resulting from the recognition of the net pension liability in fiscal year 2015, in accordance with GASB 68, and the recognition of total OPEB liability in fiscal year 2018, in accordance with GASB 75. Also, beginning in FY 2022, the City also recognized the deferred inflows related to leases in accordance with GASB 87. Additionally, starting in FY 2023, the City implemented GASB 96, which required the recognition of subscription liabilities and related intangible assets for subscription-based information technology arrangements. These accounting standards collectively contribute to the City's negative unrestricted net position. Additional details can be found in Note 11 for the net pension liability, in Note 12 for the total OPEB liability, in Note 3 for leases, and in Note 1- J for subscription-based IT arrangements.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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Governmental Activities

- Receivables, totaling roughly \$14.4 million, consist mainly of taxes receivable at \$11.1 million, \$2.2 million in accounts receivable, \$677,000 in interest receivable and \$376,600 in leases receivable. Recognition of leases receivable, in accordance with GASB 87 reflects the City's portion of property leased to others for their right-of-use of a particular underlying asset.
- The net position of governmental activities increased significantly by 8.2% (or \$42.4 million), attributable to a variety of factors. Cash and other assets increased by \$16.5 million, capital assets increased by \$41.5 million. These increases were offset by deferred outflows related to pension & OPEB decreasing by roughly \$9 million and by increases in deferred inflows related to leases, pension & OPEB of roughly \$7 million.
- Deferred outflows of resources related to pensions and OPEB decreased by \$9 million, or approximately 10%, in FY 2024. OPEB deferred outflows decreased by \$6.1 million, primarily due to the amortization of prior-year changes in assumptions used to calculate the City's Total OPEB liability. Also, pension deferred outflows decreased by \$2.9 million, or 5%, driven by investment underperformance, primarily with changes in assumptions also contributing to this difference. Additional details on these changes can be found in Notes 11 and 12 of the financial statements.
- This year, there was a net decrease of 0.1%, or \$241,400 in total liabilities. While there were many areas within current and noncurrent liabilities that saw somewhat significant fluctuation, the increase in current liabilities of nearly \$2.7 million was offset by a decrease in noncurrent liabilities of \$2.9 million.
  - Decreases in OPEB liability were the largest contributor and were influenced by favorable experience variances, such as lower-than-anticipated healthcare costs and other demographic factors like plan elections and retirements. Changes in aggregate net pension liability were also significant, increasing by nearly \$8 million. Key drivers include lower-than-expected investment returns from CalPERS, which did not meet the assumed 6.8% rate, resulting in higher unfunded liabilities. Additionally, the amortization of prior-year investment losses and interest on existing unfunded liabilities contributed to the increase. There are more details available in Notes 11 & 12 of the financial statements.
- Deferred inflows of resources related to pension decreased by \$4.4 million. This reduction reflects the amortization of prior differences between projected and actual investment returns and changes in demographic and economic assumptions as part of the annual actuarial analysis performed by CalPERS. In contrast, OPEB deferred inflows increased by \$13 million, or 30%, over the prior year. This increase is primarily due to changes in assumptions, including adjustments to the discount rate and updated healthcare cost trends, as well as differences between expected and actual experience for OPEB plan participants.

Business-Type Activities

- The net position of business-type activities decreased by 0.7%, or \$1.5 million. This change is attributed to an increase in total assets of \$3.3 million; a decrease in deferred outflows from pension and OPEB of \$2.4 million; and a decrease in total liabilities of \$500,000, and an increase in deferred inflows from leases, pension and OPEB of \$3 million for a net increase of \$1.5 million overall.
- Receivables, totaling \$9.7 million, represent an increase of approximately \$851,000 from the prior year. The majority of accounts receivable relate to the Water, Wastewater and Solid Waste unbilled customer accounts (totaling \$9 million). Half of this increase is attributed to the recognition of roughly \$433,000 in interest receivable. This represents unapportioned interest earned on the idle cash within each fund under business type activities.
- Total capital assets of \$209.6 million represent 24.8% of total capital assets citywide.



**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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Business-Type Activities (Continued)

- Deferred outflows of resources related to pension and OPEB decreased by \$2.4 million, roughly 12%.
  - OPEB deferred outflows decreased by approximately \$1.7 million, or 13%. This was primarily due to changes in assumptions, such as adjustments to healthcare cost trends and the discount rate, as well as differences between actual and expected experience in the plan's utilization and demographics.
  - Pension deferred outflows decreased by \$706,000, or 9%. This change was driven by multiple factors including the City's pension contributions made after the measurement date of the actuarial report, updates to actuarial assumptions, differences between projected and actual investment earnings, and variances between expected and actual participant outcomes.
- This year, there was a decrease of roughly \$500,000 in total liabilities.
  - In terms of noncurrent liabilities – there was an increase of roughly \$1 million.
    - Two components of noncurrent liabilities had significant changes in opposite directions: the landfill closure liability increased by roughly \$3.8 million due to inflationary construction cost projections and the total OPEB liability decreased by roughly \$3.7 million due to favorable experience variances, such as lower-than-anticipated healthcare costs and other demographic factors like plan elections and retirements. Outside of these offsetting changes, aggregate net pension liability increased by roughly \$1 million due to lower-than-expected investment returns from CalPERS, and the amortization of prior-year investment losses and interest on existing unfunded liabilities contributed to the increase.
- Deferred inflows of resources related to leases, pension and OPEB increased by nearly \$3 million, roughly 19%.
  - Deferred inflows related to leases decreased by \$270,000 as existing leases of land owned by the Water, Aviation and Cemetery Funds were paid by the current lessees.
  - Pension deferred inflows decreased by \$409,000 to zero. As noted above under Governmental Activities, this reduction reflects the amortization of prior differences between projected and actual investment returns and changes in demographic and economic assumptions as part of the annual actuarial analysis performed by CalPERS.
  - These decreases were totally offset by an increase in deferred inflows related to OPEB of \$3.6 million. These inflows reflect updated actuarial assumptions for healthcare costs, discount rates, and actual experience being less favorable than projected.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

The *Statement of Activities* reports increases and decreases in the net position. The following is a condensed Statement of Activities for the fiscal years ending June 30, 2024 and June 30, 2023:

**Table 2**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Program Revenues</b>						
Charges for services:	\$ 18,014,068	\$ 17,451,819	\$ 63,417,844	\$ 63,283,866	\$ 81,431,912	\$ 80,735,685
Operating grants and contributions	14,227,777	5,158,328	114,117	385,895	14,341,894	5,544,223
Capital grants and contributions	38,207,775	53,471,990	3,867,244	4,010,635	42,075,019	57,482,625
<b>General Revenues</b>						
Property taxes	42,883,738	40,372,312	104,411	96,621	42,988,149	40,468,933
Sales taxes	47,629,644	48,632,853	-	-	47,629,644	48,632,853
Franchise taxes	4,471,469	4,487,821	-	-	4,471,469	4,487,821
Other taxes	2,676,553	3,109,696	-	-	2,676,553	3,109,696
Investment income (loss)	9,235,054	2,757,278	5,841,165	1,123,030	15,076,219	3,880,308
Intergovernmental (unrestricted)	852,762	572,685	-	-	852,762	572,685
Other	2,523,968	4,734,390	1,973,183	1,107,435	4,497,151	5,841,825
<b>Total Revenues</b>	<b>180,722,808</b>	<b>180,749,172</b>	<b>75,317,964</b>	<b>70,007,482</b>	<b>256,040,772</b>	<b>250,756,654</b>
<b>Program Expenses</b>						
General government	42,250,996	28,913,048	-	-	42,250,996	28,913,048
Public safety	70,359,582	48,272,159	-	-	70,359,582	48,272,159
Culture and recreation	9,900,700	9,123,333	-	-	9,900,700	9,123,333
Highway and streets	13,911,149	12,081,745	-	-	13,911,149	12,081,745
Library	4,068,345	3,557,350	-	-	4,068,345	3,557,350
Interest on Long-Term Debt	679,186	792,780	-	-	679,186	792,780
Water	-	-	30,614,235	26,729,160	30,614,235	26,729,160
Disposal	-	-	22,954,172	17,755,193	22,954,172	17,755,193
Sewer	-	-	16,143,743	13,554,178	16,143,743	13,554,178
Groves	-	-	1,507,349	1,880,763	1,507,349	1,880,763
NP Water	-	-	581,877	563,123	581,877	563,123
Cemetery	-	-	1,399,130	1,441,652	1,399,130	1,441,652
Aviation	-	-	789,821	819,188	789,821	819,188
<b>Total Expenses</b>	<b>141,169,958</b>	<b>102,740,415</b>	<b>73,990,327</b>	<b>62,743,257</b>	<b>215,160,285</b>	<b>165,483,672</b>
<b>Change in Net Position Before Transfers</b>	<b>39,552,850</b>	<b>78,008,757</b>	<b>1,327,637</b>	<b>7,264,225</b>	<b>40,880,487</b>	<b>85,272,982</b>
Transfers	2,827,146	2,742,192	(2,827,146)	(2,742,192)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>42,379,996</b>	<b>80,750,949</b>	<b>(1,499,509)</b>	<b>4,522,033</b>	<b>40,880,487</b>	<b>85,272,982</b>
Beginning Net Position	515,551,949	434,611,881	225,440,387	220,865,136	740,992,336	655,477,017
Restatement of Net Position	-	189,119	-	53,218	-	242,337
Beginning Net Position, as Restated	515,551,949	434,801,000	225,440,387	220,918,354	740,992,336	655,719,354
<b>Ending Net Position</b>	<b>\$ 557,931,945</b>	<b>\$ 515,551,949</b>	<b>\$ 223,940,878</b>	<b>\$ 225,440,387</b>	<b>\$ 781,872,823</b>	<b>\$ 740,992,336</b>

**Total Primary Government –**

- Total Primary Government revenues for fiscal year 2024 decreased slightly by 2%, or roughly \$5.3 million. This small decrease belies some significant changes from the previous year. There have been noteworthy fluctuations in both operating grants and contributions (an increase of nearly \$9 million) as well as in capital grants and contributions (a decrease of \$15.4 million).
- Property tax grew by 6%, or \$2.5 million. This growth in revenue is attributed to higher taxable values driven by property transfers of ownership, the annual adjustment for inflation (CPI), and new construction within the City from prior years being enrolled by the County's Recorder.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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- Investment income saw significant growth over the prior year of nearly \$11.2 million due to a number of factors affecting financial markets that were particularly beneficial for the City's conservative investment policy.
- Total expenses for the City varied significantly in fiscal year 2024, increasing by nearly \$49.7 million, or 30%, with the following Program areas that experienced the highest increases: general government, public safety, water, disposal (solid waste), and sewer. More detail on these fluctuations is presented below.
- Transfers between governmental activities and business-type activities decreased slightly by roughly \$85,000, or 3%.

Governmental Activities

- Total Governmental Activity revenues for fiscal year 2024 decreased slightly by 0.01%. While this small overall change might seem insignificant, it conceals notable fluctuations among individual revenue categories. The largest driver of this variation was a \$15.3 million decrease in capital grants and contributions compared to the prior fiscal year. This decrease reflects the unique circumstances of FY 2023, where an unusually high volume of infrastructure projects were completed simultaneously, resulting in a temporary surge in capital grant funding. In contrast, the FY 2024 amount represents a return to more typical levels of grant revenue, aligned with the City's ongoing pace of infrastructure additions. These fluctuations underscore the variable nature of capital funding tied to the timing of major project completions.
- Operating grants and contributions increased by just over \$9 million in FY 2024. This increase is primarily attributable to a large pass-through grant the City received and administered on behalf of the University of Redlands, demonstrating the City's role as a key partner in securing and managing funding for local institutions. Additionally, the City was awarded an Encampment Resolution Fund grant of over \$3 million, aimed at addressing and resolving homelessness encampments within the community. While these two grants account for the bulk of the increase, other fluctuations, including the completion of prior-year grant-funded projects, reduced the overall impact on operating grants and contributions. These dynamics reflect the variable nature of grant funding tied to the timing and lifecycle of specific projects.
- Investment Income revenue saw a very significant increase of 235%, or nearly \$6.5 million, when compared to the prior year. Much of this is due to was due rising interest rates providing higher yields on the City's fixed-income investments, favorable reinvestment rates, and improved economic conditions post-pandemic also contributed to stable investment returns as compared to the previous year when there may have been lingering economic uncertainty.
- Sales Tax revenue contracted by 2%, driven by a decline in consumer spending. While inflation has begun to cool, the prolonged period of elevated prices in recent years has left many Americans financially strained, contributing to reduced discretionary spending. Despite these challenges, the City's economic base remains resilient, as its diverse industry group mix provides stability through fluctuations in individual sectors of the economy.
- Property taxes increased by 6.2% and were boosted by sales figures in 2022, which were very strong for a majority of the year until interest rate hikes began to have an effect on the market, most notably towards the end of the year for home prices and number of sales. That, coupled with new construction being added to the property tax rolls lead to a very strong increase in assessed values for the City.
- Other General Revenues decreased by roughly \$2.2 million, and this is attributable to a prior-year cost recovery received from the San Bernardino Regional Transportation Authority (SBCTA) for cost sharing related to Interstate-10 / Alabama Street improvements of nearly \$2.7 million. The reimbursement this year, which represents some of the final cost-sharing activity for this project, was roughly \$450,000.
- Total expenses for Governmental Activities increased significantly in fiscal year 2024 by \$38.4 million (or 37.4%). This was caused by a variety of factors and one-time fluctuations in spending, most notably grant-related spending, capital outlay and a significant grant transfer agreement with the University of Redlands. The following categories saw the largest fluctuations over the prior year:

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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- General Government expenses increased by roughly \$13.3 million (or 46.13%). The increase was due to several factors, including higher expenses for staff, including pension & OPEB (net of each other), but more significantly – an \$8 million grant transfer agreement between the City of Redlands and the University of Redlands. There were also higher grant-funded expenses in the Governmental Grants Fund of \$1.7 million addition as a result of the City's American Rescue Plan Act grant and its Encampment Resolution Funding grant.
- The Public Safety category saw a significant increase over the prior year as well. Spending in this category was up \$22 million, or 45.8%. This variance can be understood in the context of a significant reduction in the prior year of expenses related to pensions of nearly \$11.4 million. There were other factors, such as higher personnel expenses of nearly \$4.5 million, as the City was able to fill vacancies that had persisted since the COVID-19 pandemic and ensuing job market challenges.
- Highways & streets also increased by \$1.8 million, or 15%, which was due to a variety of factors, including higher depreciation over last year, increases in OPEB & pension expenses (net of each other), higher spending on special contractual and one-time capital projects.

Business-Type Activities

- Overall, the ending net position for the business-type activities decreased by \$1.5 million, or 0.7%.
- Comparing fiscal year 2023 and fiscal year 2024, total revenues increased by \$5.3 million overall, or 7.6%. The increase in revenues is almost exclusively due to the significant increase of \$4.7 million in investment income earned in the current year. There is also additional revenue in the Water and Citrus funds contributing to these changes.
  - Operating grants and contributions, while comprising only 0.15% of total revenues for Business-Type Activities, decreased significantly by 70%, or roughly \$270,000. This was due to the prior year draw down of grant funding for one-time projects from the Federal Aviation Administration and the State Water Resources Water and Wastewater Arrearages funding programs.
  - Charges for Service remained relatively consistent with the prior year, with a small increase of 0.21%, or \$134,000.
  - Investment income revenue saw a very significant increase of 420%, or \$4.7 million, when compared to the prior year. As noted above, much of this is due to was due rising interest rates providing higher yields on the City's fixed-income investments, favorable reinvestment rates, and improved economic conditions post-pandemic also contributed to stable investment returns as compared to the previous year when there may have been lingering economic uncertainty.
  - Other revenue saw an increase of \$865,700, or roughly 78%. This increase was due to factors such as the one-time sale of water shares owned by the City (from South Maintain Water Company) as well as a large payment from San Bernardino Valley Municipal Water District to reimburse the City for water conservation rebates. There was also additional miscellaneous revenue in the groves fund of roughly \$115,000, mostly related to the refund of revolving funds held with various packinghouses.
- Expenses increased overall from fiscal year 2023 levels by nearly \$11.3 million, or 18%. The programs with the largest increase in expenses were the Solid Waste (Disposal), Wastewater (Sewer) funds. The largest decrease was in the Groves fund. Over the prior year:
  - In the Water Fund, expenses increased by nearly \$3.9 million, or 14.5%. This increase was caused by higher expenses related to pensions, salaries and benefits of roughly \$2 million and \$1 million in added costs for professional services to support complex capital improvement projects, including the sludge press design for the water treatment plant and the redesign of the Joint Utilities Laboratory. There was also a significant increase in spending of \$736,000 for water meters and fittings as the City makes strides to move all water meters to an automated metering infrastructure (AMI).

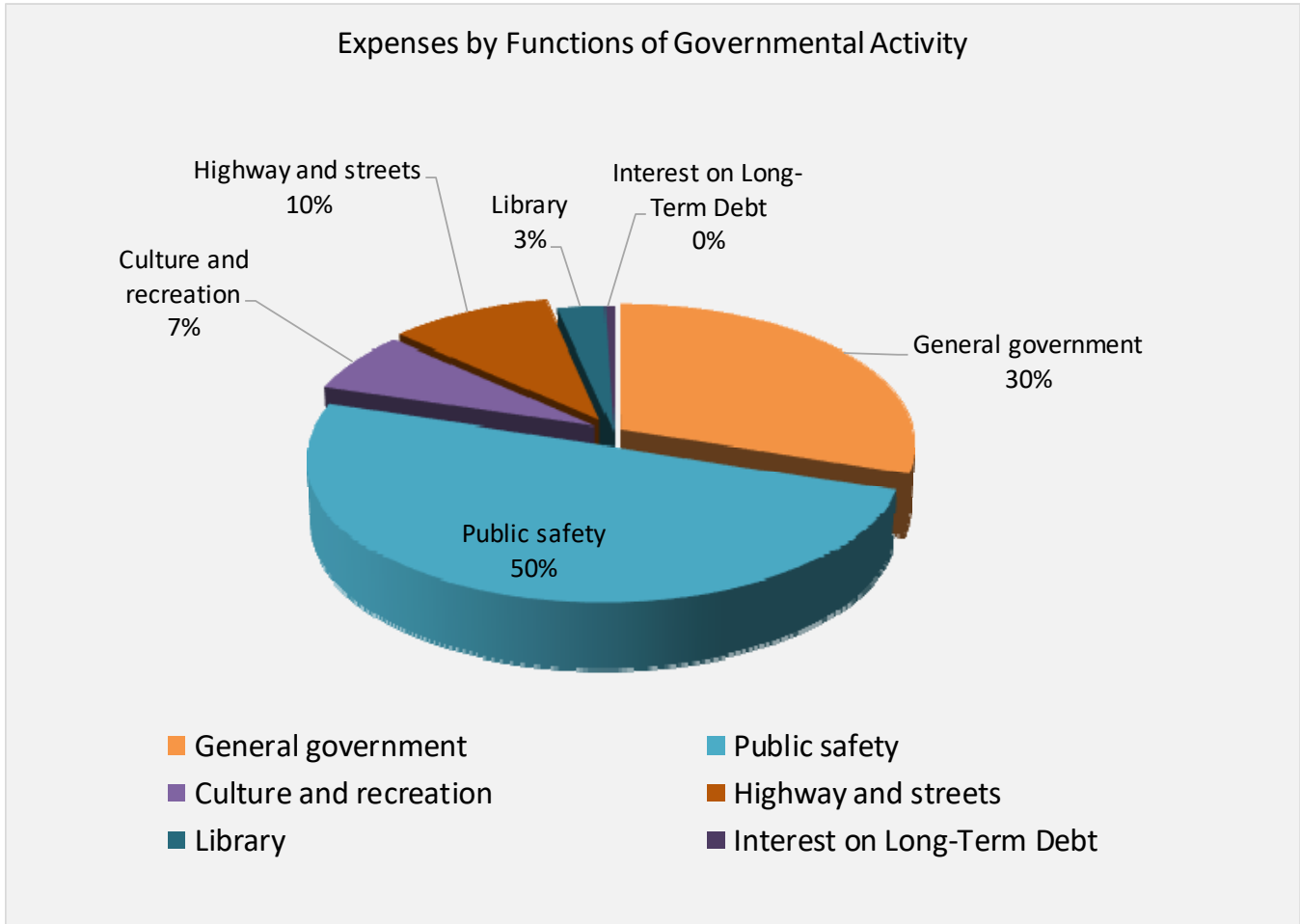
**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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- In the Solid Waste (Disposal) Fund, expenses increased by \$5.2 million or roughly 29%. This increase was mainly due to increases in pension, salaries and benefit expenses of \$1.5 million; the recognition of a \$3 million increase in closure/post closure expenses for the California Street Landfill; as well as other improvements of nearly \$500,000 related to the Landfill Gas Extraction Well Installation Phases 2 & 3 and nearly \$131,000 in expenses to rent a replacement D8 dozer for landfill compaction operations.
- In the Wastewater (Sewer) Fund, expenses increased by \$2.6 million, also roughly 19%. These increases were due to higher costs for salaries & benefits (mainly due to pension expense recognition) of \$1.5 million; chemical and lab supplies, higher costs for building and grounds maintenance and the purchase of machinery and equipment in the amount of \$220,000, as well as increased depreciation in the current year of \$221,000. There was also roughly \$588,000 more in expenses for special contractual services. Most of these expenses related to the SCADA integration project as well as engineering services and field support for the City's wastewater treatment plant solids facility.
- In the Groves Fund, expenses fluctuated among the various categories. Spending decreased most in salary and benefits (by roughly \$184,000) as well as for general and administrative expenses (by \$249,000), particularly in special contractual services. This is mostly due to reduced farming costs. These decreased were partially offset by increases in other categories, notable an increase of \$84,000 in parts and supplies. This is due to the added expense of extra care related to the Oriental Fruit Fly quarantine and the Huanglongbing Citrus quarantine.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

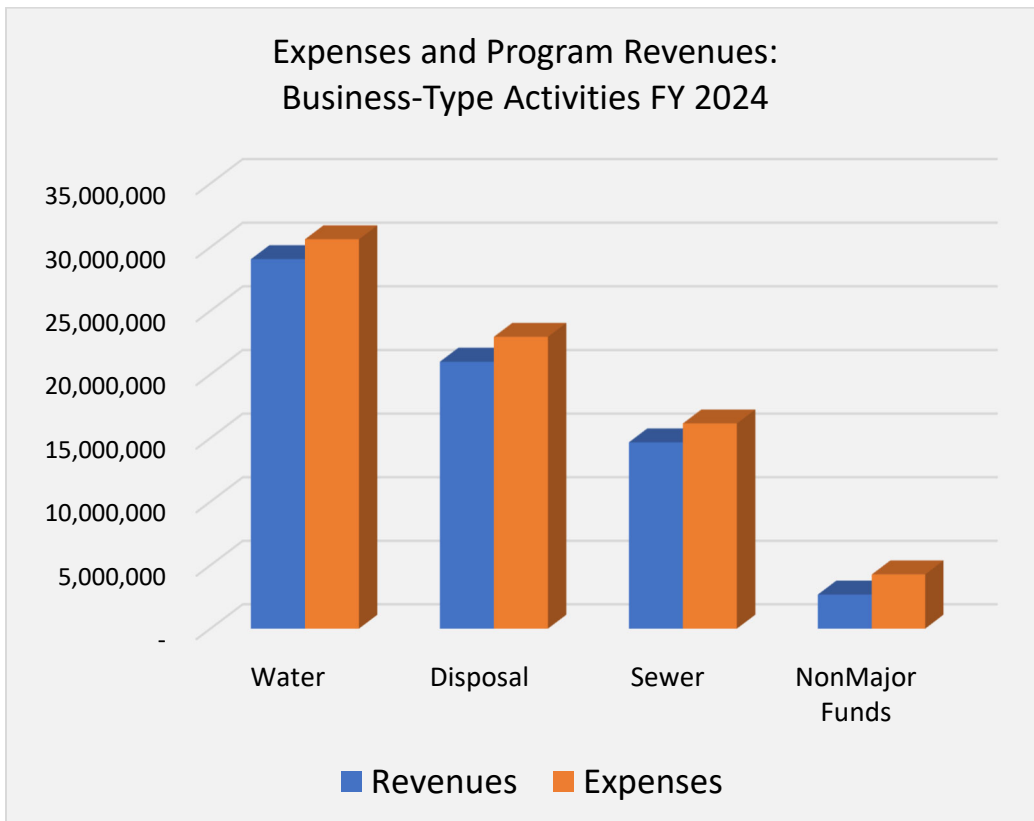
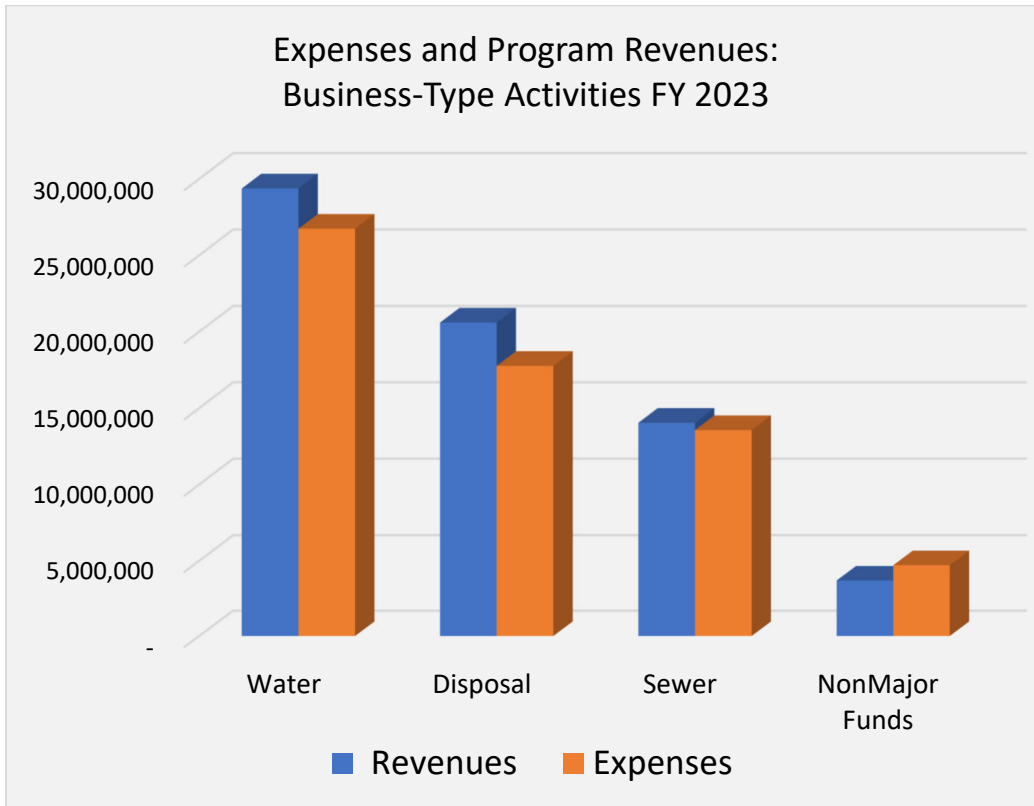
**Expenses by Function of Governmental Activity**



- Expenses overall for governmental activities totaled \$141 million. This total represents the cumulative effect of increased pension costs, the recognition of OPEB, and deferred outflows and inflows related to both. Employee compensation is also reflected in this amount.
- Expenses for general government comprise 30% of total governmental activities, or \$42.2 million. General government includes functions such as human resources, finance administration, engineering and City Council.
- Expenses for public safety represent 50% of total governmental activities in the amount of \$70.4 million. The main operations within public safety are the Police and Fire Departments. These departments are service-centric. As such, personnel costs represent the majority of costs in these departments. The effect of salary increases, pension cost increases and the recognition of OPEB liability tend to have a larger impact proportionately for public safety activities.
- Expenses for highway and streets are 10% of all governmental activities, or \$13.9 million. These expenses include spending on the City's Pavement Accelerated Rehabilitation Implementation Strategy (PARIS) program, operations, and maintenance as well as other capital repairs to road infrastructure.
- Culture and recreation, Library, and interest on long-term debt comprise 7%, 3%, and 0.5% of government activity respectively, or \$9.9 million, \$4 million, and \$679,000.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

**Expenses and Program Revenues : Business Type Activities Fiscal Year Comparison**



**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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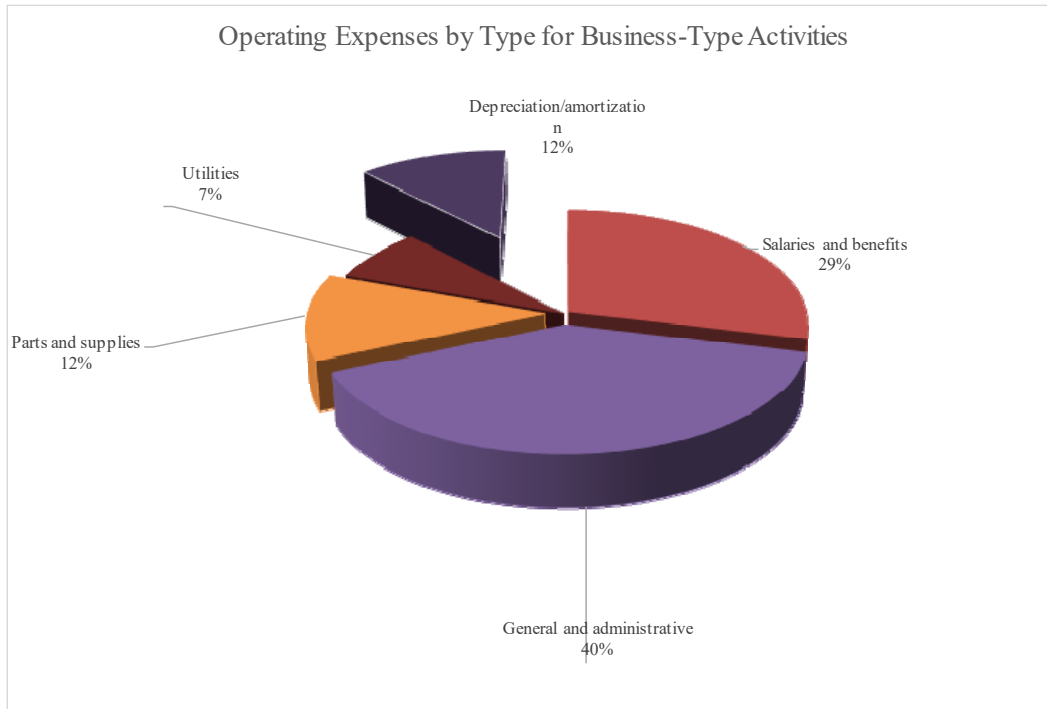
Major differences between revenues and expenses for business-type activities are show in the two charts above.

- Fiscal year 2024 saw a slight decrease in Water revenues of \$310,000, or 1%, and an increase in expenses of \$3.9 million, or 14.5%. Decreased revenues are the result the variation of billing cycles and the date the accruals are made for accounting purposes. While charges for water usage was down slightly by less then 1%, this was offset with higher revenue from frontage charges. Overall, revneue in this fund was stable compared to the prior year. Expenses did increase somewhat significantly this year. This is attributed to higher costs for pensions, salary, benefits, professional services related to complex capital projects and the water meter replacement program.
- For Solid Waste (Disposal) operations, there was a slight increase in revenues over fiscal year 2023 of \$403,000, or almost 2% and an increase in expenses in the amount of \$5.2 million, or nearly 30%. Decreased revenues are the result the variation of billing cycles and the date the accruals are made for accounting purposes. Higher expenses are largely due to a significant adjustment over the prior year to the expense recorded for the closure/post closure maintenance expense for the California Street Landfill. This year's expense was \$3 million higher than the prior year because the annual inflation factor could not be used to calculate the annual expense, but rather a complete overhaul of the landfill's permit and closure/post-closure maintenance plan was required. Those plans were than analyzed to develop a new cost estimate, according to any changes. The resulting expense reflects the updated closure/post-closure plan. Other expenses related to pension, salary and benefits increased, as well as costs for capital improvements related to landfill gas extraction wells and the costs to rent a D8 dozer while the one in operation was repaired and ultimately replaced.
- In the Wastewater (Sewer) Fund, revenues increased by \$625,600, or 4.5%, and expenses increased by \$2.6 million, or 19%. The increase in revenues a function of the variation of billing cycles which impacts the amount of revenues accrued and reversed during the accounting cycle. Higher expenses reflect the change in pension, salary and benefit costs, higher depreciation costs, additional spending on parts and supplies as well as expenses for special contractual services. Most of these expenses related to the SCADA integration project as well as engineering services and field support for the City's wastewater treatment plant solids facility.
- Lastly, for nonmajor business-type funds,
  - The Groves Fund experienced a significant decrease in revenue by roughly \$836,000, or 97%. This follows a prior year increase of roughly \$818,000 (or 95%). The market for citrus fruit is notably unpredictable and this can cause the marketability of the City's citrus to vary substantially from one year to the next.
  - The Hillside Memorial Cemetery had a 3.4% decrease in revenues of \$39,250 due to slight variations in cemetery lot sales and internment services. There was a commensurate reduction in expenses as well (\$42,500, or 4%).
  - The Aviation fund saw a large decrease in revenues of \$93,700, or 69%. This was due prior year grant revenue that was one-time in nature. Expenses also decreased by roughly \$29,000, or 4%. Most of these decreases were in general and administrative expenses.
  - The Non-Potable Water Fund experienced a decrease in revenues of 4.8%, or \$31,000. The decrease in revenue is related to a decrease in charges for nonpotable water service. The City is actively working on a plan to enable more consumption of nonpotable water through transmission projects. Expenses were up slightly, by 2%, or \$18,800.



**City of Redlands**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

**Expenses by Type for Business-Type Activities**



**MAJOR FUNDS**

As noted earlier, the City uses fund accounting to provide proper financial management of the City’s resources and to demonstrate compliance with finance-related accounting standards and legal pronouncements.

**Major Governmental Funds.** The **General Fund** is the chief operating fund of the City. At the end of June 2024, the total fund balance reported for the General Fund was \$111,176,689, an increase of \$218,848 (0.2%) from the prior year ending fund balance of \$110,957,841. While the change in ending fund balance is slight, there were some large variations between this year and the prior year that warrant discussion below.

As a measure of the General Fund’s liquidity, it can be useful to compare the total fund balance to total fund expenditures. This measure indicates that the fund balance is approximately 98% of general fund expenditures (of \$113 million), however, only \$60,505,969 of the \$111 million fund balance is unassigned. The unassigned fund balance of \$60.5 million, together with the \$9.7 million in fund balance committed to stabilization arrangement (contingencies), is the only portion of fund balance readily available for spending and represents 62% of general fund expenditures. Total general fund expenditures this year were \$113.4 million, which is \$20.9 million higher than the prior year amount of \$92.5 million. Total general fund revenues were \$122.6 million, or 5.5% higher than the prior year amount of \$116.3 million.

Significant changes in revenues for the City’s General Fund over the prior year are as follows:

- Property tax increased again by \$3.2 million, or 8%. This significant increase is due to a few factors affecting the prior year’s enrolled values. Since there is a lag between the time a property is assessed in value and the time when the taxes are collected from property owners, this year’s revenue reflects assessed values in effect during calendar year 2022. In 2022, home prices and home sales reached a peak for most of the calendar year, until the cumulative effect of multiple interest rate hikes by the Federal Reserve began to cool this trend in the housing market. These factors lead to strong growth in the City’s total assessed values, which grew by a factor of roughly 9.1% for the fiscal year. Different property use categories grew at different rates. Most of this growth (33%) is due to transfers of ownership, the CPI 2% growth factor (18%), and some new construction of both residential and non-residential properties (18.5%).

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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**MAJOR FUNDS (Continued)**

- Overall sales tax decreased by \$1 million, or 2%, representing an elastic source of revenue that, unlike property taxes, is more responsive to current economic conditions without the same lag time. This slight decrease is a reflection of the inflationary pressures that consumers have faced and a reduction in spending of discretionary income as a result.
- Other taxes encompass possessory interest taxes, the City's hotel tax (referred to as the transient occupancy tax), and the mining tax. This year's revenues were nearly 14% lower than the prior year, roughly \$433,000. Possessory interest and franchise fees were 31% and 12% lower this year, respectively. Decreases in possessory interest are likely due to the termination or non-renewal of leases of public property. Declines in transient occupancy tax revenue is likely caused by a variety of factors, including competition from short-term rentals, a reduction in available lodging due to the use of hotel vouchers. It could also reflect the reduction in discretionary consumer spending similar to sales tax revenues.
- Licenses and permits reflect an increase of \$375,800 or 4.2%. This increase is due to an increased collection of business license revenue, offset by reductions in other categories. The vast majority of business license revenue is based on the gross receipts of a business. Healthy growth in this category is an indication of a strong local economy.
- Intergovernmental revenues increased by \$326,700 or 72%, which is primarily the result of a very significant increase in Mutual Aid received in the current fiscal year. This year-to-year amount in this revenue category fluctuates according to wildfires and other extreme conditions where mutual aid assistance has been requested by other cities and fire departments and is then reimbursed after the fact.
- Charges for services decreased by \$319,000, or 4.3% from prior year. While there are variations over and under in each revenue account, the largest decreases were in the categories of plan check, rental property inspections and application/filing fees.
- Earnings from investment income increased significantly from FY 2023, by \$5.3 million. This dramatic increase was due to rising interest rates providing higher yields on the City's fixed-income investments, favorable reinvestment rates, and improved economic conditions post-pandemic also contributed to stable investment returns as compared to the previous year when there may have been lingering economic uncertainty.
- For Rents and leases, revenue decreased by \$654,000, or 36%. This decrease reflects two major changes: the City's termination of its agreement with AYSO for the use of the Sports Park and the revenue associated with that agreement as well as the termination of leases (and, hence lease revenue) associated with businesses that formerly occupied 300 East State Street who have ended their leases with the City.
- Miscellaneous revenue decreased by roughly \$280,000, or 12%. This decrease is attributed to a prior year one-time donation from the Friends of Prospect Park (\$363,000) for lighting upgrades to the park, offset by various positive and negative fluctuations among several other revenues in this category.
- Transfers in increased in FY 2024 over the prior year by approximately \$543,000, a 23% increase. This was due higher gas tax revenues collected, as well as higher levels of fixed asset transfers from the business-type activity funds.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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The **Public Facilities Fund**, previously reported as a Major Fund, accounts for the collection and expenditure of development impact fees designated for constructing new and upgrading existing public facilities. As of June 30, 2023, this fund held advances payable to other funds totaling \$7,706,632. Through a combination of City Council action to forgive the amounts owed to the General Fund and repayment made by the fund to satisfy the last remaining amount owed to the Water Fund, this balance has been reduced to \$0.

The origin of this advance receivable involves a series of public improvements that were initially debt-financed and subsequently refinanced multiple times, with the final maturity date in 2017. As part of the refinancing, the General Fund assumed responsibility for servicing half of the debt, while the Public Facilities Fund was tasked with the other half. During years when the Public Facilities Fund's revenues were insufficient to meet its share of the debt service, the General Fund covered the shortfall, resulting in the accrual of an advance receivable from the Public Facilities Fund.

As the balance of this advance exceeded \$7 million and repayment remained uncertain, the City Council determined that forgiving the loan was appropriate based on two critical factors:

- **Timeliness:** Development impact fees collected in the Public Facilities Fund should be directed toward projects and facilities tied to current development. In this case, the fees were being used to repay debt incurred for projects completed in the distant past.
- **Nature of Projects Financed:** The projects financed by the original borrowing—including the Corporate Yard, Fire Station 263, a public parking structure, and improvements to the A.K. Smiley Public Library—are legitimate obligations of the General Fund. The General Fund is designated to support general government services such as fire protection, public infrastructure, and library services, making it a more appropriate source for these expenses.

The fiscal impact of forgiving the interfund loan is primarily limited to adjustments in the assets and liabilities of the respective funds, rather than involving cash transactions or expenditures. Specifically, within the Public Facilities Fund, forgiveness eliminated advances payable totaling \$7,706,632. The last remaining amount of \$16,091 owed to the Water Fund was repaid with interest using revenues from the Public Facilities Fund, fully satisfying the Water Fund's advance receivable. Within the General Fund, forgiveness eliminated the advance receivable balance of \$7,690,541, reducing it to \$0. As a result of this action, the Public Facilities Fund no longer meets the criteria for reporting as a Major Fund.

The **Governmental Grants Fund** was established to account for the receipt and expenditure of grant monies received from various agencies for general government projects and purposes. This fund tracks the City's allocation of Coronavirus State & Local Fiscal Recovery Funds issued through the American Rescue Plan Act in the amount of \$11,508,106, the largest federal grant the City has received to date. It also tracks several other noteworthy grant projects, including the City's Community Block Development Grant program, engineering grants for transportation projects and equipment and facility grants for the Police and Fire departments. It is also used to track all grants received in support of the Homelessness Solutions Team, including the Consumer Services and Housing Agency for the Encampment Resolution Funding Program (ERF-2-R) grant award in the amount of \$4,529,069.

**Major Enterprise Funds.** The **Water Fund** has a total net position of \$151 million at the end of the fiscal year, \$22.8 million of which is unrestricted. The **Solid Waste (Disposal) Fund** has a total net position deficit of (\$4.3 million) at the end of the fiscal year, which marks a \$2.8 million reduction over the prior fiscal year; and its unrestricted net position is a deficit of (\$21.4 million). This significant fluctuation is due to several factors: an increase in deferred inflows related to OPEB, which was partially offset by deferred inflows related to Pension being reduced to zero, as well as significant increases in the Fund's net investment in capital assets and the Fund's net position restricted for capital assets. The **Wastewater Fund** has a total net position of \$55.8 million at the end of the fiscal year; \$4 million of which is unrestricted. These funds account for the respective utility services provided by the City. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

**GENERAL FUND BUDGET**

Differences between the final budget and fiscal year 2024 activity in the General Fund can be briefly summarized as follows:

- Total Revenues – \$10.3 million received in excess of budgeted amounts.
- General Government – spent \$2.7 million less than the final amount appropriated in the budget (savings).
- Public Safety – spent \$2.8 million less than the final amount appropriated in the budget (savings).
- Culture and Recreation – spent \$91,300 less than the final amount appropriated in the budget (savings).
- Highways and Streets – spent \$232,500 less than the final amount appropriated in the budget (savings).
- Library – spent roughly \$5,000 less than budgeted.
- Transfers – there was a negative variance between the final budget amount and the amount expended of \$1,091,617.
- Capital Outlay – there was a negative variance between the final budget and the amount expended of \$2,142,700.
- Debt Service – in this category, there was savings of \$1,280,430 when comparing the final budget to the actual amount expended during this fiscal year.

Deviations in major categories between the final budget of the General Fund and its actual operating results were as follows. (Note: budget savings are listed as positive figures.)

	Final Budget	Actual Amounts	+ (-) Variance
<b>REVENUES</b>			
Taxes	\$ 94,194,186	\$ 96,491,437	\$ 2,297,251
License and permits	7,988,380	9,238,592	1,250,212
Fines and forfeitures	79,560	62,969	(16,591)
Intergovernmental	386,000	780,165	394,165
Charges for services	6,855,094	7,101,106	246,012
Investment income (loss)	5,800,100	5,647,723	(152,377)
Rents and leases	1,562,925	1,167,604	(395,321)
Miscellaneous	2,005,223	2,111,512	106,289
Transfers in	2,468,172	2,850,162	381,990
Inception of finance purchase agreement	-	3,668,445	3,668,445
Inception of lease liability	-	2,546,260	2,546,260
Total Revenues	<u>121,339,640</u>	<u>131,665,975</u>	<u>10,326,335</u>
<b>EXPENDITURES*</b>			
General Government	26,661,653	23,972,409	2,689,244
Public Safety	57,393,733	54,538,333	2,855,400
Culture & Recreation	8,027,856	7,936,523	91,333
Highways & Streets	5,029,000	4,796,525	232,475
Library	3,585,529	3,580,553	4,976
Transfers	16,983,070	18,074,687	(1,091,617)
Capital Outlay	12,362,454	14,505,154	(2,142,700)
Debt Service	5,323,373	4,042,943	1,280,430
Total Expenditures	<u>\$ 135,366,668</u>	<u>\$ 131,447,127</u>	<u>\$ 3,919,541</u>
*Budget savings noted as positive figures			

There are some noteworthy variations between the final budget and the actual receipts recorded in Fiscal Year 2024 revenues. This year, taxes comprised 73% of total General Fund revenues. Actual revenues outperformed budget estimates by \$10.3 million.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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Some of this can be attributed to better-than-expected growth in property tax, as discussed earlier. Strong growth in property tax revenue has been seen over the last several years. The total assessed value of property in the City has increased significantly over the last 5 years, but this rate of growth is expected to decline in future years. The higher-than-anticipated revenues from property tax helped to offset underperforming sales tax receipts.

The other significant variation vis-à-vis budget is the inception of finance purchase agreement and the inception of lease liability in the amounts of \$3.7 million and \$2.5 million, respectively. In compliance with GASB Statement No. 87, the City recognizes lease agreements as part of its financial activities. This year, the inception of lease liability is reported under General Fund revenues to reflect the financial impact of new lease agreements for key operational assets, including:

- Police Patrol Vehicles: Essential for maintaining public safety and responding to emergencies.
- Public Works Vehicles: Critical for infrastructure maintenance and other city services.
- Fire Department Vehicles: Used for non-emergency tasks such as inspections, logistics, and administrative duties.
- 3 Type-1 Fire Engines: Used for emergency response.

The "inception of finance purchase agreement" and "inception of lease liability" represent the initial recognition of these finance purchase and lease agreements, respectively, which include the future lease payments that the City is obligated to make. These are offset by the City's right to use the vehicles during the lease term.

All revenue categories had positive variances, except for the categories of Fines & Forfeitures and Rents & Leases. While investment income had a slightly negative variance with the final budget, it represented a significant increase compared to the original budget of \$200,000.

Licenses and permits performed better than expected by roughly \$1.25 million, or 15.7%, above forecasts. This was mainly due to increased receipts from business licenses and building permits.

Intergovernmental revenue was higher than expected by approximately \$394,000, or 102%. This is due mainly to the timing of mutual aid reimbursement revenues, as the reimbursement process can lag by 60 to 90 days after the City's request for reimbursement of the related funds. Higher-than-anticipated revenue from mandated cost reimbursement also contributed to this increase.

Charges for service were slightly higher by \$246,000, or 3.6%. This revenue category covers numerous individual revenue objects. While many areas fluctuated between actual amount and the final budget amount, the largest variance was an increase in receipts from Building & Safety plan checks as well as city classes and programs.

Rents and leases were roughly \$395,000 lower than budgeted amounts. These revenues include lease revenue from a six-story office building located at 300 East State Street in downtown Redlands. The decrease in the revenue from this building reflects the expiration and early move-out dates opted for by then-current tenants as the City prepares the building for occupancy by its administrative staff.

Transfers in were higher than budgeted by 15.5%. This can be attributed to higher funding received from the Gas Tax Fund and the Traffic Safety Fund. This is caused by more revenue than anticipated being collected in these funds, as both of them are cleared to zero at the end of the accounting cycle, transferring all of their revenue into other funds, with most of it going to the General Fund.

Miscellaneous revenues were up by \$106,300, or 5.3%. This was mainly due to an increase in miscellaneous receipts from the transfer of late fees from the Enterprise Funds to the General Fund.

Total General Fund expenditures ended the year under budget by 2.9%, or \$3.9 million. The vast majority of the unspent funds will be carried forward to the subsequent fiscal year (2025) for expenditure.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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General Government expenditures ended the year under budget by 10.1%, or \$2.7 million. Part of this is attributed to savings in the areas of retiree health insurance premiums, savings on costs associated with lower expenditures on professional services as well as salary savings across most departments.

Public Safety expenditures were under budget by \$2.8 million, or 5%. Much of this savings is due to salary and overtime savings in the Police and Fire departments, as well as unspent funds for vehicle leases, services, supplies, equipment, and building improvements.

Culture and Recreation was under budget by roughly \$91,300, or 1.1%, this was attributable to unspent funding on projects in the Parks division, as well as other fluctuations across multiple expenditure categories in Parks, Trees and Recreation & Senior Services divisions.

Highways and Streets expenditures were under budget by \$232,500, or 4.6%. This savings was mainly a result of savings in the Streets Division in contractual and garage expenses, offset by some overspending in the Electrical Division.

Library expenditures were just under budget by less than \$5,000, or 0.1% at year-end. The difference is due to minor, offsetting variations in several spending categories.

Capital outlay expenditures were over budget by \$2.1 million, or 17.3% at year-end. This variance can be explained through the recording of construction in progress of roughly \$2.27 million across the General Fund. This is an unbudgeted expense and represents capitalized costs for ongoing projects that have not yet been completed or transitioned to depreciable assets, reflecting investments in infrastructure and other long-term improvements.

Actual debt service expenditures were below budgeted levels, at a savings of 24%, or \$1.3 million, under budget. This is due mainly to equipment & vehicle capital leases not being fulfilled by the manufacturer/suppliers by the end of the fiscal year. Most of these leases were for the Police Department, where roughly \$1.1 million was budgeted to acquire patrol vehicle leases budgeted for in FY 2024. As noted above, almost all of these appropriations are carried over into the following fiscal year.

A total overall favorable variance between actual revenues & expenditures of \$10.6 million resulted from a combination of stronger revenue performance in property tax combined with significant savings across departments. Savings on salaries & benefits, contractual services, and vehicle & equipment purchases resulted in the positive variance for the General Fund.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's capital assets for its governmental and business-type activities as of June 30, 2024, amounted to nearly \$847 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, infrastructure, water rights, rights of way and construction in progress. It also includes the new category of lease assets and subscription assets in compliance with GASB Statements Nos. 87 and 96. The subscription asset category reflects the value of the City's right, as a part of a subscription-based information technology arrangement, to use the information technology as an asset over the life of its corresponding arrangement, in accordance with GASB Statement No. 96. Similarly, in accordance with GASB Statement No. 87, the lease asset category reflects the value of the City's right to use leased assets, such as vehicles or equipment, over the term of the lease agreement, representing a shift towards recognizing leases as both a right-to-use asset and a corresponding lease liability.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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Major capital asset events for Governmental Activities during FY 2024 include the following:

Additions and deletions to machinery, equipment, and vehicles in governmental activities resulted in a net decrease of \$986,000, 3.7%. This decrease reflects the auction and proper disposal of a larger number of vehicles and equipment than were acquired during the year. Over time, a backlog of aged vehicles had accumulated, and the City has made significant progress in addressing this by removing these assets from its records and ensuring proper disposal. Notably, many of the disposed assets included long-held police and fire department vehicles and equipment. During the year, the City also added key assets, including a donated vehicle and a new vector truck for the streets division, supporting essential services and operational efficiency.

Net additions to infrastructure assets in general government activities totaled nearly \$10.5 million, or 3.8%. Roughly \$8.7 million of these additions were the result of projects constructed by the City, including the 2022 Alley Paving Improvements and the 2022 and 2023 Pavement Management Program street resurfacing projects. Deletions in this category represent adjustments made when portions of existing infrastructure assets were replaced or reconstructed. Specifically, if an infrastructure asset was newly constructed, no deletions were recorded.

However, if an asset was completely reconstructed, the full cost of the original asset was removed from the records as a deletion. For assets where only a portion was removed and replaced, the corresponding percentage of the original asset's cost was recorded as a deletion in the accompanying schedules.

Construction in Progress values in general government activities increased significantly by \$4.9 million, or 43%. This increase reflects the initiation and continuation of several large capital improvement projects and equipment purchases, including the Fire Station No. 262 Remodel Architectural and Construction Services, the Redlands Bowl Lighting, Speakers, Communication Outlets & Cabling Replacement, the purchase of three Type I Fire Engines, and the 2023 Alley Paving Improvement Project. Transfers and deletions in this category represent projects that were completed by June 30, 2024. Upon completion, these projects were reclassified into other asset categories, most commonly the infrastructure asset class, to reflect their transition from in-progress to capitalized assets.

Right-of-way assets increased by 8.8%, or \$29.8 million. This increase was primarily due to several public development projects noted above under net additions to infrastructure assets, including the 2022 Alley Paving Improvements and the 2022 and 2023 Pavement Management Program street resurfacing projects. Right-of-way assets include land and infrastructure dedicated to public use, such as streets, sidewalks, and alleys, which play a crucial role in maintaining safe and efficient transportation networks. These assets reflect the City's commitment to improving local mobility and accessibility for residents and businesses.

Accumulated Depreciation increased by \$6.6 million, or 4.2%. The City's measurement of accumulated depreciation is based on estimated useful lives by infrastructure asset type. Estimated useful lives were initially established using engineering standards, as well as discussions with City staff regarding the City's maintenance program for each asset type. The largest increases were in the categories of road system assets and building & improvements.

New categories have been introduced in the capital assets note as a result of the implementation of GASB Statements Nos. 87 and 96. These include lease assets, subscription assets, and accumulated amortization, which are being presented here to align with these updated reporting standards.

Lease assets represent the value of the City's right to use leased properties, vehicles, and equipment under long-term agreements in compliance with GASB Statement No. 87. These assets are recognized when the City enters into lease arrangements for essential services and operations. Overall, lease assets increased by roughly \$3.1 million, or 240%, as a result of new lease agreements for public works and public safety vehicles.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

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Subscription assets represent the value of the City's right to use software and other technology under subscription-based information technology arrangements in compliance with GASB Statement No. 96. These assets are recognized when the City enters into agreements for IT services critical to operations and service delivery. Overall, subscription assets decreased by roughly \$170,600, or 29%, as a result of expired subscriptions.

Accumulated amortization represents the portion of lease and subscription asset values that have been expensed over time as the City uses these assets. This measure reflects the wear and usage of intangible assets in compliance with GASB standards. Overall, accumulated amortization decreased by roughly \$590,700, or 85.6%, as a result of newly added assets that have not yet undergone significant amortization or adjustments to prior accumulated balances due to asset reclassifications.

For business type activities, machinery, equipment and vehicle assets increased by roughly \$872,000, or 3.62%, representing purchases of office, laboratory and sampling equipment as well as the purchase of three (3) front-loading solid waste collection vehicles.

Infrastructure assets increased by roughly \$5 million, or 2.42%. The vast majority of this increase can be attributed to the reclassification of construction in progress from the completion of the 2022 Water Pipeline Replacement Project that replaced roughly 3 miles of water pipeline.

Construction in progress increased by \$3.7 million, or 44%, as the result of the net effect of the completion the 2022 Water Pipeline Replacement, as well as the initiation and continuation of additional capital projects like the Recycled Water Reservoir design, the Tate raw water influent pipeline project, the SCADA Equipment upgrade project, the Water Facilities Generator design services project, the Automated Metering Infrastructure implementation project, and the Hinckley Treatment Plan Sludge Press Engineering project.

Accumulated depreciation increased by \$7.9 million, or 4%, with the largest increases in the categories of Infrastructure and Building & Improvements. Lease Assets increased by \$2.2 million, or 360% and this reflects new vehicle leases in the Water, Wastewater and Solid Waste divisions. Subscription Assets were reduced to zero as a result of the expiration of existing agreements. Accumulated amortization increased by \$223,100 as a result of newly added assets that have not yet undergone significant amortization or adjustments to prior accumulated balances due to asset reclassifications.

Overall, for primary government the City's net capital assets increased significantly by \$45.5 million for the fiscal year ended June 30, 2024, or 5.7% over prior year. This is slightly lower than the previous year's increase of 7.5%.



**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

Capital assets for the governmental and business type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total		Inc./ (Dec.)
	2024	2023	2024	2023	2024	2023	% of Change
Land	\$ 41,707,282	\$ 40,956,320	\$ 28,069,057	\$ 28,069,057	\$ 69,776,339	\$ 69,025,377	1.1%
Buildings & Improvements	62,724,536	61,847,805	123,210,762	122,661,207	185,935,298	184,509,012	0.8%
Machinery/Equip./Vehicles	25,482,981	26,468,907	24,968,572	24,096,435	50,451,553	50,565,342	(0.2%)
Infrastructure	282,812,418	272,359,117	210,736,273	205,766,544	493,548,691	478,125,661	3.2%
Water Rights	408,125	408,125	9,792,995	9,884,095	10,201,120	10,292,220	(0.9%)
Right of Way	366,862,877	337,105,665	-	-	366,862,877	337,105,665	8.8%
Construction in Progress	16,307,905	11,404,751	12,194,230	8,463,598	28,502,135	19,868,349	43.5%
Accumulated Depreciation	(162,650,313)	(156,079,017)	(201,824,376)	(193,915,709)	(364,474,689)	(349,994,726)	4.1%
Lease Assets	4,377,917	1,288,724	2,854,808	621,090	7,232,725	1,909,814	278.7%
Subscription Assets	422,936	593,542	-	107,285	422,936	700,827	(39.7%)
Accumulated Amortization	(1,280,507)	(689,822)	(379,595)	(156,441)	(1,660,102)	(846,263)	96.2%
<b>Total</b>	<b>\$ 637,176,157</b>	<b>\$ 595,664,117</b>	<b>\$ 209,622,726</b>	<b>\$ 205,597,161</b>	<b>\$ 846,798,883</b>	<b>\$ 801,261,278</b>	<b>5.7%</b>

Internal Service Fund capital assets, net of accumulated depreciation, are included in Governmental Activities.

Additional information on the City's Capital Assets can be found in Note 6 of the section titled Notes to the Basic Financial Statements.

**Long-Term Liabilities**

Major long-term liability events during FY 2024 include the following:

- The Lease Liability category increased significantly by \$3.8 million, or 283% as a result of the addition of 80 new leases for vehicles in Police, Fire, Building Maintenance, Streets, Parks, Engineering, Solid Waste, Cemetery, Water and Wastewater operations.
- Subscription Liability is recognized in accordance with GASB Statement No. 96, which requires that the City establish accounting methods for a right-to-use subscription asset representing its agreements for subscription-based information technology arrangements and a corresponding subscription liability for the same. This liability was reduced by 70%, or \$130,400 due to the expiration of a technology agreement.
- Taxable pension bonds experienced a decrease of 3% as a result of annual debt service and no new additions were made to such debt.
- The Revenue Bond liability was fully eliminated during the fiscal year following the repayment of the Solid Waste Revenue Bonds, Series 2013A. This serial bond was secured by a pledge of revenues from the Solid Waste (Disposal) Fund to ensure repayment of the debt.
- Notes payable decreased by roughly \$1.2 million, or 7%, as a result of repayments and no new additions to debt in this category.
- Claims payable had a very small reduction \$92,400, or 0.6% due to minor variances in claims filed against the City, which can fluctuate significantly from year to year.
- Compensated absences increased by approximately \$912,200, or 10%. This increase is attributed to a combination of higher employee leave accruals compared to leave usage during the fiscal year and a citywide wage increase, which elevated the valuation of accrued leave balances.

**City of Redlands**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2024**

- The landfill closure liability increased significantly by \$3.8 million due to a substantial adjustment in the plan for closure and post-closure maintenance of the California Street Landfill. This was higher than the prior year because a comprehensive overhaul of the landfill's permit and closure/post-closure maintenance plan was required, rather than relying on the annual inflation factor. The updated plans were thoroughly analyzed to incorporate changes and develop a revised cost estimate. The resulting amount reflects the updated closure and post-closure requirements, significantly influenced by increases in the Construction Cost Index and Consumer Price Index (CPI), which played a critical role in driving up projected costs.
- In FY 2023, the City experienced a \$55 million (27%) reduction in Total OPEB Liability, primarily driven by updated actuarial assumptions and favorable experience variances. While the FY 2024 decrease is smaller, the \$17 million reduction (11.6%) underscores continued favorable trends in actual experience, including lower healthcare costs and demographic shifts, albeit to a lesser extent than the prior year.
- The City's net pension liability (NPL) increased by \$8.9 million, or 5.75%, during the fiscal year. This moderate increase follows a more dramatic rise of \$68.3 million (79%) in the prior year. This increase was driven by CalPERS' investment underperformance, with actual returns falling below the assumed 6.8%, as well as the annual accrual of interest on the Unfunded Accrued Liability (UAL), the amortization of prior years' losses under CalPERS' smoothing methodology, and ongoing adjustments to actuarial assumptions such as salary scales and demographic factors.

Long-term liabilities for governmental and business type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total		Inc./ (Dec.)
	2024	2023	2024	2023	2024	2023	% of Change
Lease Liability	\$ 2,941,545	\$ 832,107	\$ 2,249,119	\$ 523,389	\$ 5,190,664	\$ 1,355,496	100.00%
Subscription Liability	55,044	185,429	-	-	55,044	185,429	100.00%
Taxable Pension Bonds	4,469,940	4,607,478	-	-	4,469,940	4,607,478	-2.99%
Revenue Bonds	-	-	-	1,660,000	-	1,660,000	-100.00%
Notes Payable	4,789,210	4,358,566	11,309,430	12,938,540	16,098,640	17,297,106	-6.93%
Claims Payable	15,433,473	15,525,893	-	-	15,433,473	15,525,893	-0.60%
Compensated Absences	8,638,503	7,925,416	1,264,298	1,065,169	9,902,801	8,990,585	10.15%
Landfill Closure Liability	-	-	15,418,260	11,606,913	15,418,260	11,606,913	32.84%
Total OPEB Liability	89,577,526	102,959,850	40,315,855	44,000,415	129,893,381	146,960,265	-11.61%
Net Pension Liability	139,682,059	131,813,535	24,033,967	23,007,396	163,716,026	154,820,931	5.75%
<b>Total</b>	<b>\$265,587,300</b>	<b>\$268,208,274</b>	<b>\$ 94,590,929</b>	<b>\$ 94,801,822</b>	<b>\$360,178,229</b>	<b>\$363,010,096</b>	<b>-0.78%</b>

Additional information on the City's long-term liabilities can be found in Note 7 and 9-13 of the Notes to the Basic Financial Statements.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be sent to the Management Services Department at [ACFR@cityofredlands.org](mailto:ACFR@cityofredlands.org) or to Management Services / Finance Director, 35 Cajon Street, Suite 222, Redlands, CA 92373. This financial report is also available in electronic format on the City's website at <http://cityofredlands.org/finance/annualreport>. Additional information intended for the business community is available on the Economic Development web page also located on the City's website listed above at <http://www.cityofredlands.org/ED>.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Redlands**  
**Statement of Net Position**  
**June 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 165,954,022	\$ 104,921,112	\$ 270,875,134
Accounts receivable, net	2,214,991	9,075,199	11,290,190
Taxes receivable	11,090,408	913	11,091,321
Interest receivable	676,973	433,083	1,110,056
Lease receivable - due within one year	376,633	227,499	604,132
Due from other governments	748,719	51,947	800,666
Prepaid items	996,279	15,585	1,011,864
Inventories	104,416	-	104,416
<b>Total current assets</b>	<b>182,162,441</b>	<b>114,725,338</b>	<b>296,887,779</b>
Noncurrent assets:			
Restricted cash and investments	237,153	696,278	933,431
Notes receivable	3,012,822	-	3,012,822
Lease receivable - due in more than one year	2,233,541	2,166,650	4,400,191
Capital assets:			
Non-depreciable	425,286,189	50,056,282	475,342,471
Depreciable, net	211,889,968	159,566,444	371,456,412
<b>Total capital assets</b>	<b>637,176,157</b>	<b>209,622,726</b>	<b>846,798,883</b>
<b>Total noncurrent assets</b>	<b>642,659,673</b>	<b>212,485,654</b>	<b>855,145,327</b>
<b>Total assets</b>	<b>824,822,114</b>	<b>327,210,992</b>	<b>1,152,033,106</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to OPEB	32,510,200	10,814,162	43,324,362
Related to pensions	50,476,620	6,875,831	57,352,451
<b>Total deferred outflows of resources</b>	<b>82,986,820</b>	<b>17,689,993</b>	<b>100,676,813</b>

**City of Redlands**  
**Statement of Net Position (Continued)**  
**June 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	7,199,760	3,671,398	10,871,158
Accrued payroll	4,374,348	1,146,104	5,520,452
Interest payable	119,128	58,338	177,466
Unearned revenue	7,967,968	329,047	8,297,015
Deposits payable	3,225,839	2,995,334	6,221,173
Compensated absences - due within one year	4,319,252	632,151	4,951,403
Claims payable - due within one year	7,716,737	-	7,716,737
Long-term debt - due within one year	1,282,467	2,172,232	3,454,699
<b>Total current liabilities</b>	<b>36,205,499</b>	<b>11,004,604</b>	<b>47,210,103</b>
Noncurrent liabilities:			
Compensated absences - due in more than one year	4,319,251	632,147	4,951,398
Claims payable - due in more than one year	7,716,736	-	7,716,736
Long-term debt - due in more than one year	10,973,272	11,386,317	22,359,589
Landfill closure liability	-	15,418,260	15,418,260
Total OPEB liability - due in more than one year	89,577,526	40,315,855	129,893,381
Aggregate net pension liability - due in more than one year	139,682,059	24,033,967	163,716,026
<b>Total noncurrent liabilities</b>	<b>252,268,844</b>	<b>91,786,546</b>	<b>344,055,390</b>
<b>Total liabilities</b>	<b>288,474,343</b>	<b>102,791,150</b>	<b>391,265,493</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to leases	2,446,319	2,265,187	4,711,506
Related to OPEB	57,592,310	15,903,770	73,496,080
Related to pensions	1,364,017	-	1,364,017
<b>Total deferred inflows of resources</b>	<b>61,402,646</b>	<b>18,168,957</b>	<b>79,571,603</b>
<b>NET POSITION</b>			
Net investment in capital assets	629,390,358	196,064,177	825,454,535
Restricted:			
Donations	635,580	-	635,580
PEG fees	697,864	-	697,864
Park and open space acquisition/improvement	5,217,214	-	5,217,214
Street reconstruction/improvement projects	7,978,438	-	7,978,438
Public facilities	1,928,937	-	1,928,937
Public safety	677,405	-	677,405
Police programs and equipment	2,020,886	-	2,020,886
Public art	9,867	-	9,867
Street reconstruction/improvement projects	3,780,874	-	3,780,874
Debt service	579,267	462,600	1,041,867
Capital projects	2,764,922	19,189,911	21,954,833
Endowment - non-expendable	-	110,741	110,741
Endowment - expendable	32,285	-	32,285
CFD assessment	80,284	-	80,284
<b>Total restricted</b>	<b>26,403,823</b>	<b>19,763,252</b>	<b>46,167,075</b>
Unrestricted (deficit)	(97,862,236)	8,113,449	(89,748,787)
<b>Total net position</b>	<b>\$ 557,931,945</b>	<b>\$ 223,940,878</b>	<b>\$ 781,872,823</b>

See accompanying Notes to the Basic Financial Statements.

**City of Redlands**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

<b>Functions/Programs</b>	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 42,250,996	\$ 16,010,783	\$ 13,896,634	\$ 187,679	\$ 30,095,096
Public safety	70,359,582	965,128	296,798	164,967	1,426,893
Culture and recreation	9,900,700	641,939	34,345	641,425	1,317,709
Highway and streets	13,911,149	375,497	-	37,157,273	37,532,770
Library	4,068,345	20,721	-	56,431	77,152
Interest on long-term debt	679,186	-	-	-	-
Total governmental activities	<u>141,169,958</u>	<u>18,014,068</u>	<u>14,227,777</u>	<u>38,207,775</u>	<u>70,449,620</u>
Business-type activities:					
Water	30,614,235	27,009,859	30,595	2,014,529	29,054,983
Disposal	22,954,172	20,764,912	33,972	197,199	20,996,083
Wastewater	16,143,743	13,144,186	-	1,516,510	14,660,696
Groves	1,507,349	845,420	-	-	845,420
Non-Potable	581,877	553,827	-	139,006	692,833
Cemetery	1,399,130	947,465	-	-	947,465
Aviation	789,821	152,175	49,550	-	201,725
Total business-type activities	<u>73,990,327</u>	<u>63,417,844</u>	<u>114,117</u>	<u>3,867,244</u>	<u>67,399,205</u>
<b>Total primary government</b>	<u><u>\$ 215,160,285</u></u>	<u><u>\$ 81,431,912</u></u>	<u><u>\$ 14,341,894</u></u>	<u><u>\$ 42,075,019</u></u>	<u><u>\$ 137,848,825</u></u>



**City of Redlands**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2024**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>			
Governmental activities:			
General government	\$ (12,155,900)	\$ -	\$ (12,155,900)
Public safety	(68,932,689)	-	(68,932,689)
Culture and recreation	(8,582,991)	-	(8,582,991)
Highway and streets	23,621,621	-	23,621,621
Library	(3,991,193)	-	(3,991,193)
Interest on long-term debt	(679,186)	-	(679,186)
Total governmental activities	(70,720,338)	-	(70,720,338)
Business-type activities:			
Water	-	(1,559,252)	(1,559,252)
Disposal	-	(1,958,089)	(1,958,089)
Wastewater	-	(1,483,047)	(1,483,047)
Groves	-	(661,929)	(661,929)
Non-Potable	-	110,956	110,956
Cemetery	-	(451,665)	(451,665)
Aviation	-	(588,096)	(588,096)
Total business-type activities	-	(6,591,122)	(6,591,122)
<b>Total primary government</b>	(70,720,338)	(6,591,122)	(77,311,460)
<b>General Revenues and Transfers:</b>			
<b>General revenues:</b>			
Taxes:			
Property taxes	42,883,738	104,411	42,988,149
Sales and use taxes	47,629,644	-	47,629,644
Franchise taxes	4,471,469	-	4,471,469
Other taxes	2,676,553	-	2,676,553
Total taxes	97,661,404	104,411	97,765,815
Investment income	9,235,054	5,841,165	15,076,219
Intergovernmental - unrestricted	852,762	-	852,762
Miscellaneous revenue	2,523,968	1,973,183	4,497,151
<b>Transfers</b>	2,827,146	(2,827,146)	-
<b>Total general revenues and transfers</b>	113,100,334	5,091,613	118,191,947
<b>Change in net position</b>	42,379,996	(1,499,509)	40,880,487
<b>Net Position:</b>			
Beginning of year	515,551,949	225,440,387	740,992,336
End of year	\$ 557,931,945	\$ 223,940,878	\$ 781,872,823

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**FUND FINANCIAL STATEMENTS**

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## **Governmental Funds Financial Statements**

***General Fund*** - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Redlands, these services include general government, public safety, culture and recreation, highway and streets, and library.

***Governmental Grants Special Revenue Fund*** - This fund accounts for the receipt and expenditure of grant monies received from various agencies for general government projects.

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**City of Redlands  
Balance Sheet  
Governmental Funds  
June 30, 2024**

	Major Funds			
	General Fund	Governmental Grants Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
		Fund		
<b>ASSETS</b>				
Cash and investments	\$ 108,182,523	\$ 6,541,368	\$ 28,503,677	\$ 143,227,568
Restricted cash and investments	-	-	237,153	237,153
Accounts receivable, net	1,399,943	-	13,290	1,413,233
Taxes receivable	10,091,348	-	999,060	11,090,408
Interest receivable	585,762	-	-	585,762
Lease receivable	2,610,174	-	-	2,610,174
Due from other governments	204,063	490,970	53,686	748,719
Prepaid items	501,110	248,438	14,681	764,229
Due from other funds	9,164	-	-	9,164
Notes receivable	3,012,822	-	-	3,012,822
<b>Total assets</b>	<u>\$ 126,596,909</u>	<u>\$ 7,280,776</u>	<u>\$ 29,821,547</u>	<u>\$ 163,699,232</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,255,112	\$ 456,658	\$ 1,157,984	\$ 5,869,754
Accrued payroll	3,140,038	34,660	284,825	3,459,523
Deposits payable	2,719,278	-	506,561	3,225,839
Unearned revenues	836,019	6,560,418	571,531	7,967,968
Due to other funds	-	-	9,164	9,164
<b>Total liabilities</b>	<u>10,950,447</u>	<u>7,051,736</u>	<u>2,530,065</u>	<u>20,532,248</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	2,023,454	210,500	33,470	2,267,424
Deferred inflows related to leases	2,446,319	-	-	2,446,319
<b>Total deferred inflows of resources</b>	<u>4,469,773</u>	<u>210,500</u>	<u>33,470</u>	<u>4,713,743</u>
<b>Fund Balances:</b>				
Nonspendable	3,513,932	248,438	44,881	3,807,251
Restricted	1,333,444	-	25,046,165	26,379,609
Committed	12,232,036	-	-	12,232,036
Assigned	33,591,308	-	2,177,312	35,768,620
Unassigned (deficit)	60,505,969	(229,898)	(10,346)	60,265,725
<b>Total fund balances</b>	<u>111,176,689</u>	<u>18,540</u>	<u>27,258,012</u>	<u>138,453,241</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 126,596,909</u>	<u>\$ 7,280,776</u>	<u>\$ 29,821,547</u>	<u>\$ 163,699,232</u>

**City of Redlands**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2024**

<b>Total Fund Balances - Total Governmental Funds</b>	<u>\$ 138,453,241</u>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Unavailable revenues reported on the Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	<u>2,267,424</u>
Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Government-Wide Statement of Net Position	637,176,157
Less: capital assets reported in Internal Service Funds	<u>(960,158)</u>
Total capital assets	<u>636,215,999</u>
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Amount reported in Government-Wide Statement of Net Position	
Compensated absences - due within one year	(4,319,252)
Compensated absences - due in more than one year	(4,319,251)
Long-term debt - due within one year	(1,282,467)
Long-term debt - due in more than one year	(10,973,272)
Less: amount reported in Internal Service Funds:	
Compensated absences - due within one year	235,128
Compensated absences - due in more than one year	235,127
Long-term debt - due within one year	69,767
Long-term debt - due in more than one year	44,714
Total long-term liabilities	<u>(20,309,506)</u>
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	<u>(119,128)</u>
Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Total OPEB liability	(89,577,526)
Net pension liability	(139,682,059)
Less: amount reported in Internal Service Funds:	
Total OPEB liability	7,566,136
Net pension liability	<u>6,790,716</u>
Total OPEB and Pension	<u>(214,902,733)</u>
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds	
Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to OPEB	32,510,200
Deferred outflows of resources related to pensions	50,476,620
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to OPEB	(2,497,511)
Deferred outflows of resources related to pensions	<u>(1,942,742)</u>
Total deferred outflows of resources	<u>78,546,567</u>
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	(57,592,310)
Deferred inflows of resources related to pensions	(1,364,017)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to OPEB	4,682,033
Deferred inflows of resources related to pensions	<u>-</u>
Total deferred inflows of resources	<u>(54,274,294)</u>
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance, risk management, and information technology, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	<u>(7,945,625)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 557,931,945</u></u>

See accompanying Notes to the Basic Financial Statements.



**City of Redlands**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	Major Funds		Formerly Major Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Governmental Grants Special Revenue Fund	Public Facilities Development Special Revenue Fund		
<b>REVENUES:</b>					
Property taxes	\$ 41,713,771	\$ -		\$ 1,169,967	\$ 42,883,738
Sales and use taxes	47,629,644	-		-	47,629,644
Other taxes	2,676,553	-		-	2,676,553
Franchise fees	4,471,469	-		-	4,471,469
Licenses and permits	9,238,592	-		-	9,238,592
Fines and forfeitures	62,969	-		490,841	553,810
Intergovernmental	780,165	14,061,381		7,156,743	21,998,289
Charges for services	7,101,106	-		2,834,860	9,935,966
Investment income	5,647,723	1,118		1,267,444	6,916,285
Rents and leases	1,167,604	-		5,008	1,172,612
Miscellaneous	2,111,512	-		96,251	2,207,763
<b>Total revenues</b>	<b>122,601,108</b>	<b>14,062,499</b>		<b>13,021,114</b>	<b>149,684,721</b>
<b>EXPENDITURES:</b>					
Current:					
General government	23,972,409	12,008,843		971,270	36,952,522
Public safety	54,538,333	211,543		5,609,207	60,359,083
Culture and recreation	7,936,523	-		20,355	7,956,878
Highway and streets	4,796,525	-		1,716,779	6,513,304
Library	3,580,553	-		-	3,580,553
Capital outlay	14,505,154	683,003		8,705,928	23,894,085
Debt service:					
Principal	3,655,908	-		251,882	3,907,790
Interest and fiscal charges	387,035	-		243,428	630,463
<b>Total expenditures</b>	<b>113,372,440</b>	<b>12,903,389</b>		<b>17,518,849</b>	<b>143,794,678</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,228,668</b>	<b>1,159,110</b>		<b>(4,497,735)</b>	<b>5,890,043</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Inception of finance purchase agreement	3,668,445	-		-	3,668,445
Inception of lease liability	2,546,260	-		-	2,546,260
Transfers in	2,850,162	405		20,210,190	23,060,757
Transfers out	(18,074,687)	(63,649)		(7,838,130)	(25,976,466)
<b>Total other financing sources (uses)</b>	<b>(9,009,820)</b>	<b>(63,244)</b>		<b>12,372,060</b>	<b>3,298,996</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>218,848</b>	<b>1,095,866</b>		<b>7,874,325</b>	<b>9,189,039</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	110,957,841	(1,077,326)	(6,161,839)	25,545,526	129,264,202
Change with financial reporting entity (major to non major fund)	-	-	6,161,839	(6,161,839)	-
Beginning of year, as restated (Note 20)	110,957,841	(1,077,326)	-	19,383,687	129,264,202
End of year	<b>\$ 111,176,689</b>	<b>\$ 18,540</b>	<b>\$ -</b>	<b>\$ 27,258,012</b>	<b>\$ 138,453,241</b>

See accompanying Notes to the Basic Financial Statements.

**City of Redlands**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2024**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 9,189,039</b>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expenses. This is the amount of capital assets recorded in the current period (net of \$361,933 added in internal service funds) (\$105,936 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	23,894,085
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.	30,109,488
Depreciation/amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation/amortization expense, net of internal service funds of \$550,385, was not reported as expenditures in the Governmental Funds.	(10,427,180)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(1,911,827)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Lease liabilities	(2,546,260)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt (net of internal service funds principal payments of \$137,492)	3,907,790
Amortization of accreted interest	(47,462)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	4,332
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (net of \$10,915 deducted in internal service funds).	(657,630)
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(111,623)
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(2,814,648)
Changes in net pension liabilities	(7,271,505)
Changes in pension related deferred inflows of resources	4,323,676
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	(5,561,609)
Changes in total OPEB liabilities	12,262,219
Changes in OPEB related deferred inflows of resources	(12,036,267)
The internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance, risk management, and information technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	5,743,823
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 42,379,996</b>

## **Proprietary Funds Financial Statements**

***Water Fund*** - This fund is used to account for the activities of the City's water utility operations, projects, debt service costs, and impact fees of the City.

***Disposal Fund*** - This fund is used to account for the activities of the City's refuse disposal collection operations, projects, debt service costs, and impact fees of the City.

***Wastewater Fund*** - This fund is used to account for the activities of the City's wastewater utility operations, projects, debt service costs, and impact fees of the City.

***Internal Service Funds*** - These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

**City of Redlands**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 55,445,535	\$ 22,087,401	\$ 19,220,772
Accounts receivable, net	4,146,726	2,844,219	1,837,350
Taxes receivable	-	810	-
Interest receivable	228,862	91,170	79,338
Lease receivable - due within one year	96,323	-	-
Due from other governments	-	-	-
Prepaid items	10,208	275	5,102
Inventories	-	-	-
<b>Total current assets</b>	<b>59,927,654</b>	<b>25,023,875</b>	<b>21,142,562</b>
Noncurrent assets:			
Restricted cash and investments	696,278	-	-
Lease receivable - due in more than one year	1,663,622	-	-
Advances to other funds	487,867	707,929	-
Capital assets:			
Non-depreciable	23,137,263	34,217	11,518,711
Depreciable, net	107,835,235	8,941,853	39,815,932
<b>Total capital assets</b>	<b>130,972,498</b>	<b>8,976,070</b>	<b>51,334,643</b>
<b>Total noncurrent assets</b>	<b>133,820,265</b>	<b>9,683,999</b>	<b>51,334,643</b>
<b>Total assets</b>	<b>193,747,919</b>	<b>34,707,874</b>	<b>72,477,205</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to OPEB	5,055,117	3,347,072	1,998,651
Related to pensions	2,662,873	1,988,426	1,821,795
<b>Total deferred outflow of resources</b>	<b>7,717,990</b>	<b>5,335,498</b>	<b>3,820,446</b>

(Continued)

**City of Redlands**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2024**

	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 8,167,404	\$ 104,921,112	\$ 22,726,454
Accounts receivable, net	246,904	9,075,199	801,758
Taxes receivable	103	913	-
Interest receivable	33,713	433,083	91,211
Lease receivable - due within one year	131,176	227,499	-
Due from other governments	51,947	51,947	-
Prepaid items	-	15,585	232,050
Inventories	-	-	104,416
Total current assets	8,631,247	114,725,338	23,955,889
Noncurrent assets:			
Restricted cash and investments	-	696,278	-
Lease receivable - due in more than one year	503,028	2,166,650	-
Advances to other funds	-	1,195,796	-
Capital assets:			
Non-depreciable	15,366,091	50,056,282	-
Depreciable, net	2,973,424	159,566,444	960,158
Total capital assets	18,339,515	209,622,726	960,158
Total noncurrent assets	18,842,543	213,681,450	960,158
<b>Total assets</b>	27,473,790	328,406,788	24,916,047
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to OPEB	413,322	10,814,162	2,497,511
Related to pensions	402,737	6,875,831	1,942,742
<b>Total deferred outflow of resources</b>	816,059	17,689,993	4,440,253

(Continued)

**City of Redlands**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2024**

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,572,277	803,521	1,169,866
Accrued payroll	433,503	345,369	297,714
Interest payable	-	57,660	-
Deposits payable	1,560,817	28,755	5,705
Unearned revenue	-	313,175	-
Compensated absences - due within one year	288,267	154,515	166,984
Claims payable - due within one year	-	-	-
Long-term debt - due within one year	1,185,832	451,689	461,715
Total current liabilities	<u>5,040,696</u>	<u>2,154,684</u>	<u>2,101,984</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences - due in more than one year	288,266	154,515	166,983
Claims payable - due in more than one year	-	-	-
Long term debt - due in more than one year	6,916,655	4,002,963	363,808
Landfill closure	-	15,418,260	-
Total OPEB liability	20,671,204	9,913,592	8,537,898
Net pension liability	9,307,881	6,950,398	6,367,952
Total noncurrent liabilities	<u>37,184,006</u>	<u>36,439,728</u>	<u>15,436,641</u>
<b>Total liabilities</b>	<u>42,224,702</u>	<u>38,594,412</u>	<u>17,538,625</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to leases	1,645,026	-	-
Related to OPEB	6,436,221	5,795,839	2,893,814
<b>Total deferred inflows of resources</b>	<u>8,081,247</u>	<u>5,795,839</u>	<u>2,893,814</u>
<b>NET POSITION</b>			
Net investment in capital assets	122,870,011	4,521,418	50,509,120
Restricted:			
Debt service	462,600	-	-
Capital projects	5,000,000	12,595,507	1,296,116
Endowment - non-expendable	-	-	-
Total restricted	<u>5,462,600</u>	<u>12,595,507</u>	<u>1,296,116</u>
Unrestricted (deficit)	22,827,349	(21,463,804)	4,059,976
<b>Total net position (deficit)</b>	<u>\$ 151,159,960</u>	<u>\$ (4,346,879)</u>	<u>\$ 55,865,212</u>

(Continued)

**City of Redlands**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2024**

	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	125,734	3,671,398	1,330,006
Accrued payroll	69,518	1,146,104	914,825
Interest payable	678	58,338	-
Deposits payable	1,400,057	2,995,334	-
Unearned revenue	15,872	329,047	-
Compensated absences - due within one year	22,385	632,151	235,128
Claims payable - due within one year	-	-	7,716,737
Long-term debt - due within one year	72,996	2,172,232	69,767
<b>Total current liabilities</b>	<b>1,707,240</b>	<b>11,004,604</b>	<b>10,266,463</b>
Noncurrent liabilities:			
Advances from other funds	1,195,796	1,195,796	-
Compensated absences - due in more than one year	22,383	632,147	235,127
Claims payable - due in more than one year	-	-	7,716,736
Long term debt - due in more than one year	102,891	11,386,317	44,714
Landfill closure	-	15,418,260	-
Total OPEB liability	1,193,161	40,315,855	7,566,136
Net pension liability	1,407,736	24,033,967	6,790,716
<b>Total noncurrent liabilities</b>	<b>3,921,967</b>	<b>92,982,342</b>	<b>22,353,429</b>
<b>Total liabilities</b>	<b>5,629,207</b>	<b>103,986,946</b>	<b>32,619,892</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to leases	620,161	2,265,187	-
Related to OPEB	777,896	15,903,770	4,682,033
<b>Total deferred inflows of resources</b>	<b>1,398,057</b>	<b>18,168,957</b>	<b>4,682,033</b>
<b>NET POSITION</b>			
Net investment in capital assets	18,163,628	196,064,177	960,158
Restricted:			
Debt service	-	462,600	-
Capital projects	298,288	19,189,911	-
Endowment - non-expendable	110,741	110,741	-
<b>Total restricted</b>	<b>409,029</b>	<b>19,763,252</b>	<b>-</b>
Unrestricted (deficit)	2,689,928	8,113,449	(8,905,783)
<b>Total net position (deficit)</b>	<b>\$ 21,262,585</b>	<b>\$ 223,940,878</b>	<b>\$ (7,945,625)</b>

(Concluded)

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

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 27,009,859	\$ 20,764,912	\$ 13,144,186
Miscellaneous operating revenue	1,200,621	33,626	23,375
<b>Total operating revenues</b>	<b>28,210,480</b>	<b>20,798,538</b>	<b>13,167,561</b>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	7,868,779	6,465,818	5,640,342
General and administrative	8,612,822	14,161,251	4,419,660
Parts and supplies	5,445,261	922,560	2,093,932
Utilities	3,757,345	248,853	1,299,768
Depreciation/amortization	4,736,405	1,007,198	2,686,237
<b>Total operating expenses</b>	<b>30,420,612</b>	<b>22,805,680</b>	<b>16,139,939</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,210,132)</b>	<b>(2,007,142)</b>	<b>(2,972,378)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	3,133,824	1,237,599	1,024,765
Interest expense	(193,623)	(148,492)	(3,804)
Property taxes	-	-	-
Operating grants	30,595	33,972	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,970,796</b>	<b>1,123,079</b>	<b>1,020,961</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>760,664</b>	<b>(884,063)</b>	<b>(1,951,417)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>			
Capital contributions	2,014,529	197,199	1,516,510
Transfers in	292,640	-	-
Transfers out	(884,047)	(2,138,586)	(245,846)
<b>Total capital contributions and transfers</b>	<b>1,423,122</b>	<b>(1,941,387)</b>	<b>1,270,664</b>
<b>Changes in net position</b>	<b>2,183,786</b>	<b>(2,825,450)</b>	<b>(680,753)</b>
<b>NET POSITION (DEFICIT):</b>			
Beginning of year	148,976,174	(1,521,429)	56,545,965
End of year	<b>\$ 151,159,960</b>	<b>\$ (4,346,879)</b>	<b>\$ 55,865,212</b>

(Continued)



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

	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 2,498,887	\$ 63,417,844	\$ 21,294,014
Miscellaneous operating revenue	715,561	1,973,183	836,204
<b>Total operating revenues</b>	<b>3,214,448</b>	<b>65,391,027</b>	<b>22,130,218</b>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	1,167,612	21,142,551	5,888,024
General and administrative	2,158,995	29,352,728	10,270,294
Parts and supplies	379,911	8,841,664	6,220,901
Utilities	183,401	5,489,367	340,211
Depreciation/amortization	330,529	8,760,369	550,385
<b>Total operating expenses</b>	<b>4,220,448</b>	<b>73,586,679</b>	<b>23,269,815</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,006,000)</b>	<b>(8,195,652)</b>	<b>(1,139,597)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	444,977	5,841,165	1,146,158
Interest expense	(57,729)	(403,648)	(5,593)
Property taxes	104,411	104,411	-
Operating grants	49,550	114,117	-
<b>Total nonoperating revenues (expenses)</b>	<b>541,209</b>	<b>5,656,045</b>	<b>1,140,565</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(464,791)</b>	<b>(2,539,607)</b>	<b>968</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	139,006	3,867,244	-
Transfers in	406,357	698,997	6,151,403
Transfers out	(257,664)	(3,526,143)	(408,548)
<b>Total capital contributions and transfers</b>	<b>287,699</b>	<b>1,040,098</b>	<b>5,742,855</b>
<b>Changes in net position</b>	<b>(177,092)</b>	<b>(1,499,509)</b>	<b>5,743,823</b>
<b>NET POSITION (DEFICIT):</b>			
Beginning of year	21,439,677	225,440,387	(13,689,448)
End of year	<b>\$ 21,262,585</b>	<b>\$ 223,940,878</b>	<b>\$ (7,945,625)</b>

(Concluded)

**City of Redlands**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 26,533,094	\$ 20,840,564	\$ 13,094,827
Cash payments to suppliers for goods and services	(19,277,147)	(11,192,196)	(7,306,208)
Cash payments to employees for services	(6,803,254)	(5,272,174)	(4,636,859)
Receipts from other operating activities	1,200,621	33,626	23,375
<b>Net cash provided by (used in) operating activities</b>	<b>1,653,314</b>	<b>4,409,820</b>	<b>1,175,135</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants	30,595	33,972	-
Property taxes	35	(602)	-
Advances to other funds	142,136	29,684	-
Advances from other funds	-	-	-
Transfers from other funds	292,640	-	-
Transfers to other funds	(884,047)	(2,138,586)	(245,846)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(418,641)</b>	<b>(2,075,532)</b>	<b>(245,846)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(7,477,928)	(1,809,862)	(3,366,968)
Cash contributions received from developers	2,014,529	197,199	1,516,510
Inception of lease liability	1,307,582	184,995	349,282
Principal payment of long-term debt	(1,000,900)	(2,064,640)	(406,424)
Interest paid on debt	(193,623)	(182,393)	(3,803)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(5,350,340)</b>	<b>(3,674,701)</b>	<b>(1,911,403)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income (loss)	2,904,962	1,146,429	945,427
<b>Net cash (used in) investing activities</b>	<b>2,904,962</b>	<b>1,146,429</b>	<b>945,427</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,210,705)</b>	<b>(193,984)</b>	<b>(36,687)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	57,352,518	22,281,385	19,257,459
End of year	<u>\$ 56,141,813</u>	<u>\$ 22,087,401</u>	<u>\$ 19,220,772</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:</b>			
Cash and cash investments	\$ 55,445,535	\$ 22,087,401	\$ 19,220,772
Restricted cash and investments	696,278	-	-
<b>Total cash and cash equivalents</b>	<b><u>\$ 56,141,813</u></b>	<b><u>\$ 22,087,401</u></b>	<b><u>\$ 19,220,772</u></b>

(Continued)

**City of Redlands**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,210,132)	\$ (2,007,142)	\$ (2,972,378)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	4,736,405	1,007,198	2,686,237
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(368,488)	(103,426)	(48,937)
Prepaid items	(10,208)	(275)	(5,102)
Inventories	-	-	-
Lease receivable	93,575	-	-
Deferred outflows - OPEB related	641,724	655,093	294,123
Deferred outflows - pension related	389,226	184,927	74,161
Accounts payable	(1,451,511)	329,396	512,254
Accrued payroll	105,281	81,509	81,879
Deposits payable	(71,559)	263	(422)
Unearned revenue	(228)	178,815	-
Compensated absences	74,117	60,894	53,121
Claims payable	-	-	-
Landfill closure	-	3,811,347	-
Total OPEB liability	(1,414,871)	(1,444,348)	(648,483)
Net pension liability	45,890	355,076	614,425
Deferred inflows - lease related	(130,065)	-	-
Deferred inflows - OPEB related	1,388,801	1,417,733	636,533
Deferred inflows - pension related	(164,643)	(117,240)	(102,276)
Total adjustments	<u>3,863,446</u>	<u>6,416,962</u>	<u>4,147,513</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ 1,653,314</u></b>	<b><u>\$ 4,409,820</u></b>	<b><u>\$ 1,175,135</u></b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Contributed property, plant and equipment	\$ -	\$ 197,199	\$ -
<b>Total noncash capital and related financing activities</b>	<b><u>\$ -</u></b>	<b><u>\$ 197,199</u></b>	<b><u>\$ -</u></b>

**City of Redlands**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,685,998	\$ 63,154,483	\$ 20,550,593
Cash payments to suppliers for goods and services	(2,845,620)	(40,621,171)	(16,972,070)
Cash payments to employees for services	(1,022,310)	(17,734,597)	(4,522,000)
Receipts from other operating activities	715,561	1,973,183	836,204
<b>Net cash provided by (used in) operating activities</b>	<b>(466,371)</b>	<b>6,771,898</b>	<b>(107,273)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants	63,405	127,972	-
Property taxes	104,687	104,120	-
Advances to other funds	-	171,820	-
Advances from other funds	(155,729)	(155,729)	-
Transfers from other funds	406,357	698,997	6,151,403
Transfers to other funds	(257,664)	(3,526,143)	(408,548)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>161,056</b>	<b>(2,578,963)</b>	<b>5,742,855</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(131,176)	(12,785,934)	(397,859)
Cash contributions received from developers	139,006	3,867,244	-
Inception of lease liability	122,163	1,964,022	55,274
Principal payment of long-term debt	(55,438)	(3,527,402)	(137,492)
Interest paid on debt	(58,250)	(438,069)	(5,593)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>16,305</b>	<b>(10,920,139)</b>	<b>(485,670)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income (loss)	411,264	5,408,082	1,054,947
<b>Net cash (used in) investing activities</b>	<b>411,264</b>	<b>5,408,082</b>	<b>1,054,947</b>
<b>Net change in cash and cash equivalents</b>	<b>122,254</b>	<b>(1,319,122)</b>	<b>6,204,859</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	8,045,150	106,936,512	16,521,595
End of year	<u>\$ 8,167,404</u>	<u>\$ 105,617,390</u>	<u>\$ 22,726,454</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:</b>			
Cash and cash investments	\$ 8,167,404	\$ 104,921,112	\$ 22,726,454
Restricted cash and investments	-	696,278	-
<b>Total cash and cash equivalents</b>	<u>\$ 8,167,404</u>	<u>\$ 105,617,390</u>	<u>\$ 22,726,454</u>

(Continued)

**City of Redlands**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (1,006,000)	\$ (8,195,652)	\$ (1,139,597)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	330,529	8,760,369	550,385
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	101,115	(419,736)	(743,421)
Prepaid items	-	(15,585)	(64,635)
Inventories	-	-	(10,162)
Lease receivable	136,053	229,628	-
Deferred outflows - OPEB related	80,215	1,671,155	508,031
Deferred outflows - pension related	57,469	705,783	98,264
Accounts payable	(123,313)	(733,174)	26,553
Accrued payroll	13,525	282,194	237,993
Deposits payable	79,429	7,711	-
Unearned revenue	10,000	188,587	-
Compensated absences	10,996	199,128	55,457
Claims payable	-	-	(92,420)
Landfill closure	-	3,811,347	-
Total OPEB liability	(176,858)	(3,684,560)	(1,120,105)
Net pension liability	11,180	1,026,571	597,019
Deferred inflows - lease related	(139,486)	(269,551)	-
Deferred inflows - OPEB related	173,600	3,616,667	1,099,466
Deferred inflows - pension related	(24,825)	(408,984)	(110,101)
Total adjustments	<u>539,629</u>	<u>14,967,550</u>	<u>1,032,324</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ (466,371)</u></u>	<u><u>\$ 6,771,898</u></u>	<u><u>\$ (107,273)</u></u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Contributed property, plant and equipment	\$ 139,006	\$ 336,205	\$ -
<b>Total noncash capital and related financing activities</b>	<u><u>\$ 139,006</u></u>	<u><u>\$ 336,205</u></u>	<u><u>\$ -</u></u>

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## **Fiduciary Funds Financial Statements**

***Community Facility District Custodial Fund*** - This fund accounts for the collection and subsequent expenditure retained for various community facility districts.

***RDA Successor Agency Private Purpose Trust Fund*** - This fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated. The fund was closed due to the dissolution of the RDA Successor Agency during the year ended June 30, 2024.

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**City of Redlands**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

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	Community Facilities District Custodial Fund	RDA Successor Agency Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and investments	\$ 650	\$ -
Restricted cash and investments with fiscal agent	3,139,368	-
<b>Total assets</b>	<b>3,140,018</b>	<b>-</b>
<b>LIABILITIES</b>		
Accounts payable	3,201	-
<b>Total liabilities</b>	<b>3,201</b>	<b>-</b>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	3,136,817	-
<b>Total net position</b>	<b>\$ 3,136,817</b>	<b>\$ -</b>

**City of Redlands**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

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	Community Facilities District Custodial Fund	RDA Successor Agency Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Fee collections for other governments	\$ 1,568,821	\$ -
Investment income (loss)	127	(16,576)
Contribution from City	-	409,436
<b>Total additions</b>	1,568,948	392,860
<b>DEDUCTIONS:</b>		
Administration	26,065	23,284
Contractual services	3,201	-
Conduit debt payment - principal	965,000	-
Conduit debt payment - interest	532,756	-
<b>Total deductions</b>	1,527,022	23,284
<b>Change in net position</b>	41,926	369,576
<b>NET POSITION (DEFICIT):</b>		
Beginning of year	3,094,891	(369,576)
End of year	\$ 3,136,817	\$ -

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**City of Redlands**  
**Index of Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**City of Redlands**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of the City of Redlands, California (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below.

**A. Financial Reporting Entity**

The City is a municipal corporation governed by a five-member city council with the mayor elected by the council itself. The City was incorporated in 1888 under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City provides the following services: police; building inspection; parks and streets; water; disposal; sanitation; leisure services; planning and zoning; general administration services; aviation; and redevelopment.

**Blended Component Units**

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government’s operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

**Redlands Public Improvement Corporation**

The Redlands Public Improvement Corporation (“Corporation”) was organized in June 1985 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California, solely for the purpose of providing financial assistance to the City by acquiring, constructing, improving, developing and installing certain real and personal property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The corporation was formed at the request of the City and the directors receive no compensation. The corporation is presented as a governmental fund type.

**Redlands Joint Powers Financing Authority (JPFA)**

The Redlands Financing Authority (“Authority”) was established May 1, 1999, pursuant to the Joint Exercise of Powers Laws of the State of California. The Authority was created by the former Redevelopment Agency and the City for the primary purpose of assisting the financing of capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits. No separate annual financial statements are prepared for the Authority.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**A. Financial Reporting Entity (Continued)**

**Related Organizations**

The City of Redlands' officials are also responsible for appointing members of the boards of other organizations, but the City of Redlands' accountability for these organizations does not extend beyond making the appointments. The board of the Friends of the A.K. Smiley Public Library and the Redlands Historical Museum Association are appointed by the City Council.

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

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

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

The following interfund activities have been eliminated:

- Due to/from other funds
- Advance to/from other funds
- Due to City/from Fiduciary Funds
- Transfers in/out

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues.

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

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

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Redlands, these services include general government, public safety, culture and recreation, highway and streets, and library.

Governmental Grants Special Revenue Fund - This fund accounts for the receipt and expenditure of grant monies received from various agencies for general government projects.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include funds which provide services directly to other City funds.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

Water Fund - This fund is used to account for the activities of the City's water utility operations, projects, debt service costs, and impact fees of the City.

Disposal Fund - This fund is used to account for the activities of the City's refuse disposal collection operations, projects, debt service costs, and impact fees of the City.

Wastewater Fund - This fund is used to account for the activities of the City's wastewater utility operations, projects, debt service costs, and impact fees of the City.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

General Liability Self-Insurance Fund - This fund is used to account for the City's self-insured general and automobile liability programs, which are provided to all City departments and funds.

Information Technology Fund - This fund is used to account for the general maintenance and service of all City computers and phone equipment provided to all City departments.

Workers' Compensation Self-Insurance Fund - This fund is used to account for the City's self-insured Workers' Compensation and General Safety Programs, which are provided to all City departments and funds.

Equipment Maintenance Fund - This fund is used to account for providing ongoing maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

**Proprietary Fund Financial Statements (Continued)**

Utility Billing Fund - This fund is used to account for billing services costs provided for water, sewer, and solid waste.

Payroll Clearing Fund - This fund is used to account for the City's reoccurring payroll obligations.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Community Facilities Districts, which do not have trust agreements with the City.

The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City of Redlands. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

**Successor Agency of the Redevelopment Agency for the City of Redlands**

The Redevelopment Obligation Retirement Fund was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Redevelopment Agency (RDA). The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund. In February 2015, the California Department of Finance (Finance) approved the City's revised Long-Range Property Management Plan (LRPMP), with the assets deemed for governmental use and future development.

***C. Deferred Outflows and Inflows of Resources***

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. *Deferred Outflows and Inflows of Resources (Continued)***

*Deferred Outflows of Resources* represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

*Deferred Inflows of Resources* represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**D. *Cash, Cash Equivalents and Investments***

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

Investments are reported in the accompanying financial statements at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year, and may result in negative investment income in the accompanying financial statements. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Cash, Cash Equivalents and Investments (Continued)***

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

***E. Restricted Cash and Investments***

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, and to meet bond indenture debt reserve requirements.

***F. Receivables***

Customer or trade receivables are reported as “accounts receivable” and are shown net of an allowance for uncollectible accounts based on historical and management estimates.

Noncurrent portions of long-term receivables (e.g., “notes receivable”) due to governmental fund types are reported in their respective balance sheets despite their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term notes receivable are offset by restricted fund balance in the special revenue funds.

***G. Interfund Transactions***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

***H. Inventories and prepaid items***

Inventory, consisting of expendable supplies, is valued at first in first out basis. The cost of governmental funds inventory is recorded as expenditure at the time the individual inventory is consumed. Prepaid items are recorded at cost. Using the consumption method, prepaid items are recorded as expenditures over the period that service is provided. Reported inventory and prepaid items are equally offset by a fund balance reservation, which indicates that they do not constitute “available spendable resources” even though they are a component of current assets.

***I. Leases***

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 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.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**I. Leases (Continued)**

Lessee (Continued)

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

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 noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along 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 leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are 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 inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

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

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

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.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***J. Subscription-Based Information Technology Arrangements (SBITAs)***

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in the government-wide financial statements with an initial, individual value of \$25,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

***K. Capital Assets***

Capital assets, which include land, rights of way, structures, equipment, and infrastructure assets, the right to use leased equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost (except for intangible right-to-use lease assets) or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The City utilizes a capitalization threshold of \$5,000 depending on asset type.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Contributed capital assets are valued at their estimated acquisition value at the date of contribution.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**K. Capital Assets (Continued)**

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds.

Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class is as follows:

Asset Type	Years
Infrastructure	20-75
Buildings and improvement	10-40
Machinery, equipment, and vehicles	3-25
Lease and subscription assets	Contract term

**L. Long-Term Debt**

**Government-Wide Financial Statements and Proprietary Fund Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

**Governmental Fund Financial Statements**

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of 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. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Compensated Absences**

A total of 10 to 25 days of vacation and 12 days of sick leave per year may be accumulated by each employee. The City accrues a liability for compensated absences which meets the following criteria:

- 1) The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- 2) The obligation relates to rights that vest or accumulate. Payment of the compensation is probable.
- 3) The amount can be reasonably estimated.

**Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

**Fund Financial Statements**

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***N. Claims and Judgments Payable***

The short-term and long-term workers' compensation claims liability is reported in the Workers' Compensation Insurance Internal Service Fund. The short-term and long-term general claims liability is reported in the Comprehensive Liability Insurance Internal Service Fund. The short-term liability which will be liquidated with current financial resources is the amount of settlement reached, but unpaid, related to claims and judgments entered. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, federal and state grants.

***O. Pension Plans***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 11). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

***P. Other Postemployment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 12). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the OPEB liability related to the City's governmental activities while the OPEB liability for Business-type activities is liquidated from the respective Enterprise Funds.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***P. Other Postemployment Benefits (OPEB) (Continued)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 12). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the OPEB liability related to the City's governmental activities while the OPEB liability for Business-type activities is liquidated from the respective Enterprise Funds.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

***Q. Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds.

***R. Fund Balances***

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

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

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

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The County Council is considered the highest authority for the City. A City Council resolution is required to have fund balance committed.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has not delegated the authority to assign fund balance to management.

*Unassigned* – This category is for any balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**R. Fund Balances (Continued)**

*Fund Balance Flow Assumptions*

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 order to calculate the amounts to report as restricted and unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted 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 and then unassigned fund balance.

*Net Position Flow Assumption*

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

*Stabilization Arrangement*

As described in Chapter 3.06 of the Municipal Code, the City has established a stabilization arrangement committing a minimum of 12 percent of the sum of the General Fund's operating expenses and operating transfers out. The balance at June 30, 2024, is \$9,794,310 and is included in committed fund balance. These funds may be used only when the City is faced with an unforeseen or uncontrollable event which includes but is not limited to:

- 1) Local revenue shortfalls due to a major business closure or relocation.
- 2) Legislative or judicial mandates to provide new or expanded services or programs that, in total, cost the City \$200,000 or more.
- 3) Natural and civil disasters such as earthquakes, fires, floods, riots and health epidemics.

**S. Net Position**

For the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.

Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**S. Net Position (Continued)**

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources that are needed.

**T. Property Taxes**

With the passage of Proposition 13 in 1978 (Article XIII A, California State Constitution), property taxes are limited to one percent of market value, plus additional taxes for repayment of existing or subsequent voter- approved indebtedness. Under Article XIII A, the market value of taxable property is subject to a maximum annual increase of two percent. Market value may be appraised at significantly more than two percent depending on other factors such as improvements, sale or change of ownership. The City receives a portion of the one percent general tax levy which is shared by several other local governments including the county and the school district. The City's share is based on a formula prescribed in Section 26912(b) of the Government Code. The county apportions property taxes to the City on a scheduled basis which generally adheres to the actual tax collection periods. The tax lien date is January 1 of each year and covers the ensuing fiscal year's tax returns. The tax levy date is from July 1 to June 30 of each year. The first installment becomes due on November 1 with penalties and interest accruing after December 10. The second installment is due no later than April 10.

**U. Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, in some cases when applicable, that affect the amounts in the financial statements and the accompanying notes. Actual results could differ from the estimates.

**V. Implementation of New GASB Pronouncements for the Year Ended June 30, 2024**

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2024. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

**GASB Statement No. 100** – In June 2022, 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. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2024.

**W. Upcoming Government Accounting Standards Implementations**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

**GASB Statement No. 101** – In June 2022, 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. Application of this statement is effective for the City's fiscal year ending June 30, 2025.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**W. Upcoming Government Accounting Standards Implementations (Continued)**

**GASB Statement No. 102** – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

**GASB Statement No. 103** – In April 2024, 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. Application of this statement is effective for the City’s fiscal year ending June 30, 2026.

**GASB Statement No. 104** – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City’s fiscal year ending June 30, 2026.

**Note 2 – Cash and Investments**

Cash and investments are presented in the accompanying financial statements at June 30, 2024, as follows:

	<b>Government-Wide Statement of Net Position</b>			<b>Fiduciary Funds</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Statement of Net Position</b>	<b>Total</b>
Cash and investments	\$ 165,954,022	\$ 104,921,112	\$ 270,875,134	\$ 650	\$ 270,875,784
Cash and investments with fiscal agent	237,153	696,278	933,431	3,139,368	4,072,799
<b>Total cash and investments</b>	<b>\$ 166,191,175</b>	<b>\$ 105,617,390</b>	<b>\$ 271,808,565</b>	<b>\$ 3,140,018</b>	<b>\$ 274,948,583</b>

Cash and investments at June 30, 2024, consisted of the following:

<b>Cash:</b>	
Cash on hand	\$ 3,950
Deposits with financial institutions	46,847,550
<b>Total cash</b>	<b>46,851,500</b>
<b>Investments:</b>	
Investments	224,024,284
Investments held by bond trustee	4,072,799
<b>Total investments</b>	<b>228,097,083</b>
<b>Total cash and investments</b>	<b>\$ 274,948,583</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 2 – Cash and Investments (Continued)**

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees.

**A. Demand Deposits**

The carrying amounts of the City’s demand deposits were \$46,847,550 at June 30, 2024. Bank balances were \$48,533,537 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**B. Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy.

Authorized Investment Types	Authorized By Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	30%
Repurchase Agreements	Yes	7 days	None	None
Reverse Repurchase Agreements	No	92 days	None	None
Medium-Term Notes	Yes	5 years	15%	15%
Mutual Funds	Yes	N/A	10%	10%
Money Market Mutual Funds	Yes	N/A	10%	10%
Mortgage Pass-Through Securities	No	5 years	None	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	\$75 Million**	None
JPA Pools (other investment pools)	Yes	N/A	None	None

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

\*\* Limit set by LAIF governing Board not California Government Code

In accordance with the City's investment policy, a maximum of 25% of the City's investment portfolio may be invested for more than 5 years, not to exceed 10 years.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 2 – Cash and Investments (Continued)**

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

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

**C. Investments Authorized by Debt Agreements**

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

<u>Authorized Investment Types</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	40%	30%	30%
Commercial Paper	270 days	15%	15%	15%
Money Market Mutual Funds	N/A	None	None	None
Investment Contracts	30 years	None	None	None

**D. Fair Value Measurement**

At June 30, 2024, investments, excluding restricted cash and investments held by fiscal agent, are reported at fair value based on quoted market prices. The following table presents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024:

<b>Investments measured by fair value level:</b>	<b>Total at June 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>
Federal Agency Securities	\$ 96,918,822	\$ -	\$ 96,918,822
Corporate Bonds	26,165,462	-	26,165,462
Negotiable Certificates of Deposit	12,656,381	-	12,656,381
Municipal Bonds	9,444,718	-	9,444,718
U.S. Treasury Notes	6,636,590	6,636,590	-
<b>Total investments by fair value level</b>	<b>151,821,973</b>	<b>\$ 6,636,590</b>	<b>\$ 145,185,383</b>
<b>Investments not subject to the fair value hierarchy:</b>			
Local Agency Investment Fund	31,825,662		
California Asset Management Program	40,376,649		
Money market mutual funds	4,072,799		
<b>Total investments not subject to the fair value hierarchy</b>	<b>76,275,110</b>		
<b>Total investments</b>	<b>\$ 228,097,083</b>		

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure**

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Medium term notes: quoted prices for similar securities in active markets; and
- Asset-backed securities: recent appraisals of the asset value.

**Disclosures Relating to Interest Rate Risk**

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

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	37 to 48 Months	More than 48 Months	Total
<i>Held by City:</i>						
Federal Agency Securities	\$ 25,423,051	\$ 32,342,843	\$ 31,254,488	\$ 7,898,440	\$ -	\$ 96,918,822
Corporate Bonds	10,813,930	7,589,952	4,857,250	2,904,330	-	26,165,462
Negotiable Certificates of Deposit	4,137,745	3,527,617	2,808,290	2,182,730	-	12,656,381
Municipal Bonds	3,992,758	2,824,901	942,840	1,684,219	-	9,444,718
U.S. Treasury Notes	1,956,070	2,840,870	1,839,650	-	-	6,636,590
Local Agency Investment Fund	31,825,662	-	-	-	-	31,825,662
California Asset Management Program	40,376,649	-	-	-	-	40,376,649
<i>Held by Trustees:</i>						
Money Market Funds	4,072,799	-	-	-	-	4,072,799
<b>Total investments</b>	<b>\$122,598,664</b>	<b>\$ 49,126,183</b>	<b>\$ 41,702,518</b>	<b>\$ 14,669,719</b>	<b>\$ -</b>	<b>\$ 228,097,083</b>



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure (Continued)**

**Disclosures Relating to Credit Risk**

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

Investment Type	Total	Minimum Legal Rating	AA+/ AA/AA-	A+/A/A-	AAA/AAAm	Not Rated
<i>Held by City:</i>						
Federal Agency Securities	\$ 96,918,822	N/A	\$ 34,105,317	\$ -	\$ 2,424,205	\$ 60,389,300
Corporate Bonds	26,165,462	A	5,933,840	16,341,262	3,890,360	-
Negotiable Certificates of Deposit	12,656,381	N/A	-	-	-	12,656,381
Municipal Bonds	9,444,718	A	6,319,704	942,840	-	2,182,174
<i>Held by Trustee:</i>						
Money Market Funds	4,072,799		-	-	-	4,072,799
<b>Total Rated Investments</b>	<b>149,258,182</b>		<b>\$ 46,358,861</b>	<b>\$ 17,284,102</b>	<b>\$ 6,314,565</b>	<b>\$ 79,300,654</b>
<i>Not rated:</i>						
Local Agency Investment Fund	31,825,662	N/A				
California Asset Management Program	40,376,649	N/A				
<i>Exempt from credit rating disclosure:</i>						
U.S. Treasury Notes	6,636,590	N/A				
<b>Total investments</b>	<b>\$228,097,083</b>					

**Disclosure Relating to Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percentage of Portfolio
Federal Home Loan Bank	Federal Agency Securities	\$ 57,645,844	25.27%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	18,549,900	8.13%
Federal Farm Credit Bank	Federal Agency Securities	13,425,970	5.89%

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Cash and Investments (Continued)**

***E. Risk Disclosure (Continued)***

**Disclosures Relating to Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the City’s deposits (bank balances) were collateralized under California Law.

***F. Investment in State Investment Pool***

The City is a participant in the Local Agency Investment Fund (“LAIF”) which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2024 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

*Structured Notes* are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities*, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2024, the City had \$31,825,662 invested in LAIF, which had invested 3.00% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where fair value is not readily available. The City valued its investments in LAIF as of June 30, 2024, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The fair value of the City’s position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2024.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 2 – Cash and Investments (Continued)**

**G. California Asset Management Program**

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2024 was \$20.0 billion, respectively. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the City’s position in the pool. At June 30, 2024 the amortized cost approximates the City’s cost.

**Note 3 – Lease Receivable**

**A. Governmental Activities**

The portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 1 to 30 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2024, the City recognized \$975,428 in lease revenue and \$42,393 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	Balance			Balance June 30, 2024	Classification	
	July 1, 2023	Additions	Deletions		Due within One Year	Due in More Than One Year
Leases receivable	\$ 4,445,199	\$ 135,047	\$ (1,970,072)	\$ 2,610,174	\$ 376,633	\$ 2,233,541

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 376,633	\$ 34,331	\$ 410,964
2026	477,479	29,939	507,418
2027	377,867	25,728	403,595
2028	204,064	22,493	226,557
2029	124,929	20,162	145,091
2030 - 2034	426,297	77,647	503,944
2035 - 2039	354,664	42,722	397,386
2040 - 2044	268,241	9,973	278,214
<b>Total</b>	<b>\$ 2,610,174</b>	<b>\$ 262,995</b>	<b>\$ 2,873,169</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 3 – Lease Receivable (Continued)**

**A. Governmental Activities (Continued)**

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

<b>Year Ending June 30,</b>	<b>Amortization Schedule</b>
2025	\$ 396,100
2026	484,977
2027	381,459
2028	206,524
2029	128,781
2030 - 2034	413,812
2035 - 2039	274,398
2040 - 2044	160,268
<b>Total</b>	<b>\$ 2,446,319</b>

**B. Business-Type Activities**

The portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 30 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2024, the City recognized \$269,551 in lease revenue and \$43,981 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	<b>Balance</b>			<b>Balance June 30, 2024</b>	<b>Classification</b>	
	<b>July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>		<b>Due within One Year</b>	<b>Due in More Than One Year</b>
Leases receivable	\$ 2,623,777	\$ -	\$ (229,628)	\$ 2,394,149	\$ 227,499	\$ 2,166,650

As of June 30, 2024, the required payments for these leases, including interest, are:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 227,499	\$ 40,580	\$ 268,079
2026	216,649	37,180	253,829
2027	230,833	33,632	264,465
2028	236,592	29,925	266,517
2029	236,377	26,126	262,503
2030-2034	392,399	98,186	490,585
2035-2039	247,716	74,278	321,994
2040-2044	327,757	45,521	373,278
2045-2048	278,327	10,075	288,402
<b>Total</b>	<b>\$ 2,394,149</b>	<b>\$ 395,503</b>	<b>\$ 2,789,652</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 3 – Lease Receivable (Continued)**

**B. Business-Type Activities (Continued)**

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

<u>Year Ending June 30,</u>	<u>Amortization Schedule</u>
2025	\$ 262,776
2026	242,451
2027	242,451
2028	242,451
2029	236,567
2030 - 2034	417,953
2035 - 2039	231,256
2040 - 2044	231,256
2045 - 2048	158,026
<b>Total</b>	<b>\$ 2,265,187</b>

**Note 4 – Loan Receivable**

On March 5, 2024, the City entered into a loan agreement with the Museum of Redlands (the “Museum”) in the amount of \$1,000,000 to fund the completion of certain improvements associated with the proposed “Museum of Redlands”. The loan bears an annual interest rate of 4% and repayment of the loan principal and interest accrued on the unpaid principal balance is due on or before March 5, 2026. On May 7, 2024, the City entered into a loan agreement with the Museum in the amount of \$2,000,000 to fund the completion of certain improvements associated with the proposed “Museum of Redlands”. The loan will be repaid through grant funding secured by the Museum from the State of California. The loan bears an annual interest rate of 0% and repayment of the loan principal is due upon receipt of the grant funding or before May 1, 2027. At June 30, 2024, the outstanding balance of the loan receivable was \$3,012,822.

**Note 5 – Interfund Receivables, Payables, and Transfers**

**A. Due To / From Other Funds**

At June 30, 2024, the City reported a short term cash flow borrowing of \$9,164 between the General Fund and the Transportation Development Act Special Revenue Fund to cover deficit cash positions.

**B. Advance From / From Other Funds**

As of June 30, 2024, advances to/from other funds were as follows:

Advances To	Advances From	Amount
Water Enterprise Fund	Cemetery Enterprise Fund	\$ 487,867
Disposal Enterprise Fund	Aviation Enterprise Fund	707,929
	<b>Total</b>	<b>\$ 1,195,796</b>

The Water Enterprise Fund and Disposal Enterprise Fund advanced the Cemetery and Aviation Enterprise Funds a total of \$1,195,796 to provide funding for capital expenditures.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 5 – Interfund Receivables, Payables, and Transfers (Continued)**

**C. Transfers**

Interfund transfers during the year ended June 30, 2024, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Governmental Grants Special Revenue Fund	\$ 63,649	Program subsidy
General Fund	State Gas Tax Special Revenue Fund	1,980,462	Capital projects
General Fund	Traffic Safety Special Revenue Fund	155,962	Program subsidy
General Fund	Water Enterprise Fund	268,701	Program subsidy
General Fund	Water Enterprise Fund	212,934	Fixed Asset Transfer
General Fund	Disposal Enterprise Fund	67,102	Program subsidy
General Fund	Disposal Enterprise Fund	36,297	Program subsidy
General Fund	Wastewater Service Enterprise Fund	28,758	Program subsidy
General Fund	Equipment Maintenance Internal Service Fund	36,297	Fixed Asset Transfer
	<b>Subtotal</b>	<b>2,850,162</b>	
Governmental Grants Special Revenue Fund	General Fund	405	Program subsidy
Emergency Service Special Revenue Fund	General Fund	4,185,998	Program subsidy
Downtown Redlands Business Area Special Revenue Fund	General Fund	103,306	Program subsidy
Parking Authority Special Revenue Fund	General Fund	18,653	Program subsidy
Landscape Maintenance District Special Revenue Fund	General Fund	6,200	Program subsidy
Public Facilities Development Special Revenue Fund	General Fund	7,690,541	Forgiveness of advance
Safety Hall Replacement Capital Projects Fund	General Fund	257,547	Capital projects
Water Service Enterprise Fund	General Fund	34,976	Capital projects
Groves Enterprise Fund	General Fund	200,658	Capital projects
General Liability Self-Insurance Internal Service Fund	General Fund	5,576,403	Reserve funding
	<b>Subtotal</b>	<b>18,074,687</b>	
PARIS Special Revenue Fund	State Gas Tax Special Revenue Fund	1,837,555	Capital projects
PARIS Special Revenue Fund	Measure I Special Revenue Fund	3,733,391	Capital projects
PARIS Special Revenue Fund	Water Enterprise Fund	102,412	Capital projects
PARIS Special Revenue Fund	Disposal Enterprise Fund	1,885,248	Capital projects
PARIS Special Revenue Fund	Wastewater Service Enterprise Fund	17,088	Capital projects
	<b>Subtotal</b>	<b>7,575,694</b>	
Groves Enterprise Fund	CFD 2004-1 Assessment Special Revenue Fund	130,760	Capital projects
Groves Enterprise Fund	Disposal Enterprise Fund	74,939	Capital projects
	<b>Subtotal</b>	<b>205,699</b>	
General Liability Self-Insurance Internal Service Fund	Water Enterprise Fund	300,000	Reserve funding
General Liability Self-Insurance Internal Service Fund	Disposal Enterprise Fund	75,000	Reserve funding
General Liability Self-Insurance Internal Service Fund	Wastewater Service Fund	200,000	Reserve funding
	<b>Subtotal</b>	<b>575,000</b>	
Water Enterprise Fund	Non-Potable Water Enterprise Fund	257,664	Fixed asset transfer
General Debt Service Fund	Payroll Clearing Internal Service Fund	372,251	Debt service - pension bonds
	<b>Total</b>	<b>\$ 29,911,157</b>	

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 6 – Capital Assets**

**A. Governmental Activities**

The summary of changes in governmental activities capital assets for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 40,956,320	\$ 750,962	\$ -	\$ -	\$ 41,707,282
Water rights	408,125	-	-	-	408,125
Right of way	337,105,665	29,757,212	-	-	366,862,877
Construction in progress	11,404,751	8,062,518	-	(3,159,364)	16,307,905
Total capital assets, not being depreciated	<u>389,874,861</u>	<u>38,570,692</u>	<u>-</u>	<u>(3,159,364)</u>	<u>425,286,189</u>
Capital assets, being depreciated/amortized:					
Infrastructure	272,359,117	10,990,335	(3,202,795)	2,665,761	282,812,418
Building and improvements	61,847,805	492,919	-	383,812	62,724,536
Machinery, equipment and vehicles	26,468,907	1,258,293	(2,354,010)	109,791	25,482,981
Lease assets - buildings and improvements	53,177	-	-	-	53,177
Lease assets - machinery, equipment and vehicles	1,235,547	3,089,193	-	-	4,324,740
Subscription assets	593,542	-	(170,606)	-	422,936
Total capital assets, being depreciated/amortized	<u>362,558,095</u>	<u>15,830,740</u>	<u>(5,727,411)</u>	<u>3,159,364</u>	<u>375,820,788</u>
Accumulated depreciation/amortization:					
Infrastructure	(111,741,859)	(6,262,854)	1,290,968	-	(116,713,745)
Building and improvements	(24,247,751)	(2,349,967)	-	-	(26,597,718)
Machinery, equipment and vehicles	(20,089,407)	(1,603,453)	2,354,010	-	(19,338,850)
Lease assets - buildings and improvements	(17,726)	(8,863)	-	-	(26,589)
Lease assets - machinery, equipment and vehicles	(443,236)	(547,940)	-	-	(991,176)
Subscription assets	(228,860)	(204,488)	170,606	-	(262,742)
Total accumulated depreciation/amortization	<u>(156,768,839)</u>	<u>(10,977,565)</u>	<u>3,815,584</u>	<u>-</u>	<u>(163,930,820)</u>
Total capital assets, being depreciated/amortized, net	<u>205,789,256</u>	<u>4,853,175</u>	<u>(1,911,827)</u>	<u>3,159,364</u>	<u>211,889,968</u>
Total capital assets, net	<u>\$ 595,664,117</u>	<u>\$ 43,423,867</u>	<u>\$ (1,911,827)</u>	<u>\$ -</u>	<u>\$ 637,176,157</u>

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

General government	\$ 874,649
Public safety	1,008,821
Culture and recreation	1,311,127
Highway and streets	7,232,583
Internal service funds	550,385
<b>Total depreciation/amortization expense</b>	<u><u>\$ 10,977,565</u></u>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 6 – Capital Assets (Continued)**

**B. Business-Type Activities**

The summary of changes in business-type activities capital assets for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 28,069,057	\$ -	\$ -	\$ -	\$ 28,069,057
Water rights	9,884,095	-	(91,100)	-	9,792,995
Construction in progress	8,463,598	5,735,369	(7,500)	(1,997,237)	12,194,230
Total capital assets, not being depreciated	<u>46,416,750</u>	<u>5,735,369</u>	<u>(98,600)</u>	<u>(1,997,237)</u>	<u>50,056,282</u>
Capital assets, being depreciated/amortized:					
Infrastructure	205,766,544	3,040,084	(56,960)	1,986,605	210,736,273
Building and improvements	122,661,207	538,923	-	10,632	123,210,762
Machinery, equipment and vehicles	24,096,435	1,373,875	(501,738)	-	24,968,572
Lease assets - buildings and improvements	53,178	-	-	-	53,178
Lease assets - machinery, equipment and vehicles	567,912	2,233,718	-	-	2,801,630
Subscription assets	107,285	-	(107,285)	-	-
Total capital assets, being depreciated/amortized	<u>353,252,561</u>	<u>7,186,600</u>	<u>(665,983)</u>	<u>1,997,237</u>	<u>361,770,415</u>
Accumulated depreciation/amortization:					
Infrastructure	(93,902,934)	(3,594,944)	19,525	-	(97,478,353)
Buildings and improvements	(82,466,619)	(3,080,579)	-	-	(85,547,198)
Machinery, equipment and vehicles	(17,546,156)	(1,754,407)	501,738	-	(18,798,825)
Lease assets - buildings and improvements	(17,726)	(8,863)	-	-	(26,589)
Lease assets - machinery, equipment and vehicles	(82,740)	(270,266)	-	-	(353,006)
Subscription assets	(55,975)	(51,310)	107,285	-	-
Total accumulated depreciation/amortization	<u>(194,072,150)</u>	<u>(8,760,369)</u>	<u>628,548</u>	<u>-</u>	<u>(202,203,971)</u>
Total capital assets, being depreciated/amortized, net	<u>159,180,411</u>	<u>(1,573,769)</u>	<u>(37,435)</u>	<u>1,997,237</u>	<u>159,566,444</u>
Total capital assets, net	<u>\$ 205,597,161</u>	<u>\$ 4,161,600</u>	<u>\$ (136,035)</u>	<u>\$ -</u>	<u>\$ 209,622,726</u>

Depreciation and amortization expense were charged to the funds of the business-type activities as follows:

Water Fund	\$ 4,736,405
Disposal Fund	1,007,198
Wastewater Fund	2,686,237
Groves Fund	31,780
Non-Potable Water Fund	8,149
Cemetery Fund	67,515
Aviation Fund	223,085
<b>Total depreciation/amortization expense</b>	<u><u>\$ 8,760,369</u></u>



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 7 – Long-Term Liabilities**

**A. Governmental Activities**

A summary of changes in the long-term liabilities of the governmental activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Public borrowings:						
Taxable Pension Funding Bonds	\$ 4,770,000	\$ -	\$ (185,000)	\$ 4,585,000	\$ 200,000	\$ 4,385,000
less: accreted interest	(162,522)	-	47,462	(115,060)	-	(115,060)
Total taxable pension funding bonds	4,607,478	-	(137,538)	4,469,940	200,000	4,269,940
Direct borrowings:						
Notes payable:						
I-Bank Sports Park	1,154,446	-	(66,882)	1,087,564	68,988	1,018,576
Finance Purchase Agreements	3,204,120	3,668,445	(3,170,919)	3,701,646	154,364	3,547,282
Total notes payable	4,358,566	3,668,445	(3,237,801)	4,789,210	223,352	4,565,858
Lease liability	832,107	2,601,534	(492,096)	2,941,545	804,071	2,137,474
Subscription liability	185,429	-	(130,385)	55,044	55,044	-
<b>Total</b>	<b>\$ 9,983,580</b>	<b>\$ 6,269,979</b>	<b>\$ (3,997,820)</b>	<b>\$ 12,255,739</b>	<b>\$ 1,282,467</b>	<b>\$ 10,973,272</b>

**2007 Taxable Pension Funding Bonds**

On August 1, 2007, the City issued \$25,862,392 of 2007 Taxable Pension Funding Bonds to refund the City's obligation to PERS, reimburse the City for its payment of a portion of its fiscal year ended 2008 unfunded liability and pay the costs of issuance of the bonds. Interest is payable February 1 and August 1 of each year commencing on February 1, 2008. Interest rate is 5.233 percent with annual principal payments plus accreted value commencing February 1, 2008 through February 1, 2037. The amount outstanding at June 30, 2024, is \$4,585,000.

The annual debt service requirements on 2007 Taxable Pension Funding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 200,000	\$ 207,455	\$ 407,455
2026	215,000	207,455	422,455
2027	230,000	207,455	437,455
2028	250,000	207,455	457,455
2029	265,000	204,799	469,799
2030-2034	1,805,000	767,408	2,572,408
2035-2037	1,620,000	149,321	1,769,321
<b>Subtotal</b>	<b>4,585,000</b>	<b>1,951,348</b>	<b>6,536,348</b>
Less: accreted interest	(115,060)	-	(115,060)
<b>Total</b>	<b>\$ 4,469,940</b>	<b>\$ 1,951,348</b>	<b>\$ 6,421,288</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 7 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**I-Bank Sports Park Note Payable**

On December 1, 2006, the City entered into this agreement for the purpose of obtaining additional funds to complete the Sports Park project. The City has agreed to pay the amount over thirty years commencing on the date of the lease, which carries an annual interest rate of 3.15 percent with principal and interest payments due every six months starting August 1, 2007, and the final payment to be made on August 1, 2036. The City pledged the Community Center to obtain this loan with I-Bank. At June 30, 2024, the outstanding balance of the I-Bank Sports Park Lease Liability balance was \$1,087,564.

The annual debt service requirements the I-Bank Sports Park Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 68,988	\$ 33,172	\$ 102,160
2026	71,162	30,964	102,126
2027	73,403	28,687	102,090
2028	75,715	26,339	102,054
2029	78,100	23,916	102,016
2030-2034	428,991	80,486	509,477
2035-2037	291,205	13,949	305,154
<b>Total</b>	<b>\$ 1,087,564</b>	<b>\$ 237,513</b>	<b>\$ 1,325,077</b>

**Finance Purchase Agreements**

The City has entered into various finance purchase agreements for various equipment purchases. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The assets acquired under capital leases are classified as machinery, equipment and vehicles. The finance purchase agreements carry annual interest rates from 2.58 to 8.12 percent with principal and interest payments due bi-annually. The gross value of equipment acquired under finance purchase agreements at June 30, 2024, was \$8,500,658, with an accumulated amortization of \$4,799,012. The outstanding balance at June 30, 2024, is \$3,701,646.

The annual debt service requirements of the finance purchase agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 154,364	\$ 216,097	\$ 370,461
2026	139,801	207,051	346,852
2027	115,507	199,445	314,952
2028	122,404	192,447	314,851
2029	129,732	185,119	314,851
2030-2034	774,893	799,360	1,574,253
2035-2039	1,036,349	537,906	1,574,255
2040-2044	1,228,596	188,235	1,416,831
<b>Total</b>	<b>\$ 3,701,646</b>	<b>\$ 2,525,660</b>	<b>\$ 6,227,306</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 7 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Lease Liability**

The City has entered into leases for building space and equipment use. The terms of the agreements range from 5 to 6 years. The calculated interest rates varied based on the length of the lease ranging from 0.38 to 0.85 percent. As of June 30, 2024, the capitalized right-to-use assets related to leases were \$4,377,917 and the total lease liability was \$2,941,545, of which \$804,071 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the lease liability are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 804,071	\$ 58,151	\$ 862,222
2026	627,856	44,018	671,874
2027	594,159	30,278	624,437
2028	551,626	16,533	568,159
2029	363,833	3,639	367,472
<b>Total</b>	<b>\$ 2,941,545</b>	<b>\$ 152,619</b>	<b>\$ 3,094,164</b>

**Subscription Liability**

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 6 years. The calculated interest rates varied ranging from 2.92 percent to 3.01 percent, which is based on the length of the SBITA and date of the agreement.

As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were \$422,936 and the total subscription liability was \$55,044, of which \$55,044 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the subscription liability are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 55,044	\$ 1,657	\$ 56,701

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities**

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>						
Public borrowings:						
Bonds payable:						
Solid Waste Revenue Bonds, Series 2013A	\$ 1,660,000	\$ -	\$ (1,660,000)	\$ -	\$ -	\$ -
Total bonds payable	1,660,000	-	(1,660,000)	-	-	-
Direct borrowings:						
Notes payable						
California Recycled Water Project	703,585	-	(347,450)	356,135	356,135	-
Safe Drinking Water Project	1,282,305	-	(355,782)	926,523	364,156	562,367
Hinckley Water Treatment Plant Upgrade	6,246,664	-	(499,952)	5,746,712	512,536	5,234,176
I-Bank Solid Waste	2,041,318	-	(143,754)	1,897,564	148,081	1,749,483
I-Bank City Streets	2,263,095	-	(142,754)	2,120,341	147,378	1,972,963
Finance Purchase Agreements	401,555	-	(139,400)	262,155	143,631	118,524
Total notes payable	12,938,522	-	(1,629,092)	11,309,430	1,671,917	9,637,513
Lease liability	523,407	1,964,022	(238,310)	2,249,119	500,315	1,748,804
<b>Total</b>	<b>\$ 15,121,929</b>	<b>\$ 1,964,022</b>	<b>\$ (3,527,402)</b>	<b>\$ 13,558,549</b>	<b>\$ 2,172,232</b>	<b>\$ 11,386,317</b>

**Solid Waste Revenue Bonds, Series 2013A**

The \$13,500,000 of Solid Waste Revenue Bonds, issue of 2013, Series A, consists of serial bonds with varying interest rates from 3 percent to 5 percent. Interest is payable semiannually on March 1 and September 1. Serial bonds mature semiannually September 1, 2014 through September 1, 2023. The revenues of the Disposal Fund are pledged as security toward the payment of this debt. The proceeds were used to finance a portion of the cost of acquisition and construction of street improvements within the City of Redlands. The bonds were paid in full as of June 30, 2024.

**California Recycled Water Project Note Payable**

On September 2, 2003, the City entered into a loan agreement with the California Water Resources Control Board in the amount of \$7,918,234 to assist in financing the construction of advanced wastewater treatment facilities at the existing wastewater treatment plant. The note carries an annual interest rate of 2.5 percent with principal and interest payments due annually starting November 30, 2005 through November 30, 2024. The amount outstanding at June 30, 2024, was \$356,135.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**California Recycled Water Project Note Payable (Continued)**

The annual debt service requirements of the California Recycled Water Project Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 356,135	\$ 8,903	\$ 365,038

**Safe Drinking Water Project Note Payable**

On January 30, 2004, the City entered into a loan agreement with the State of California, Department of Water Resources in the amount of \$1,664,876 to assist in financing construction of a project which will enable the City to meet safe drinking water standards. As of June 30, 2006, the loan had been increased to \$6,100,844. The note carries an annual interest rate of 2.34 percent with principal and interest payments due every six months starting January 1, 2006 through January 1, 2027. At June 30, 2024, the City has \$926,523 in outstanding principal.

The annual debt service requirements of the Safe Drinking Water Project Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 364,156	\$ 19,563	\$ 383,719
2026	372,727	10,992	383,719
2027	189,640	2,219	191,859
<b>Total</b>	<b>\$ 926,523</b>	<b>\$ 32,774</b>	<b>\$ 959,297</b>

**Hinckley Water Treatment Plant Upgrade Note Payable**

On June 21, 2011, the City entered into an agreement with the Clean Water State Revolving Fund Control Board for construction of the Hinckley water treatment plant upgrade. The City may borrow up to \$13,663,033 or the eligible costs of the project, whichever is less. The loan has an interest rate of 2.5017 percent with maturities through 2034. Principal and interest is due every six months starting January 1, 2011 through July 1, 2034. The outstanding balance at June 30, 2024, is \$5,746,712.

The annual debt service requirements of the Hinckley Water Treatment Plant Upgrade Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 512,536	\$ 140,580	\$ 653,116
2026	525,439	127,678	653,117
2027	538,666	114,450	653,116
2028	552,226	100,890	653,116
2029	566,127	86,989	653,116
2030-2034	3,051,718	213,862	3,265,580
<b>Total</b>	<b>\$ 5,746,712</b>	<b>\$ 784,449</b>	<b>\$ 6,531,161</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**I-Bank Solid Waste Note Payable**

On March 2, 2015, the City entered into an agreement for the purpose of obtaining additional funds to complete the Solid Waste project. The City has agreed to pay the amount over twenty years commencing on the date of the loan, which carries an annual interest rate of 3.01 percent with principal and interest payments due every six months starting August 1, 2015 through August 1, 2034. At June 30, 2024, the outstanding balance of the loan was \$1,897,564.

The annual debt service requirements of the I-Bank Solid Waste Note Payable are as follows:

<b>Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 148,081	\$ 54,888	\$ 202,969
2026	152,538	50,364	202,902
2027	157,129	45,703	202,832
2028	161,859	40,902	202,761
2029	166,731	35,957	202,688
2030-2034	912,024	100,237	1,012,261
2035	199,202	2,998	202,200
<b>Total</b>	<b>\$ 1,897,564</b>	<b>\$ 331,049</b>	<b>\$ 2,228,613</b>

**I-Bank City Streets Note Payable**

On July 1, 2016, the City entered into an agreement for the purpose of obtaining funds for the City Streets project. The City has agreed to pay the amount over twenty years commencing on the date of the loan, which carries an annual interest rate of 3.24 percent with principal and interest payments due every six months starting August 1, 2017 through August 1, 2035. At June 30, 2024, the outstanding balance of the loan was \$2,120,341.

The annual debt service requirements of the I-Bank City Streets Note Payable are as follows:

<b>Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 147,378	\$ 66,312	\$ 213,690
2026	152,153	61,459	213,612
2027	157,083	56,450	213,533
2028	162,172	51,278	213,450
2029	167,427	45,938	213,365
2030-2034	922,105	143,343	1,065,448
2035-2036	412,023	13,456	425,479
<b>Total</b>	<b>\$ 2,120,341</b>	<b>\$ 438,236</b>	<b>\$ 2,558,577</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Finance Purchase Agreements**

The City has entered into various finance purchase agreements for various equipment purchases. These lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The finance purchase agreements carry annual interest rates from 2.99 to 3.35 percent with principal and interest payments due bi-annually. The asset acquired under the finance purchase agreement is classified as machinery, equipment and vehicles. The gross value of equipment acquired under finance purchase agreements at June 30, 2024, was \$787,621, with an accumulated amortization of \$525,466. The outstanding balance at June 30, 2024, is \$262,155.

The annual debt service requirements of the Finance Purchase Agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 143,631	\$ 7,999	\$ 151,630
2026	118,524	3,544	122,068
<b>Total</b>	<b>\$ 262,155</b>	<b>\$ 11,543</b>	<b>\$ 273,698</b>

**Lease Liability**

The City has entered into leases for building space and equipment use. The terms of the agreements range from 5 to 6 years. The calculated interest rates varied based on the length of the lease ranging from 0.38 to 0.85 percent. As of June 30, 2024, the capitalized right-to-use assets related to leases were \$2,854,808 and the total lease liability was \$2,249,119, of which \$500,315 is reported as a current liability representing the amount due within the next fiscal year.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 500,315	\$ 45,730	\$ 546,045
2026	501,273	35,287	536,560
2027	501,667	24,285	525,952
2028	460,494	13,139	473,633
2029	285,370	3,075	288,445
<b>Total</b>	<b>\$ 2,249,119</b>	<b>\$ 121,516</b>	<b>\$ 2,370,635</b>

**Note 8 – Special Assessment Debt with No City Commitment**

The special assessment bonds are secured by valid assessment liens upon certain lands within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying basic financial statements. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the faith, credit, nor taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 8 – Special Assessment Debt with No City Commitment (Continued)**

In September 2001, the City issued for and on behalf of the Community Facilities District No. 2001-1 (Northwest Development Project) \$9,255,000 aggregate principal amount of 2001 Special Tax Bonds to finance the acquisition of certain public improvements with appurtenant work and incidental expenses within the District. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from proceeds of annual special tax to be levied on the property within the District. Bonds maturing in the years 2002 to 2015 are serial bonds payable in annual installments of \$170,000 to \$355,000 while bonds maturing in the year 2026 in the amount of \$2,535,000 are term bonds. The interest rates on the bonds range from 3.75% to 6.45%. The outstanding balance at June 30, 2024, was \$1,960,000.

In February 2004, the City issued for and on behalf of the Community Facilities District No. 2003-1 (Redlands Business Center) \$9,545,000 aggregate principal amount of 2004 Special Tax Bonds to finance the acquisition and construction of certain street improvements, sewers, storm drains, water distribution facilities, and other public improvements within the District. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from proceeds of annual special tax to be levied on the property within the District. Bonds maturing in the years 2006 to 2021 are serial bonds payable in annual installments of \$20,000 to \$270,000, while bonds maturing in the year 2027 in the amount of \$2,255,000 and bonds maturing in the year 2033 in the amount of \$5,280,000 are term bonds. The interest rates on the bonds range from 2.50% to 5.90%. The outstanding balance at June 30, 2024, was \$6,440,000.

Noncommittal debt amounts issued and outstanding at June 30, 2024 are as follows:

	Original Amount	Outstanding Balance June 30, 2024
CFD 2001-1 Special Tax Bonds (Northwest Development Project)	\$ 9,255,000	\$ 1,960,000
CFD 2003-1 Special Tax Bonds (Redlands Business Center)	9,545,000	6,440,000
<b>Total</b>	<b>\$ 18,800,000</b>	<b>\$ 8,400,000</b>

**Note 9 – Compensated Absences**

**A. Governmental Activities**

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2024 is as follows:

	Balance			Balance June 30, 2024	Classification	
	July 1, 2023	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 7,925,416	\$ 12,859,780	\$ (12,146,693)	\$ 8,638,503	\$ 4,319,252	\$ 4,319,251

Compensated absences in the governmental activities are obligations of the following funds:

Governmental Funds	\$ 8,168,248
Liability Self-Insurance Internal Service Fund	6,136
Information Technology Internal Service Fund	196,698
Workers Compensation	
Self-Insurance Internal Service Fund	13,942
Equipment Maintenance Internal Service Fund	78,324
Utility Billing Internal Service Fund	175,155
<b>Total</b>	<b>\$ 8,638,503</b>



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 9 – Compensated Absences (Continued)**

**B. Business-Type Activities**

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,065,169	\$ 3,590,933	\$ (3,391,804)	\$ 1,264,298	\$ 632,151	\$ 632,147

Compensated absences in the business-type activities are obligations of the following funds:

Water Fund	\$ 576,533
Disposal Fund	309,030
Wastewater Fund	333,967
Groves Fund	2,087
Non-Potable Water Fund	1,165
Cemetery Fund	38,700
Aviation Fund	2,816
<b>Total</b>	<u><u>\$ 1,264,298</u></u>

**Note 10 – Solid Waste Landfill**

State and federal laws and regulations require the City to provide financial assurance for closure and post closure costs of the California Street Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for fifteen years after closure. Although closure and post closure activities will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$15,418,260 reported as landfill closure and post closure liability at June 30, 2024, represents the cumulative amount reported to date based on the use of 69.45 percent of the total estimated capacity of the landfill including final covering. The City will recognize the remaining estimated costs of closure and post closure care of \$6,782,825 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform closure and post closure activities in 2024 dollars. The City expects to close the landfill in the year 2042. Actual costs may differ due to inflation, changes in technology or changes in regulations.

The City is required by state and federal laws and regulations to maintain adequate funds to provide financial assurance for closure and post closure costs through one of a combination of alternative mechanisms. For closure costs, the City has established an enterprise fund mechanism with a separate fund, the California Street Landfill Closure fund, that is included within the Disposal Enterprise Fund. For post closure costs, the City has entered into a Pledge of Revenue Agreement with the California Integrated Waste Management Board. The City is in compliance with these requirements. At June 30, 2024, \$12,595,507 is held for landfill closure. The City expects that future inflation costs will be paid from future annual operating revenues in the enterprise fund. Post closure costs are agreed to be covered by revenue from solid waste customer billings which is deposited directly into the Disposal enterprise fund.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans**

**A. Summary**

The City participates in the California Public Employees Retirement System (CalPERS), a pension plan available to all qualified employees. The Safety Plan is a cost-sharing multiple employer defined benefit pension plan. The Miscellaneous Plan is an agent multiple employer defined benefit pension plan. A summary of pension amounts for the City’s plans at June 30, 2024, is presented below:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 3,923,165	3,038,834	\$ 6,961,999
CalPERS Safety	11,753,041	-	11,753,041
Total pension contribution made after measurement date	<u>15,676,206</u>	<u>3,038,834</u>	<u>18,715,040</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	3,801,794	2,944,821	6,746,615
CalPERS Safety	14,869,263	-	14,869,263
Total projected earnings on pension plan investments in excess of actual earnings	<u>18,671,057</u>	<u>2,944,821</u>	<u>21,615,878</u>
Change in assumption			
CalPERS Miscellaneous	1,071,426	829,912	1,901,338
CalPERS Safety	6,341,190	-	6,341,190
Total change in assumption	<u>7,412,616</u>	<u>829,912</u>	<u>8,242,528</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	80,384	62,264	142,648
CalPERS Safety	7,294,269	-	7,294,269
Total difference between expected and actual experience	<u>7,374,653</u>	<u>62,264</u>	<u>7,436,917</u>
Adjustment due to difference in proportions			
CalPERS Safety	1,342,088	-	1,342,088
Total adjustment due to difference in proportions	<u>1,342,088</u>	<u>-</u>	<u>1,342,088</u>
Total deferred outflows of resources			
CalPERS Miscellaneous	8,876,769	6,875,831	15,752,600
CalPERS Safety	41,599,851	-	41,599,851
Total deferred outflows of resources	<u>\$ 50,476,620</u>	<u>\$ 6,875,831</u>	<u>\$ 57,352,451</u>
<b>Net pension liability:</b>			
CalPERS Miscellaneous	\$ 31,028,112	\$ 24,033,967	\$ 55,062,079
CalPERS Safety	108,653,947	-	108,653,947
Total net pension liability	<u>\$ 139,682,059</u>	<u>\$ 24,033,967</u>	<u>\$ 163,716,026</u>
<b>Deferred inflows of resources:</b>			
Employer contributions in excess of proportionate share of contribution			
CalPERS Safety	\$ 1,364,017	\$ -	\$ 1,364,017
Total employer contributions in excess of proportionate share of contribution	<u>1,364,017</u>	<u>-</u>	<u>1,364,017</u>
Total deferred inflows of resources			
CalPERS Safety	1,364,017	-	1,364,017
Total deferred inflows of resources	<u>\$ 1,364,017</u>	<u>\$ -</u>	<u>\$ 1,364,017</u>
<b>Pension expense (credit):</b>			
CalPERS Miscellaneous	\$ 5,363,262	\$ 4,154,312	\$ 9,517,574
CalPERS Safety	16,867,427	-	16,867,427
Total net pension expenses	<u>\$ 22,230,689</u>	<u>\$ 4,154,312</u>	<u>\$ 26,385,001</u>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plans**

**Plan Description**

Substantially all City Miscellaneous employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Miscellaneous Plan Agent multiple-employer defined benefit plan administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee’s Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

**Employees Covered**

At June 30, 2023, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous Plans
Active employees	370
Transferred and terminated employees	444
Retired employees and beneficiaries	560
<b>Total</b>	<b>1,374</b>

**Benefits Provided**

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Miscellaneous Plans	
	PEPRA	Classic
Hire Date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.000%	7.000%
Required employer contribution rates	9.090%	10.060%
Final Annual Compensation	1 year	1 year

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plans (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the plan’s contributions made for the Plan was as follows:

	Miscellaneous Plans
Contributions - employer	\$ 6,961,999

**Net Pension Liability**

The City’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table <sup>1</sup>	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

<sup>1</sup>The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plans (Continued)**

**Discount Rate**

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u> <sup>1</sup>	<u>Real Return Years 11 +</u> <sup>2</sup>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

<sup>1</sup> An expected inflation of 2.00% was used for this period.

<sup>2</sup> An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City’s net pension liability, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Plan's Aggregate Net Pension Liability/(Asset)</u>			
<u>Discount Rate - 1%</u>	<u>Current Discount</u>	<u>Discount Rate + 1%</u>	
<u>(5.90%)</u>	<u>Rate (6.90%)</u>	<u>(7.90%)</u>	
\$ 81,280,202	\$ 55,062,079	\$ 33,422,077	

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plans (Continued)**

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period:

	<b>Miscellaneous Plans</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022 (Valuation Date)	\$ 196,074,708	\$ 142,674,042	\$ 53,400,666
Changes in the year:			
Service cost	4,056,901	-	4,056,901
Interest on the total pension liabilities	13,369,640	-	13,369,640
Differences between expected and actual experience	970,748	-	970,748
Changes of benefit terms	330,342	-	330,342
Benefit payments, including refunds of members contributions	(11,282,718)	(11,282,718)	-
Contributions - employer	-	6,626,543	(6,626,543)
Contributions - employee	-	1,726,746	(1,726,746)
Net investment income	-	8,817,845	(8,817,845)
Administrative expenses	-	(104,916)	104,916
Net changes	<u>7,444,913</u>	<u>5,783,500</u>	<u>1,661,413</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 203,519,621</u>	<u>\$ 148,457,542</u>	<u>\$ 55,062,079</u>

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

For the year ended June 30, 2024, the City recognized pension expense in the amount of \$9,517,574 for the miscellaneous plans.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for the Miscellaneous Plan for the 2022-23 measurement period is 3.1 years, which was obtained by dividing the total service years of 4,006 (the sum of remaining service lifetimes of the active employees) by 1,287 (the total number of participants: active, inactive, and retired).

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plans (Continued)**

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

At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Miscellaneous Plans</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 6,961,999	\$ -
Difference between projected and actual earning on pension plan investments	6,746,615	-
Changes in assumptions	1,901,338	-
Differences between expected and actual experience	142,648	-
Total	\$ 15,752,600	\$ -

For the City Miscellaneous Plan, \$6,961,999 was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the 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 follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 2,898,761
2026	986,110
2027	4,723,646
2028	182,084
2029	-
Thereafter	-
	\$ 8,790,601

**Pension Plan Fiduciary Net Position**

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2024, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plans**

**Plan Description**

Substantially all City Safety employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Safety Plan Cost-sharing multiple-employer defined benefit plan administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee’s Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

**Employees Covered**

At June 30, 2023, the measurement date, the following employees were covered by the benefit terms the Plan:

	Safety Plans
Active employees	133
Transferred and terminated employees	56
Retired employees and beneficiaries	255
<b>Total</b>	<b>444</b>

**Benefits Provided**

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Safety Cost-Sharing Plans			
	Classic Fire	PEPRA Fire	Classic Police	PEPRA Police
Hire Date				
Benefit formula	3% @ 50	2.7% @ 57	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 57	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.000% to 2.700%	3.000%	2.000% to 2.700%
Required employee contribution rates	9.00%	13.750%	9.00%	13.750%
Required employer contribution rates	29.090%	14.500%	29.090%	14.500%
Final Annual Compensation	1 year	1 year	1 year	1 year



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plans (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by the Safety risk pools, the Plan’s 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, employer contributions made for the Safety Cost-sharing Plan was as follows:

	Safety Plans
Contributions - employer	\$ 11,753,041

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

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2024, the City reported net pension liability for its proportionate shares of the net pension liability of the Safety Plan as follows:

	Plan Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/22 (Valuation date)	\$ 324,559,447	\$ 223,139,182	101,420,265
Balance at: 6/30/23 (Measurement date)	339,316,329	230,662,382	108,653,947
Net Changes during 2022-2023	14,756,882	7,523,200	7,233,682

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 11 – Pension Plans (Continued)**

**C. City Safety Plans (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-23).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2023 and 2022 was as follows:

Proportion June 30, 2022	1.47594%
Proportion June 30, 2023	1.45358%
Change - Increase (Decrease)	-0.02236%

For the year ended June 30, 2024, the City recognized pension credit in the amount of \$294,073 for the Safety Plan.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The EARSL for PERF C for the measurement date ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plans (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Safety Plans</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 11,753,041	\$ -
Difference between projected and actual earning on pension plan investments	14,869,263	-
Adjustment due to differences in proportions	1,342,088	-
Changes in assumptions	6,341,190	-
Difference between actual and expected experience	7,294,269	-
Difference between employer's actual contributions and proportionate share of contributions	-	(1,364,017)
Total	\$ 41,599,851	\$ (1,364,017)

For the City Safety Plan, \$11,753,041 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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 follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2025	\$ 9,221,574
2026	6,555,973
2027	12,290,218
2028	415,028
2029	-
Thereafter	-
	\$ 28,482,793

**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. Both the June 30, 2023 and the June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 11 – Pension Plans (Continued)**

**C. City Safety Plans (Continued)**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)**

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

<sup>1</sup>The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plans (Continued)**

**Discount Rate (Continued)**

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11 + <sup>2</sup>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

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

<sup>2</sup> An expected inflation of 2.30% was used for this period.

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

The following presents the City’s proportionate share of the net pension liability for the City Safety Plan, calculated using the discount rate for the City Safety 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 one percentage point lower or one percentage point higher than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
\$ 155,202,109	\$ 108,653,947	\$ 70,597,511

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2024, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Other Postemployment Benefits**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Employer contributions made subsequent to the measurement date	\$ 4,275,712	\$ 1,422,269	\$ 5,697,981
Difference between expected and actual experience	2,608,346	867,638	3,475,984
Changes in assumptions	25,626,142	8,524,255	34,150,397
<b>Total deferred outflows of resources</b>	<b>\$ 32,510,200</b>	<b>\$ 10,814,162</b>	<b>\$ 43,324,362</b>
<b>Total OPEB liability:</b>			
Total OPEB liability	\$ 89,577,526	\$ 40,315,855	\$ 129,893,381
<b>Total OPEB liability</b>	<b>\$ 89,577,526</b>	<b>\$ 40,315,855</b>	<b>\$ 129,893,381</b>
<b>Deferred inflows of Resources:</b>			
Difference between expected and actual experience	\$ 24,868,967	\$ 6,867,416	\$ 31,736,383
Changes in assumptions	32,723,343	9,036,354	41,759,697
<b>Total deferred inflows of resources</b>	<b>\$ 57,592,310</b>	<b>\$ 15,903,770</b>	<b>\$ 73,496,080</b>
<b>OPEB Expense</b>	<b>\$ 9,908,489</b>	<b>\$ 2,272,372</b>	<b>\$ 12,180,861</b>

**B. General Information about OPEB**

**Plan Description**

The City’s administers a defined benefit OPEB plan (Plan), which provides medical insurance benefits to eligible retirees and their spouses in accordance with applicable Memoranda of Understanding and the California Government Code to all employees who retire from the City. The Plan is an agent single-employer defined benefit OPEB plan administered by the City and is governed by the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**City’s Funding Policy**

The contribution requirements of plan members and the City are established, and may be amended, by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you go basis (i.e., as medical insurance premiums become due). The City allows retirees to participate in the same medical plan as active employees at the same premium rates. Because the rate is a “blended rate”, payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were in a stand-alone health plan.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Other Postemployment Benefits (Continued)**

**B. General Information about OPEB (Continued)**

**Benefits Provided**

After age 65, the City contributes a flat monthly rate of \$397 for those employees who retire under the PERS retirement system, subscribe to the PERS Health Insurance System, and have at least five years of CalPERS service, in accordance with Government Code. This is a perpetual benefit which is available to all PERS retirees including eligible dependents of deceased retirees. Annual increases in the monthly rate are limited to \$20 and based upon the annual increase in PERS family premiums. In addition, the City also contributes the entire monthly premium for health insurance for all employees who retire with the City and have a minimum of 15 or 20 years of cumulative service with the City, depending on the particular bargaining units. A summary of benefits provided is shown below:

Employee Group Service	Medical	Dental	Vision
<b>Police (RPOA Members)</b>			
Employees hired on or after November 4, 2014 with at least 5 years of CalPERS service	\$397 per month maximum	None	None
Employees hired on or after November 4, 2014 with at least 15 years of CalPERS service	100% of Least Expensive Retiree-only Premium until age 65 and \$397 after	100% of Premium until age 65	100% of Premium until age 65
Employees hired prior to November 4, 2014 with at least 15 years of City service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium of Retiree and Spouse	100% of Premium of Retiree and Spouse
<b>Firefighters (RPFA and RAFME Members)</b>			
Employees hired on or after October 16, 2012 with at least 5 years of CalPERS Service	\$397 per month maximum	None	None
Employees hired on or after October 16, 2012 with at least 15 years of CalPERS Service	100% of Least Expensive Retiree-only Premium until age 65 and PEMHCA MRC after	100% of Premium until age 65	100% of Premium until age 65
Employees hired prior to March 11, 2010 with at least 20 years (15 Years for RAME Members) of City Service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse	\$225 Maximum Reimbursement Per Year for Lifetime of Retiree and Spouse
<b>Miscellaneous (GEAR, RCSEA, RAMME and RAME* Members)</b>			
Employees hired on or after March 11, 2010 with at least 5 years of CalPERS Service	\$397 per month maximum	None	None
Employees hired on or after March 11, 2010 with at least 10 years of CalPERS Service	100% of Least Expensive Retiree-only Premium until age 65 and PEMHCA MRC after	100% of Premium until age 65	None
Employees hired prior to March 11, 2010 with at least 20 years (15 Years for RAME Members) of City Service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse	None

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Other Postemployment Benefits (Continued)**

**B. General Information about OPEB (Continued)**

**Benefits Provided (Continued)**

**Miscellaneous (RASME Members)**

Employees hired on or after June 2, 2015 with at least 5 years of CalPERS Service	\$397 per month maximum	None	None
Employees hired on or after June 2, 2015 with at least 15 years of CalPERS Service	100% of Least Expensive Retiree-only Premium until age 65 and PEMHCA MRC after	100% of Premium until age 65	None
Employees hired prior to June 2, 2015 with at least 15 years of City Service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium & Medicare for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse

**Miscellaneous (RADD Members)**

Employees hired on or after January 1, 2009 with at least 5 years of CalPERS Service*	\$397 per month maximum	None	None
Employees hired prior to January 1, 2009 with at least 15 years of City Service **	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium & Medicare for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse

Some retirees are eligible for a medical bridge program, in which the City contributes the amount of the maximum of lowest cost single premium rate \$397. Eligibility for the medical bridge program is as follows:

RADD	3 years of service
RAME	10 years of service
RPOA, RAFME, RASME	15 years of service
RAMME, RCSEA, Teamsters	20 years of service

**Employees Covered**

At June 30, 2023, the most recent valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	507
Retired employees and beneficiaries	373
Total	880

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

**Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability at June 30, 2024 was \$129,893,381.



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Other Postemployment Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.13%
Inflation	2.80%
Aggregate payroll increases	2.80% plus merit increases for Miscellaneous employees based on the 2021 CalPERS Experience Study
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 2021 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2021
Healthcare Trend Rate	5.75 to 6.75 percent for 2022-2026, 4.50 to 5.50 percent for 2027-2031+, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 to 5.50 percent for all years.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 through June 30, 2023.

**Discount Rate**

The discount rate used to measure the total OPEB liability 4.13%. The City’s funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. The City is currently financing its OPEB liability on a pay-as-you-go basis, the discount rate used is based on the S&P Municipal Bond 20 Year High Grade Index.

**Change in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance at June 30, 2022 (Measurement Date)	\$ 146,960,265
Changes Recognized for the Measurement Period:	
Service Cost	3,676,645
Interest on the total OPEB liability	6,072,016
Changes of benefit terms	4,078,580
Difference between expected and actual experience	(26,395,453)
Changes of assumptions	(100,889)
Benefit payments	(4,397,783)
Net Changes during July 1, 2022 to June 30, 2023	(17,066,884)
Balance at June 30, 2023 (Measurement Date)	<u>\$ 129,893,381</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

<b>Plan's Total OPEB Liability</b>		
Discount Rate - 1%	Current Discount	Discount Rate + 1%
(3.13%)	Rate (4.13%)	(5.13%)
\$ 149,838,778	\$ 129,893,381	\$ 113,794,397

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 12 – Other Postemployment Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

**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, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	+1%
\$ 113,077,296	\$ 129,893,381	\$ 151,048,718

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$12,180,861. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 5,697,981	\$ -
Difference between expected and actual experience	3,475,984	(31,736,383)
Changes of assumptions	34,150,397	(41,759,697)
Total	\$ 43,324,362	\$ (73,496,080)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 10 years, which was determined as of June 30, 2022, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

For the OPEB Plan, \$5,697,981 was reported as deferred outflows of resources related to OPEB resulting from City’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2025	\$ (1,413,392)
2026	(1,291,466)
2027	(2,436,673)
2028	(3,548,465)
2029	(3,548,465)
Thereafter	(23,631,238)
	\$ (35,869,699)

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 13 – Risk Management**

**A. Coverage**

On June 30, 2024, and throughout 2023-2024, the City was self-insured for the first \$1,000,000 per occurrence for commercial general liability and automobile liability. The City purchased excess liability insurance to provide additional coverage of \$10,000,000 per occurrence with a \$10,000,000 aggregate. The City also purchased airport liability insurance including commercial general liability, personal & advertising injury, products completed, and hanger keepers limit in a single limit liability amount of \$10,000,000 per occurrence. For workers' compensation and employer's liability, the City was self-insured for \$1,000,000 per occurrence with excess coverage of \$25,000,000 for worker's compensation per occurrence with a \$25,000,000 aggregate, and \$1,000,000 for employer's liability per occurrence.

**B. Claims Activity**

At June 30, 2024, \$4,400,552 and \$11,032,921 have been accrued for general liability and workers' compensation claims, respectively. All funds of the City participate in the worker's compensation program and make payments to the Workers' Compensation Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. The Liability Insurance Internal Service Fund receives an annual operating transfer from the General Fund to cover operating costs including payment of claims. The liability for unpaid claims for general liability and workers' compensation is discounted to reflect anticipated future investment earnings, assuming a five percent interest rate. Settled claims have not exceeded the commercial coverage in the past three years.

The accruals indicated above represent estimates of amounts to be paid for reported claims and incurred but not reported claims based upon past experience, modified for current trends and information. While the ultimate amounts of losses incurred through June 30, 2024, are dependent on future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses.

A summary of the changes in claims liabilities for the past three fiscal years follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End	Due Within One Year	Due in More than One Year
<u>General Liability</u>						
2024	\$ 4,306,893	\$ 459,803	\$ (366,144)	\$ 4,400,552	\$ 2,200,276	\$ 2,200,276
2023	2,595,507	2,374,997	(663,611)	4,306,893	2,153,447	2,153,446
2022	2,433,336	703,762	(541,591)	2,595,507	1,297,754	1,297,753
<u>Workers' Compensation</u>						
2024	\$ 11,219,000	\$ 707,740	\$ (893,819)	\$ 11,032,921	\$ 5,516,461	\$ 5,516,460
2023	12,171,624	185,188	(1,137,812)	11,219,000	5,609,500	5,609,500
2022	9,866,999	3,450,641	(1,146,016)	12,171,624	6,085,812	6,085,812

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 14 – Fund Balance and Net Position**

**A. Fund Balance/Net Position Deficits**

At June 30, 2024 the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(97,862,236).

At June 30, 2024, the following funds had a fund balance (deficit) or unrestricted net position (deficit):

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit</u>
Transportation Development Act Fund	Special Revenue Fund	\$ (9,164)
Disposal Fund	Enterprise Fund	(4,346,879)
General Liability Self-Insurance Fund	Internal Service Fund	(3,713,921)
Workers' Compensation Self-Insurance Fund	Internal Service Fund	(7,214,639)
Utility Billing Fund	Internal Service Fund	(2,290,020)

Special Revenue Funds

A net deficit of \$9,164 exists in the Transportation Development Act Fund. This fund deficit is a result of the timing of grant reimbursements. This net deficit will be eliminated during the upcoming fiscal year.

Enterprise Funds

A net deficit of \$4,346,879 exists in the Disposal Fund as a result of the City's implementation of GASB Statements No. 68 and 75, which required the reporting of the fund's proportionate share of the City's net pension liability and other post-employment benefits liability, respectively. Management expects to continue to carefully monitor this fund and intends to alleviate this net deficit through cost containment measures and continued pension contributions towards its unfunded liability.

Internal Service Funds

A net deficit of \$3,713,921 exists in the General Liability Self-Insurance Fund due to new and existing claims. Management expects to continue to carefully monitor this fund and intends to alleviate this net deficit through increased charges to other funds for cost recovery and instituting cost containment measures.

A net deficit of \$7,214,639 exists in the Workers' Compensation Self-Insurance Fund due to new and existing claims. Management expects to continue to carefully monitor this fund and intends to alleviate this net deficit through increased cost recovery charges, instituting cost containment measures.

A net deficit of \$2,290,020 exists in the Utility Billing Fund. This fund deficit is a result of the City's implementation of GASB Statement No. 68 and 75 which required reporting of the fund's proportionate share of the City's net pension liability and other post-employment benefits, respectively. This net pension liability and other post-employment benefits created the corresponding net deficit, these will be reduced by continued pension contributions in future years.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 14 – Fund Balance and Net Position (Continued)**

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds by function/department:

Fund	Function	Excess Expenditures over Appropriations	
General Fund	General government:		
	City attorney	\$ 69,333	
	Facilities	27,218	
	Culture and recreation:		
	Community services	130,676	
	Capital outlay	2,142,700	
	Debt service:		
	Principal	484,987	
	Open Space Special Revenue Fund	Culture and recreation	2,975
	Parking Authority Special Revenue Fund	General government	1,163
Arterial Street Construction Special Revenue Fund	Capital outlay	130,908	
PARIS Special Revenue Fund	Highway and streets	1,111,109	
Public Facilities Development Special Revenue Fund	General government	2,925	
	Debt service:		
	Interest and fiscal charges	661	
Storm Drain Capital Projects Fund	General government	5,401	

**Note 15 – Net Investment in Capital Assets**

Net Investment in Capital Assets at June 30 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 425,286,189	\$ 50,056,282
Capital assets, depreciable/amortizable, net	211,889,968	159,566,444
Long-term debt:		
I-Bank Sports Park	(1,087,564)	-
Finance purchase agreement	(3,701,646)	(262,155)
Lease liability	(2,941,545)	(2,249,119)
Subscription liability	(55,044)	-
California Recycled Water Project	-	(356,135)
Safe Drinking Water Project	-	(926,523)
Hinckley Water Treatment Plant Upgrade	-	(5,746,712)
I-Bank Solid Waste	-	(1,897,564)
I-Bank City Streets	-	(2,120,341)
Total net investment in capital assets	<u>\$ 629,390,358</u>	<u>\$ 196,064,177</u>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 16 – Fund Balance Classification**

At June 30, 2024, the City reports the following fund balance classifications:

	General Fund	Governmental Grants Special Revenue Fund	Non-major Governmental Funds	Total
<b>Nonspendable</b>				
Prepaid items	\$ 501,110	\$ 248,438	\$ 14,681	\$ 764,229
Notes receivable	3,012,822	-	-	3,012,822
Endowment - non-expendable	-	-	30,200	30,200
<b>Total nonspendable</b>	<b>3,513,932</b>	<b>248,438</b>	<b>44,881</b>	<b>3,807,251</b>
<b>Restricted</b>				
Donations	635,580	-	-	635,580
PEG fees	697,864	-	-	697,864
Park and open space acquisition/improvement	-	-	5,217,214	5,217,214
Street reconstruction/improvement projects	-	-	7,978,438	7,978,438
Public facilities	-	-	1,928,937	1,928,937
Public safety	-	-	677,405	677,405
Police programs and equipment	-	-	2,020,886	2,020,886
Public art	-	-	9,867	9,867
Street reconstruction/improvement projects	-	-	3,756,660	3,756,660
Debt service	-	-	579,267	579,267
Storm drain improvements	-	-	2,764,922	2,764,922
Endowment - expendable	-	-	32,285	32,285
CFD assessment	-	-	80,284	80,284
<b>Total restricted</b>	<b>1,333,444</b>	<b>-</b>	<b>25,046,165</b>	<b>26,379,609</b>
<b>Committed</b>				
Stabilization agreement	9,794,310	-	-	9,794,310
Public benefit: parks, recreation, trails, open space, and improvements	2,437,726	-	-	2,437,726
<b>Total committed</b>	<b>12,232,036</b>	<b>-</b>	<b>-</b>	<b>12,232,036</b>
<b>Assigned</b>				
Public works	1,853,968	-	-	1,853,968
Capital projects	31,737,340	-	2,177,312	33,914,652
<b>Total assigned</b>	<b>33,591,308</b>	<b>-</b>	<b>2,177,312</b>	<b>35,768,620</b>
<b>Unassigned (deficit)</b>	<b>60,505,969</b>	<b>(229,898)</b>	<b>(10,346)</b>	<b>60,265,725</b>
<b>Total fund balances</b>	<b>\$ 111,176,689</b>	<b>\$ 18,540</b>	<b>\$ 27,258,012</b>	<b>\$ 138,453,241</b>

**Note 17 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Redlands that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On November 1, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 17 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment (Continued)**

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

In future fiscal years, successor agencies will only be allocated revenue in the amount that is 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.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In order for the Successor Agency to dissolve, HSC Section 34187(b) requires the following:

- a. All enforceable obligations have been retired or paid off;
- b. All real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,
- c. All outstanding litigation has been resolved

With all enforceable obligations paid in full, all land disposed of, and all litigation settled, there is no need for the Agency to continue to exist and the criteria to proceed with formally dissolving has been met. On June 10, 2024, the Countywide Oversight Board approved a resolution to formally dissolve the Successor Agency to the Redevelopment Agency of the City of Redlands. July 2, 2024, the state Department of Finance acknowledged the end of the Agency's existence. Final dissolution of the Successor Agency of the Former Redevelopment Agency of the City of Redlands took place in the fiscal year ended June 30, 2024.

**Note 18 – Tax Abatements – Economic Development Incentives**

GASB Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens. According to GASB No. 77, the substance of these agreements meet the definition of “tax abatements” as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The City offers an economic development incentive program to the entities that propose to locate or expand already established businesses within the City. This incentive program is expected to provide a stimulus to the City’s economy, increase the tax base and create jobs. Each of the agreements entered into by the City, provides for a rebate of taxes paid to the City according to formulas contained in the agreements. These limited term agreements provide for a sharing of the taxes (percentage rebates) above certain amounts with a maximum rebate not to exceed the cost of a business’ improvements and/or development impact fees. The City generally expects to receive increased revenue as a result of these agreements. These incentive agreements require approval by the City Council.

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 18 – Tax Abatements – Economic Development Incentives (Continued)**

The City currently has two of these agreements in effect. For the fiscal year ended June 30, 2024, under this program the City had abatements of sales tax totaling \$107,527. Pursuant to the Sales and Use Tax law (chapter 8 – Article 1 – section 7056), in order to protect the confidential information of sales taxes collected and abatements provided to each of the specific agencies, the City has presented the aggregate amount abated during the current fiscal year.

**Note 19 – Endowments**

**Simonds Endowment**

The amount of net appreciation available for expenditure in the Simonds Endowment Fund is \$29,272. This available amount is reflected as fund balance. The endowment corpus is \$10,000 and is reflected as nonspendable fund balance. In California, Endowments are subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), specifically Cal. Probate Code §18504. State law governing the City’s ability to spend the net appreciation provides that the City may appropriate “so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established”. The City’s policy for authorizing and spending the investment income is governed by City Council authorization and appropriation authority, as well as the agreement of Endowment of the Simonds Parkway, dated December 14, 1985. Provisions of that agreement include, among other things, that interest generated on a per annum basis may be expended for providing maintenance, materials, and equipment solely at the Simonds Parkway.

**Pauline Stancliff Memorial Trust**

The amount of net appreciation available for expenditure in the Pauline Stancliff Memorial Trust Fund is \$3,013. This available amount is reflected as fund balance. The endowment corpus is \$20,200 and is reflected as nonspendable fund balance. In California, Endowments are subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), specifically Cal. Probate Code §18504. State law governing the City’s ability to spend the net appreciation provides that the City may appropriate “so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established”. The City’s policy for authorizing and spending the investment income is governed by City Council authorization and appropriation authority, as well as a minute motion on July 26, 2012 establishing a memorial trust fund in the name of Pauline Stancliff to be used for creating programs which focus on the goal of improving the quality of life for seniors who attend the Joslyn Senior Center.

**Note 20 – Changes to or within the Financial Reporting Entity**

The Public Facilities Development Special Revenue Fund was previously reported as a major fund, but due to the forgiveness of the advance payable from the General Fund, the fund no longer meets the quantitative threshold requiring the fund to be reported as a major fund for the fiscal year ended June 30, 2024. The changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	June 30, 2023 As Previously Reported	Change to or with the Financial Reporting Entity	June 30, 2023 As Restated
<b>Governmental Funds</b>			
Major Funds:			
General Fund	\$ 110,957,841	\$ -	\$ 110,957,841
Public Facilities Development Special Revenue Fund	(6,161,839)	6,161,839	-
Governmental Grants Special Revenue Fund	(1,077,326)	-	(1,077,326)
Nonmajor Funds	25,545,526	(6,161,839)	19,383,687
<b>Total Governmental Funds</b>	<b>\$ 129,264,202</b>	<b>\$ -</b>	<b>\$ 129,264,202</b>



**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 21 – Commitments and Contingencies**

**A. Litigation**

The City is currently a party to various claims and legal proceedings. Although the outcome of these lawsuits is not presently determinable, it is management’s opinion that the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

**B. Sales Tax – Donut Hole**

In 1998, the voters of California approved Proposition No. 11 which amended Article XIII, Section 29 of the California Constitution to allow cities and counties to enter into contracts to apportion sales and use tax revenue, by ordinance or resolution, and upon approval by a two-thirds vote of the legislative bodies of the parties to the contract. The City has provided in its contract with the County of San Bernardino that the benefit of receiving the sales and use tax revenue generated by businesses located in the unincorporated area of the Donut Hole, in exchange for the City's provision of municipal services, will terminate on December 31, 2003, unless an extension of the term of the contract beyond December 31, 2003, is consented to by a majority vote of the qualified voters of the City. The term has been extended beyond December 31, 2003, under the Ordinance No. 2550. The County of San Bernardino and the City apportion the sales and use tax revenue generated by businesses located in the Donut Hole generally on the basis of ninety percent (90 percent) of such sales and use tax revenue being provided to the City and ten percent (10 percent) of such sales and use tax revenue being provided to the County.

**C. Federal and State Grants**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended. Accordingly, the City’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

**D. Contractual Commitments**

The City has capital contractual commitments for which funds have been encumbered as of June 30, 2024. Encumbrances related to capital projects are funded through the current year appropriated budget, which carries over to the following year.

The following contractual construction commitments existed at June 30, 2024:

<b>Project Title</b>	<b>Commitment</b>
<b>General Fund</b>	
2023 Alley Paving Improvements - General Fund Portion	\$ 237,351
Bay Doors for Fire Stations 261, 262, & 263	490,205
Community Park Lighting Project	576,469
Fire Station 262 Architectural Design	25,219
Fire Station 262 Remodel	1,404,193
In-Roadway Light System Installation	19,876
Redlads Bowl Improvements	217,512
Texonia Park Renovation	76,245
<b>Total for General Fund</b>	<b>3,047,070</b>
<b>Governmental Grants Special Revenue Fund</b>	
Architectural Design of Metal Shelter for HHW Site	12,420
Joslyn Senior Center Renovation	34,343
Library Lower Level Architecture Design	33,491
<b>Total for Governmental Grants Special Revenue Fund</b>	<b>\$ 80,254</b>

**City of Redlands**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 21 – Commitments and Contingencies (Continued)**

**D. Contractual Commitments (Continued)**

Project Title	Commitment
<b>Water Fund</b>	
2023 CIP Water Pipeline & Highline Replacement	\$ 182,974
Peterbilt CNG Truck with Hydraulic Telescopic Crane - Water Portion	265,456
Tate Water Treatment Plant Influent Line Replacement	176,703
Water Meter Replacement Project	4,515,724
Water SCADA System Upgrade	2,859,549
<b>Total for Water Fund</b>	<b>8,000,406</b>
<b>Solidwaste Fund</b>	
Landfill Gas Extraction Construction Quality Assurance	\$155,308
Solidwaste Vehicles	2,375,512
<b>Total for Solidwaste Fund</b>	<b>2,530,820</b>
<b>Wastewater Fund</b>	
2022 CIP Sewer Pipeline Replacement	\$718,201
2023 CIP Sewer Pipeline Replacement	2,485,353
Peterbilt CNG Truck with Hydraulic Telescopic Crane - Wastewater Portion	265,456
<b>Total for Wastewater Fund</b>	<b>3,469,010</b>
<b>Non-Major Funds</b>	
2023 Alley Paving Improvements - PARIS Fund Portion	697,199
Cemetery Surveying & Map Update	30,000
Design & Construction Mgmt of New City Hall - Safety/City Hall Replacement Fund	1,146,503
Design & Construction Mgmt of a Public Safety Facility - Safety/City Hall Replacement Fund	4,838,622
Redlands Passenger Rail Project Platform Construction-Air Quality Improvement Fund	121,642
WWTP Recycled Water Reservoir Project - Nonpotable Water Fund	79,922
<b>Total for Non-Major Funds</b>	<b>6,913,888</b>
<b>Total for City</b>	<b>\$ 24,041,448</b>

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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**City of Redlands**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Information**  
**For the Year Ended June 30, 2024**

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**Budgetary Information**

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all governmental fund types. The budget is prepared in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.

The City Council may amend the budget only during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution.

The City's formal budgetary process begins at the operating program level. Departmental budgets are comprised of the various operating program budgets. Operating programs do not cross departmental lines. Individual fund budgets consist of the departmental budgets; departmental budgets may cross fund lines.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund types, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control (legal level) for most funds is established by the amount of expenditures budgeted at the departmental and function levels. Accordingly, the General Fund expenditures are displayed in the supplementary schedules at the department level and the Special Revenue, Debt Service, Capital Projects, and Permanent Funds expenditures are displayed at the function level. Management control is exercised at the line item level in each operating program. Management can transfer budgeted amounts within operating programs, departments or funds, provided that such transfers do not increase the overall budget. Appropriations that increase the budget require City Council approval.

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – General Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 37,668,615	\$ 38,977,380	\$ 41,713,771	\$ 2,736,391
Sales and use taxes	46,747,502	48,469,715	47,629,644	(840,071)
Other taxes	2,247,940	2,247,940	2,676,553	428,613
Franchise fees	2,567,833	4,499,151	4,471,469	(27,682)
Licenses and permits	7,969,963	7,988,380	9,238,592	1,250,212
Fines and forfeitures	146,200	79,560	62,969	(16,591)
Intergovernmental	732,500	386,000	780,165	394,165
Charges for services	7,338,869	6,855,094	7,101,106	246,012
Investment income (loss)	200,000	5,800,100	5,647,723	(152,377)
Rents and leases	1,724,754	1,562,925	1,167,604	(395,321)
Miscellaneous	1,400,440	2,005,223	2,111,512	106,289
<b>Total revenues</b>	<b>108,744,616</b>	<b>118,871,468</b>	<b>122,601,108</b>	<b>3,729,640</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City council	422,789	501,243	462,429	38,814
City clerk	453,870	288,080	269,755	18,325
City manager	7,637,449	7,443,523	6,986,773	456,750
Finance	2,845,654	3,172,581	3,076,334	96,247
City attorney	809,834	812,610	881,943	(69,333)
Development services	4,490,505	6,333,229	4,847,891	1,485,338
Facilities	5,215,900	6,220,357	6,247,575	(27,218)
Public works engineering	968,724	1,890,030	1,199,709	690,321
Public safety:				
Police	34,777,691	35,816,830	34,476,780	1,340,050
Fire	19,991,058	20,484,241	19,049,435	1,434,806
Animal Services	842,379	1,092,662	1,012,118	80,544
Culture and recreation:				
Community services	2,184,048	2,010,817	2,141,493	(130,676)
Parks	4,981,708	6,017,039	5,795,030	222,009
Highway and streets:				
Electrical and streets	4,318,316	5,029,000	4,796,525	232,475
Library	2,999,592	3,585,529	3,580,553	4,976
Capital outlay	4,023,310	12,362,454	14,505,154	(2,142,700)
Debt service:				
Principal	484,180	3,170,921	3,655,908	(484,987)
Interest and fiscal charges	1,535,199	2,152,452	387,035	1,765,417
<b>Total expenditures</b>	<b>98,982,206</b>	<b>118,383,598</b>	<b>113,372,440</b>	<b>5,011,158</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,762,410</b>	<b>487,870</b>	<b>9,228,668</b>	<b>8,740,798</b>

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – General Fund (Continued)**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Inception of finance purchase agreement	-	-	3,668,445	3,668,445
Inception of lease liability	-	-	2,546,260	2,546,260
Transfers in	2,450,517	2,468,172	2,850,162	381,990
Transfers out	(9,511,084)	(16,983,070)	(18,074,687)	(1,091,617)
<b>Total other financing sources (uses)</b>	<u>(7,060,567)</u>	<u>(14,514,898)</u>	<u>(9,009,820)</u>	<u>5,505,078</u>
<b>Net change in fund balance</b>	<u>\$ 2,701,843</u>	<u>\$ (14,027,028)</u>	218,848	<u>\$ 14,245,876</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>110,957,841</u>	
End of year			<u>\$ 111,176,689</u>	

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**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – Governmental Grants Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 24,489,314	\$ 14,061,381	\$ (10,427,933)
Investment income (loss)	-	-	1,118	1,118
<b>Total revenues</b>	<b>-</b>	<b>24,489,314</b>	<b>14,062,499</b>	<b>(10,426,815)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	16,716,486	12,008,843	4,707,643
Public safety	-	589,113	211,543	377,570
Capital outlay	-	7,878,222	683,003	7,195,219
<b>Total expenditures</b>	<b>-</b>	<b>25,183,821</b>	<b>12,903,389</b>	<b>12,280,432</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(694,507)</b>	<b>1,159,110</b>	<b>1,853,617</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	405	405
Transfers out	-	-	(63,649)	(63,649)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(63,244)</b>	<b>(63,244)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (694,507)</b>	<b>1,095,866</b>	<b>\$ 1,790,373</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(1,077,326)	
End of year			<u>\$ 18,540</u>	

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2024**

	<b>Miscellaneous Plan</b>				
Measurement period, year ended	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>
<b>Total pension liability</b>					
Service cost	\$ 4,056,901	\$ 3,969,259	\$ 3,365,376	\$ 3,525,116	\$ 3,334,799
Interest on total pension liability	13,369,640	12,856,892	12,119,433	12,569,714	11,680,277
Differences between expected and actual experience	970,748	(1,568,849)	270,034	247,796	419,589
Changes in assumptions	-	5,704,014	-	-	-
Changes in benefit terms	330,342	-	-	-	-
Benefit payments, including refunds of employee contributions	(11,282,718)	(10,197,185)	(9,385,911)	(9,643,784)	(8,930,778)
<b>Net change in total pension liability</b>	<b>7,444,913</b>	<b>10,764,131</b>	<b>6,368,932</b>	<b>6,698,842</b>	<b>6,503,887</b>
<b>Total pension liability - beginning</b>	<b>196,074,708</b>	<b>185,310,577</b>	<b>178,941,645</b>	<b>172,242,803</b>	<b>165,738,916</b>
<b>Total pension liability - ending (a)</b>	<b>\$203,519,621</b>	<b>\$196,074,708</b>	<b>\$185,310,577</b>	<b>\$178,941,645</b>	<b>\$172,242,803</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	6,626,543	6,083,423	5,653,857	5,163,971	4,543,195
Contributions - employee	1,726,746	1,630,007	1,628,531	1,617,023	1,587,404
Investment income (net of administrative expenses)	8,817,845	(11,815,363)	29,305,630	6,312,755	7,923,614
Benefit payments	(11,282,718)	(10,197,185)	(9,643,784)	(9,385,911)	(8,930,778)
Plan to plan resources	-	-	-	-	283
Other	(104,916)	(97,846)	(130,119)	(178,655)	(86,841)
<b>Net change in plan fiduciary net position</b>	<b>5,783,500</b>	<b>(14,396,964)</b>	<b>26,814,115</b>	<b>3,529,183</b>	<b>5,036,877</b>
<b>Plan fiduciary net position - beginning</b>	<b>142,674,042</b>	<b>157,071,006</b>	<b>130,256,891</b>	<b>126,727,708</b>	<b>121,690,831</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$148,457,542</b>	<b>\$142,674,042</b>	<b>\$157,071,006</b>	<b>\$130,256,891</b>	<b>\$126,727,708</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 55,062,079</b>	<b>\$ 53,400,666</b>	<b>\$ 28,239,571</b>	<b>\$ 48,684,754</b>	<b>\$ 45,515,095</b>
Plan fiduciary net position as a percentage of the total pension liability	72.95%	72.77%	84.76%	72.79%	73.58%
Covered payroll	\$ 24,154,413	\$ 23,450,886	\$ 22,767,850	\$ 22,631,158	\$ 22,121,385
Net pension liability as a percentage of covered payroll	227.96%	227.71%	124.03%	215.12%	205.75%

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2024**

**Miscellaneous Plan (Continued)**

Measurement period, year ended	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
<b>Total pension liability</b>					
Service cost	\$ 3,368,018	\$ 3,278,844	\$ 2,780,753	\$ 2,735,046	\$ 2,703,390
Interest on total pension liability	11,240,326	10,868,639	10,539,757	10,224,502	9,786,094
Differences between expected and actual experience	529,928	285,453	(1,148,342)	334,519	-
Changes in assumptions	(874,625)	8,600,283	-	(2,403,446)	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(8,785,537)	(8,512,367)	(7,929,573)	(7,496,594)	(7,031,419)
<b>Net change in total pension liability</b>	<b>5,478,110</b>	<b>14,520,852</b>	<b>4,242,595</b>	<b>3,394,027</b>	<b>5,458,065</b>
<b>Total pension liability - beginning</b>	<b>160,260,806</b>	<b>145,739,954</b>	<b>141,497,359</b>	<b>138,103,332</b>	<b>132,645,267</b>
<b>Total pension liability - ending (a)</b>	<b>\$165,738,916</b>	<b>\$160,260,806</b>	<b>\$145,739,954</b>	<b>\$141,497,359</b>	<b>\$138,103,332</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 3,856,431	\$ 3,706,235	\$ 3,297,550	\$ 2,749,274	\$ 2,614,893
Contributions - employee	1,444,993	1,461,526	1,324,766	1,219,187	1,378,971
Investment income (net of administrative expenses)	9,732,163	11,870,046	602,969	2,473,614	16,743,903
Benefit payments	(8,785,537)	(8,512,367)	(7,929,573)	(7,496,594)	(7,031,419)
Plan to plan resources	(343,451)	-	-	-	-
Other	(180,708)	(158,865)	(67,266)	(121,971)	-
<b>Net change in plan fiduciary net position</b>	<b>5,723,891</b>	<b>8,366,575</b>	<b>(2,771,554)</b>	<b>(1,176,490)</b>	<b>13,706,348</b>
<b>Plan fiduciary net position - beginning</b>	<b>115,966,940</b>	<b>107,600,365</b>	<b>110,371,919</b>	<b>111,548,409</b>	<b>97,842,061</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$121,690,831</b>	<b>\$115,966,940</b>	<b>\$107,600,365</b>	<b>\$110,371,919</b>	<b>\$111,548,409</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 44,048,085</b>	<b>\$ 44,293,866</b>	<b>\$ 38,139,589</b>	<b>\$ 31,125,440</b>	<b>\$ 26,554,923</b>
Plan fiduciary net position as a percentage of the total pension liability	73.42%	72.36%	73.83%	78.00%	80.77%
Covered payroll	\$ 19,836,302	\$ 20,199,995	\$ 18,953,660	\$ 17,548,793	\$ 16,826,776
Net pension liability as a percentage of covered payroll	222.06%	219.28%	201.23%	177.37%	157.81%

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**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2024**

<b>Safety Plan</b>					
Measurement period, year ended	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Plan's proportion of the net pension liability (asset)	0.041080%	1.475939%	1.660061%	0.809500%	0.790200%
Plan's proportionate share of the net pension liability (asset)	\$ 108,653,947	\$ 101,420,265	\$ 58,259,612	\$ 88,080,547	\$ 80,975,102
Plan's covered payroll	\$ 18,476,389	\$ 17,938,242	\$ 17,415,769	\$ 17,522,750	\$ 17,236,908
Plan's proportionate share of the net pension liability as a percentage of covered payroll	588.07%	565.39%	334.52%	502.66%	469.78%
Plan's fiduciary net position	\$ 230,662,382	\$ 223,139,182	\$ 244,268,089	\$ 200,216,677	\$ 195,371,697
Plan's fiduciary net position as a percentage of the total pension liability	67.98%	68.75%	80.74%	69.45%	70.70%
Plan's proportionate share of aggregate employer contributions	\$ 11,063,552	\$ 10,344,274	\$ 9,582,627	\$ 8,703,374	\$ 7,448,780
Measurement period, year ended	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Plan's proportion of the net pension liability (asset)	0.779400%	0.746000%	0.748700%	0.737700%	0.689500%
Plan's proportionate share of the net pension liability (asset)	\$ 75,109,650	\$ 73,979,298	\$ 64,784,346	\$ 50,633,826	\$ 42,905,786
Plan's covered payroll	\$ 14,894,900	\$ 14,827,015	\$ 14,604,289	\$ 14,342,189	\$ 14,292,490
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	504.26%	498.95%	443.60%	353.04%	300.20%
Plan's fiduciary net position	\$ 188,434,296	\$ 182,071,554	\$ 172,261,918	\$ 178,611,604	\$ 160,060,272
Plan's fiduciary net position as a percentage of the total pension liability	71.50%	71.11%	72.67%	77.91%	78.86%
Plan's proportionate share of aggregate employer contributions	\$ 6,211,050	\$ 5,886,486	\$ 5,126,655	\$ 4,246,980	\$ 4,977,335

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension**  
**For the Year Ended June 30, 2024**

**Miscellaneous Plan**

Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 6,961,999	\$ 6,627,610	\$ 6,077,846	\$ 5,676,210	\$ 5,159,972
Contributions in relation to the actuarially determined contributions	(6,961,999)	(6,627,610)	(6,077,846)	(5,676,210)	(5,159,972)
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,879,045	\$ 24,154,413	\$ 23,450,886	\$ 22,767,850	\$ 22,631,158
Contributions as a percentage of covered payroll	27.98%	27.44%	25.92%	24.93%	22.80%
Fiscal Year:	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	\$ 4,472,807	\$ 3,797,781	\$ 3,705,781	\$ 3,297,550	\$ 2,749,274
Contributions in relation to the actuarially determined contributions	(4,472,807)	(3,797,781)	(3,705,781)	(3,297,550)	(2,749,274)
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 22,121,385	\$ 19,836,302	\$ 20,199,995	\$ 18,953,660	\$ 17,548,793
Contributions as a percentage of covered payroll	20.22%	19.15%	18.35%	17.40%	15.67%

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension (Continued)**  
**For the Year Ended June 30, 2024**

<b>Safety Plan</b>					
Fiscal Year:	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Contractually determined contribution (actuarially determined)	\$ 11,753,041	\$ 11,063,552	\$ 10,344,274	\$ 9,582,627	\$ 8,703,374
Contributions in relation to the actuarially determined contributions	(11,753,041)	(11,063,552)	(10,344,274)	(9,582,627)	(8,703,374)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 19,030,681	\$ 18,476,389	\$ 17,938,242	\$ 17,415,769	\$ 17,522,750
Contributions as a percentage of covered payroll	61.76%	59.88%	57.67%	55.02%	49.67%
Fiscal Year:	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
Contractually determined contribution (actuarially determined)	\$ 7,448,780	\$ 6,211,050	\$ 5,886,486	\$ 5,126,655	\$ 4,246,980
Contributions in relation to the actuarially determined contributions	(7,448,780)	(6,211,050)	(5,886,486)	(5,126,655)	(4,246,980)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 17,236,908	\$ 14,894,900	\$ 14,827,015	\$ 14,604,289	\$ 14,342,189
Contributions as a percentage of covered payroll	43.21%	41.70%	39.70%	35.10%	29.61%

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

**City of Redlands**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2024**

Measurement period, year ending:	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u> <sup>1</sup>
<b>Total OPEB liability</b>							
Service cost	\$ 3,676,645	\$ 6,288,802	\$ 4,405,809	\$ 4,371,866	\$ 4,540,301	\$ 4,647,747	\$ 4,517,859
Interest	6,072,016	4,504,364	3,775,999	4,254,153	4,744,702	4,497,267	4,351,611
Changes of benefit terms	4,078,580	-	-	-	-	-	-
Differences between expected and actual experience	(26,395,453)	(9,975,595)	3,545,600	139,016	4,588,088	-	-
Changes of assumptions	(100,889)	(50,693,723)	42,967,302	14,314,382	(4,153,914)	(2,485,196)	-
Benefit payments, including refunds of member contributions	(4,397,783)	(5,079,505)	(4,960,733)	(4,882,065)	(4,526,765)	(4,525,686)	(4,050,613)
<b>Net change in total OPEB liability</b>	<b>(17,066,884)</b>	<b>(54,955,657)</b>	<b>49,733,977</b>	<b>18,197,352</b>	<b>5,192,412</b>	<b>2,134,132</b>	<b>4,818,857</b>
<b>Total OPEB liability - beginning</b>	<b>146,960,265</b>	<b>201,915,922</b>	<b>152,181,945</b>	<b>133,984,593</b>	<b>128,792,181</b>	<b>126,658,049</b>	<b>121,839,192</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 129,893,381</b>	<b>\$ 146,960,265</b>	<b>\$ 201,915,922</b>	<b>\$ 152,181,945</b>	<b>\$ 133,984,593</b>	<b>\$ 128,792,181</b>	<b>\$ 126,658,049</b>
<b>OPEB fiduciary net position</b> <sup>2</sup>							
Contributions - employer	\$ 4,397,783	\$ 5,079,505	\$ 4,960,733	\$ 4,882,065	\$ 4,526,765	\$ 4,525,686	\$ 4,050,613
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(4,397,783)	(5,079,505)	(4,960,733)	(4,882,065)	(4,526,765)	(4,525,686)	(4,050,613)
Administrative expense	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<b>\$ 129,893,381</b>	<b>\$ 146,960,265</b>	<b>\$ 201,915,922</b>	<b>\$ 152,181,945</b>	<b>\$ 133,984,593</b>	<b>\$ 128,792,181</b>	<b>\$ 126,658,049</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered-employee payroll</b>	<b>\$ 36,997,665</b>	<b>\$ 35,920,063</b>	<b>\$ 34,958,699</b>	<b>\$ 35,722,602</b>	<b>\$ 33,975,526</b>	<b>\$ 31,410,072</b>	<b>\$ 32,062,170</b>
<b>Plan net OPEB liability as a percentage of covered-employee payroll</b>	<b>351.09%</b>	<b>409.13%</b>	<b>577.58%</b>	<b>426.01%</b>	<b>394.36%</b>	<b>410.03%</b>	<b>395.04%</b>

<sup>1</sup> Information only presented from the implementation yeargasb



**SUPPLEMENTARY INFORMATION**

## Non-Major Governmental Funds

### Special Revenue Funds:

***Emergency Service Fund*** - This fund is used to account for the collection of a special property tax to be spent on paramedic services.

***Household Hazardous Waste Fund*** - This fund is used to account for revenue collected and expenditures made to properly dispose of household hazardous waste.

***State Gas Tax Fund*** - This fund is used to account for the receipt and subsequent expenditure of the City's share of the State levied tax on gasoline and other vehicle fuels.

***Air Quality Improvement Fund*** - To account for the collection and subsequent expenditure of AB2766 (District Fees to Implement the California Clean Air Act) monies to be used for pollution reduction.

***Traffic Safety Fund*** - This fund is used to account for the receipt of traffic fines for moving violations within the City limits.

***Measure I Fund*** - This fund is used to account for "new" revenues resulting from a voter-approved renewal of a half-cent retail transaction and use tax, to be used for transportation improvements and traffic management programs.

***Open Space Fund*** - This fund is used to account for receipt and subsequent expenditure of developer fees collected to acquire open space land in and around the City.

***Downtown Redlands Business Area Fund*** - This fund is used to account for various activities and special events with the intent of attracting business to the downtown area.

***Parking Authority Fund*** - This fund is used to account for receipt and subsequent expenditure of fees collected as a result of a city-wide authority formed to control parking.

***Asset Forfeiture Fund*** - This fund is used to account for receipt and subsequent expenditure of various asset seizure monies.

***Supplemental Law Enforcement Fund*** - To account for receipt and subsequent expenditure of AB1913 monies, which, pursuant to the Citizens' Option for Public Safety (COPS) Program, must be spent for supplemental law enforcement services.

***Park & Open Space Fund*** - This fund is used to account for the collection and subsequent expenditure of developer fees levied for the purpose of acquiring and developing land for parks and open space.

***Arterial Street Construction Fund*** - To account for the collection and related expenditure of development impact fees designated for arterial street construction projects.

***Traffic Signals Fund*** - This fund is used to account for the collection and related expenditure of development impact fees designated for traffic signal construction projects.

***Freeway Interchanges Fund*** - This fund is used to account for the collection and related expenditure of development impact fees designated for freeway interchange construction projects.

## **Non-Major Governmental Funds (Continued)**

### **Special Revenue Funds (Continued):**

*Street Lighting District #1 Fund* - This fund is used to account for the maintenance, operation, and service of street lighting facilities financed by assessments collected from landowners within the district.

*CFD 2004-1 Assessments Fund* - This fund is used to account for the maintenance of landscaping in public right-of-way and easements surrounding tracts within the district.

*Landscape Maintenance District Fund* - This fund is used to account for assessments collected from landowners to maintain landscaping in parkways and common areas within the district.

*Local Transportation Fund* - This fund is used to account for the receipt and expenditure of street improvement and road construction funds from various sources including projects financed by State grant activity.

*Pavement Accelerated Repair Implementation Strategy (PARIS) Fund* - This fund is used to account for the expenditures of the Pavement Accelerated Repair Implementation Strategy (PARIS) program.

*Public Art Fund* - This fund is used to account for donations and subsequent expenditure on public art installations.

*Transportation Development Act Fund* - This fund is used to account for the receipt and expenditure of Transportation Development Act revenue received by the City.

*Public Facilities Development Special Revenue Fund* - This fund accounts for the collection and related expenditure of development impact fees restricted for constructing new and upgrading existing public facilities.

*Storm Drain Construction Fund* - This fund is used to account for receipt and subsequent expenditure of developer fees assessed to provide additional storm drains, as required.

### **Capital Projects Funds:**

*Safety Hall Replacement Fund* - This fund accounts for the collection and related expenditure of development impact fees restricted for constructing new and upgrading existing public facilities.

### **Debt Service Funds:**

*General Debt Service Fund* - This fund is used to account for the receipt of property taxes to be used for the retirement of the 2007 Pension Obligation Bonds.

### **Permanent Funds:**

*Simonds Endowment Fund* - This fund is used to account for the monies endowed by Priscilla Alden Simonds to the City for the Simonds Parkway.

*Pauline Stancliff Memorial Trust Fund* - This fund is used to account for the monies gifted by Pauline Stancliff to the City for benefit of the Joslyn Senior Center.

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**City of Redlands**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Emergency Service Fund	Household Hazardous Waste Fund	State Gas Tax Fund	Air Quality Improvement Fund	Traffic Safety Fund
<b>ASSETS</b>					
Cash and investments	\$ 278,023	\$ 318,654	\$ -	\$ 304,295	\$ -
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	12,860	-	-	-
Taxes receivable	12,802	-	499,635	-	-
Due from other governments	-	-	-	24,214	16,786
Prepaid items	1,182	-	-	-	-
<b>Total assets</b>	<b>\$ 292,007</b>	<b>\$ 331,514</b>	<b>\$ 499,635</b>	<b>\$ 328,509</b>	<b>\$ 16,786</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 40,445	\$ -	\$ -	\$ -	\$ 2,044
Accrued payroll	251,562	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>292,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,044</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-	24,214	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,214</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	1,182	-	-	-	-
Restricted	-	331,514	499,635	304,295	14,742
Assigned	-	-	-	-	-
Unassigned (deficit)	(1,182)	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>331,514</b>	<b>499,635</b>	<b>304,295</b>	<b>14,742</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 292,007</b>	<b>\$ 331,514</b>	<b>\$ 499,635</b>	<b>\$ 328,509</b>	<b>\$ 16,786</b>

(Continued)

**City of Redlands**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Measure I Fund	Open Space Fund	Downtown Redlands Business Area Fund	Parking Authority Fund	Asset Forfeiture Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 2,568,209	\$ 14,846	\$ 14,477	\$ 1,908,785
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	150	280	-
Taxes receivable	475,291	-	-	-	-
Due from other governments	-	-	-	-	3,430
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 475,291</b>	<b>\$ 2,568,209</b>	<b>\$ 14,996</b>	<b>\$ 14,757</b>	<b>\$ 1,912,215</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 14,996	\$ 1,827	\$ -
Accrued payroll	-	-	-	-	-
Deposits payable	-	-	-	12,650	10,487
Unearned revenues	-	-	-	280	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>14,996</b>	<b>14,757</b>	<b>10,487</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	475,291	2,568,209	-	-	1,901,728
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>475,291</b>	<b>2,568,209</b>	<b>-</b>	<b>-</b>	<b>1,901,728</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 475,291</b>	<b>\$ 2,568,209</b>	<b>\$ 14,996</b>	<b>\$ 14,757</b>	<b>\$ 1,912,215</b>

(Continued)

**City of Redlands**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Supplemental				
	Law Enforcement Grant Fund	Park and Open Space Fund	Arterial Street Construction Fund	Traffic Signals Fund	Freeway Interchanges Fund
<b>ASSETS</b>					
Cash and investments	\$ 698,733	\$ 2,649,005	\$ 5,035,393	\$ 1,121,787	\$ 2,240,697
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	13,499	-	-	-	-
<b>Total assets</b>	<u>\$ 712,232</u>	<u>\$ 2,649,005</u>	<u>\$ 5,035,393</u>	<u>\$ 1,121,787</u>	<u>\$ 2,240,697</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 17,999	\$ -	\$ 22,403	\$ -	\$ -
Accrued payroll	5,067	-	-	-	-
Deposits payable	-	-	28,554	368,482	-
Unearned revenues	571,251	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>594,317</u>	<u>-</u>	<u>50,957</u>	<u>368,482</u>	<u>-</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable	13,499	-	-	-	-
Restricted	104,416	2,649,005	4,984,436	753,305	2,240,697
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>117,915</u>	<u>2,649,005</u>	<u>4,984,436</u>	<u>753,305</u>	<u>2,240,697</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 712,232</u>	<u>\$ 2,649,005</u>	<u>\$ 5,035,393</u>	<u>\$ 1,121,787</u>	<u>\$ 2,240,697</u>

(Continued)

**City of Redlands**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Street Lighting District #1 Fund	CFD 2004-1 Assessment Fund	Landscape Maintenance District Fund	Local Transportation Fund	PARIS Fund
<b>ASSETS</b>					
Cash and investments	\$ 42,381	\$ 152,499	\$ 715	\$ 239,107	\$ 3,586,413
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Taxes receivable	567	8,113	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 42,948</b>	<b>\$ 160,612</b>	<b>\$ 715</b>	<b>\$ 239,107</b>	<b>\$ 3,586,413</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 146	\$ 49,835	\$ 217	\$ -	\$ 961,399
Accrued payroll	1,206	6,506	498	-	19,986
Deposits payable	-	23,987	-	35,074	27,327
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>1,352</b>	<b>80,328</b>	<b>715</b>	<b>35,074</b>	<b>1,008,712</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	41,596	80,284	-	204,033	2,577,701
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>41,596</b>	<b>80,284</b>	<b>-</b>	<b>204,033</b>	<b>2,577,701</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 42,948</b>	<b>\$ 160,612</b>	<b>\$ 715</b>	<b>\$ 239,107</b>	<b>\$ 3,586,413</b>

(Continued)



**City of Redlands**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				Capital Projects Funds
	Public Art Fund	Transportation Development Act Fund	Public Facilities Development Special Revenue Fund	Storm Drain Fund	Safety Hall Replacement Capital Projects Fund
<b>ASSETS</b>					
Cash and investments	\$ 9,867	\$ -	\$ 1,928,937	\$ 2,764,922	\$ 2,223,985
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due from other governments	-	9,256	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 9,867</b>	<b>\$ 9,256</b>	<b>\$ 1,928,937</b>	<b>\$ 2,764,922</b>	<b>\$ 2,223,985</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 46,673
Accrued payroll	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	9,164	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>9,164</b>	<b>-</b>	<b>-</b>	<b>46,673</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	9,256	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>9,256</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	9,867	-	1,928,937	2,764,922	-
Assigned	-	-	-	-	2,177,312
Unassigned (deficit)	-	(9,164)	-	-	-
<b>Total fund balances</b>	<b>9,867</b>	<b>(9,164)</b>	<b>1,928,937</b>	<b>2,764,922</b>	<b>2,177,312</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,867</b>	<b>\$ 9,256</b>	<b>\$ 1,928,937</b>	<b>\$ 2,764,922</b>	<b>\$ 2,223,985</b>

(Continued)

**City of Redlands**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Debt Service Funds		Permanent Funds		Total Non-Major Governmental Funds
	General Debt Service Fund	Simonds Endowment Fund	Pauline Stancliff Memorial Trust Fund		
<b>ASSETS</b>					
Cash and investments	\$ 339,462	\$ 39,272	\$ 23,213		\$ 28,503,677
Restricted cash and investments	237,153	-	-		237,153
Accounts receivable, net	-	-	-		13,290
Taxes receivable	2,652	-	-		999,060
Due from other governments	-	-	-		53,686
Prepaid items	-	-	-		14,681
<b>Total assets</b>	<b>\$ 579,267</b>	<b>\$ 39,272</b>	<b>\$ 23,213</b>		<b>\$ 29,821,547</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -		\$ 1,157,984
Accrued payroll	-	-	-		284,825
Deposits payable	-	-	-		506,561
Unearned revenues	-	-	-		571,531
Due to other funds	-	-	-		9,164
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>2,530,065</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-		33,470
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>33,470</b>
<b>Fund Balances:</b>					
Nonspendable	-	10,000	20,200		44,881
Restricted	579,267	29,272	3,013		25,046,165
Assigned	-	-	-		2,177,312
Unassigned (deficit)	-	-	-		(10,346)
<b>Total fund balances</b>	<b>579,267</b>	<b>39,272</b>	<b>23,213</b>		<b>27,258,012</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 579,267</b>	<b>\$ 39,272</b>	<b>\$ 23,213</b>		<b>\$ 29,821,547</b>

(Concluded)

**City of Redlands**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Emergency Service Fund	Household Hazardous Waste Fund	State Gas Tax Fund	Air Quality Improvement Fund	Traffic Safety Fund
<b>REVENUES:</b>					
Property taxes	\$ 1,140,928	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	158,971
Intergovernmental	-	-	3,871,223	72,597	-
Charges for services	-	164,831	-	-	-
Investment income (loss)	-	-	-	21,773	-
Rents and leases	-	-	-	-	-
Miscellaneous	7,797	2,800	-	-	-
<b>Total revenues</b>	<b>1,148,725</b>	<b>167,631</b>	<b>3,871,223</b>	<b>94,370</b>	<b>158,971</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	5,334,723	145,314	-	-	-
Culture and recreation	-	-	-	-	-
Highway and streets	-	-	-	798	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>5,334,723</b>	<b>145,314</b>	<b>-</b>	<b>798</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,185,998)</b>	<b>22,317</b>	<b>3,871,223</b>	<b>93,572</b>	<b>158,971</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	4,185,998	-	-	-	-
Transfers out	-	-	(3,818,017)	-	(155,962)
<b>Total other financing sources (uses)</b>	<b>4,185,998</b>	<b>-</b>	<b>(3,818,017)</b>	<b>-</b>	<b>(155,962)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>22,317</b>	<b>53,206</b>	<b>93,572</b>	<b>3,009</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	-	309,197	446,429	210,723	11,733
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	-	309,197	446,429	210,723	11,733
End of year	<b>\$ -</b>	<b>\$ 331,514</b>	<b>\$ 499,635</b>	<b>\$ 304,295</b>	<b>\$ 14,742</b>

(Continued)

**City of Redlands**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Measure I Fund	Open Space Fund	Downtown Redlands Business Area Fund	Parking Authority Fund	Asset Forfeiture Fund
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	331,870
Intergovernmental	2,057,010	-	-	-	-
Charges for services	-	203,170	5,040	-	-
Investment income (loss)	99,074	107,216	(3,461)	943	42,470
Rents and leases	-	-	-	5,008	-
Miscellaneous	-	-	30,631	-	24,480
<b>Total revenues</b>	<b>2,156,084</b>	<b>310,386</b>	<b>32,210</b>	<b>5,951</b>	<b>398,820</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	135,516	25,462	-
Public safety	-	-	-	-	94,212
Culture and recreation	-	4,064	-	-	-
Highway and streets	16,527	-	-	-	-
Capital outlay	-	-	-	-	14,005
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>16,527</b>	<b>4,064</b>	<b>135,516</b>	<b>25,462</b>	<b>108,217</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,139,557</b>	<b>306,322</b>	<b>(103,306)</b>	<b>(19,511)</b>	<b>290,603</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	103,306	18,653	-
Transfers out	(3,733,391)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,733,391)</b>	<b>-</b>	<b>103,306</b>	<b>18,653</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(1,593,834)</b>	<b>306,322</b>	<b>-</b>	<b>(858)</b>	<b>290,603</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	2,069,125	2,261,887	-	858	1,611,125
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	2,069,125	2,261,887	-	858	1,611,125
End of year	<b>\$ 475,291</b>	<b>\$ 2,568,209</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,901,728</b>

(Continued)

**City of Redlands**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Supplemental				
	Law Enforcement Grant Fund	Park and Open Space Fund	Arterial Street Construction Fund	Traffic Signals Fund	Freeway Interchanges Fund
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	34,958	-	-	-	449,374
Charges for services	-	641,425	317,961	19,474	188,628
Investment income (loss)	25,443	90,808	226,237	71,810	96,238
Rents and leases	-	-	-	-	-
Miscellaneous	82	-	-	-	-
<b>Total revenues</b>	<b>60,483</b>	<b>732,233</b>	<b>544,198</b>	<b>91,284</b>	<b>734,240</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	34,958	-	-	-	-
Culture and recreation	-	16,291	-	-	-
Highway and streets	-	-	39,555	389	18,437
Capital outlay	-	-	130,908	267,702	530,499
Debt service:					
Principal	-	66,882	-	-	-
Interest and fiscal charges	-	35,312	-	-	-
<b>Total expenditures</b>	<b>34,958</b>	<b>118,485</b>	<b>170,463</b>	<b>268,091</b>	<b>548,936</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>25,525</b>	<b>613,748</b>	<b>373,735</b>	<b>(176,807)</b>	<b>185,304</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>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>25,525</b>	<b>613,748</b>	<b>373,735</b>	<b>(176,807)</b>	<b>185,304</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	92,390	2,035,257	4,610,701	930,112	2,055,393
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	92,390	2,035,257	4,610,701	930,112	2,055,393
End of year	<b>\$ 117,915</b>	<b>\$ 2,649,005</b>	<b>\$ 4,984,436</b>	<b>\$ 753,305</b>	<b>\$ 2,240,697</b>

(Continued)

**City of Redlands**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				
	Street Lighting District #1 Fund	CFD 2004-1 Assessment Fund	Landscape Maintenance District Fund	Local Transportation Fund	PARIS Fund
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	25,073	692,256	28,457	-	-
Investment income (loss)	-	9,026	-	11,130	206,462
Rents and leases	-	-	-	-	-
Miscellaneous	-	6,013	-	-	24,448
<b>Total revenues</b>	<b>25,073</b>	<b>707,295</b>	<b>28,457</b>	<b>11,130</b>	<b>230,910</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	599,515	34,657	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highway and streets	23,355	-	-	-	1,617,718
Capital outlay	-	-	-	-	7,357,089
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>23,355</b>	<b>599,515</b>	<b>34,657</b>	<b>-</b>	<b>8,974,807</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,718</b>	<b>107,780</b>	<b>(6,200)</b>	<b>11,130</b>	<b>(8,743,897)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	6,200	-	7,575,694
Transfers out	-	(130,760)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(130,760)</b>	<b>6,200</b>	<b>-</b>	<b>7,575,694</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>1,718</b>	<b>(22,980)</b>	<b>-</b>	<b>11,130</b>	<b>(1,168,203)</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	39,878	103,264	-	192,903	3,745,904
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	39,878	103,264	-	192,903	3,745,904
End of year	<b>\$ 41,596</b>	<b>\$ 80,284</b>	<b>\$ -</b>	<b>\$ 204,033</b>	<b>\$ 2,577,701</b>

(Continued)

**City of Redlands**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds				Capital Projects Funds
	Public Art Fund	Transportation Development Act Fund	Public Facilities Development Special Revenue Fund	Storm Drain Fund	Safety Hall Replacement Capital Projects Fund
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	671,581	-	-	-
Charges for services	-	-	409,077	139,468	-
Investment income (loss)	456	-	-	123,767	120,778
Rents and leases	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>456</b>	<b>671,581</b>	<b>409,077</b>	<b>263,235</b>	<b>120,778</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	8,181	43,634	120,846
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highway and streets	-	-	-	-	-
Capital outlay	-	-	-	-	405,725
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	661	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>8,842</b>	<b>43,634</b>	<b>526,571</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>456</b>	<b>671,581</b>	<b>400,235</b>	<b>219,601</b>	<b>(405,793)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	7,690,541	-	257,547
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>7,690,541</b>	<b>-</b>	<b>257,547</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>456</b>	<b>671,581</b>	<b>8,090,776</b>	<b>219,601</b>	<b>(148,246)</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year, as previously reported	9,411	(680,745)	-	2,545,321	2,325,558
Change with financial reporting entity (major to non major fund)	-	-	(6,161,839)	-	-
Beginning of year, as restated	9,411	(680,745)	(6,161,839)	2,545,321	2,325,558
End of year	<b>\$ 9,867</b>	<b>\$ (9,164)</b>	<b>\$ 1,928,937</b>	<b>\$ 2,764,922</b>	<b>\$ 2,177,312</b>

(Continued)

**City of Redlands**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2024**

	Debt Service Funds	Permanent Funds		Total Non-Major Governmental Funds
	General Debt Service Fund	Simonds Endowment Fund	Pauline Stancliff Memorial Trust Fund	
<b>REVENUES:</b>				
Property taxes	\$ 29,039	\$ -	\$ -	\$ 1,169,967
Fines and forfeitures	-	-	-	490,841
Intergovernmental	-	-	-	7,156,743
Charges for services	-	-	-	2,834,860
Investment income (loss)	14,382	1,817	1,075	1,267,444
Rents and leases	-	-	-	5,008
Miscellaneous	-	-	-	96,251
<b>Total revenues</b>	<b>43,421</b>	<b>1,817</b>	<b>1,075</b>	<b>13,021,114</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,459	-	-	971,270
Public safety	-	-	-	5,609,207
Culture and recreation	-	-	-	20,355
Highway and streets	-	-	-	1,716,779
Capital outlay	-	-	-	8,705,928
Debt service:				
Principal	185,000	-	-	251,882
Interest and fiscal charges	207,455	-	-	243,428
<b>Total expenditures</b>	<b>395,914</b>	<b>-</b>	<b>-</b>	<b>17,518,849</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(352,493)</b>	<b>1,817</b>	<b>1,075</b>	<b>(4,497,735)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	372,251	-	-	20,210,190
Transfers out	-	-	-	(7,838,130)
<b>Total other financing sources (uses)</b>	<b>372,251</b>	<b>-</b>	<b>-</b>	<b>12,372,060</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>19,758</b>	<b>1,817</b>	<b>1,075</b>	<b>7,874,325</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year, as previously reported	559,509	37,455	22,138	25,545,526
Change with financial reporting entity (major to non major fund)	-	-	-	(6,161,839)
Beginning of year, as restated	559,509	37,455	22,138	19,383,687
End of year	<b>\$ 579,267</b>	<b>\$ 39,272</b>	<b>\$ 23,213</b>	<b>\$ 27,258,012</b>

(Concluded)



**City of Redlands**  
**Budgetary Comparison Schedule**  
**Emergency Service Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,140,928	\$ 40,928
Charges for services	30,000	-	-	-
Miscellaneous	5,500	1,000	7,797	6,797
<b>Total revenues</b>	<u>1,135,500</u>	<u>1,101,000</u>	<u>1,148,725</u>	<u>47,725</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	6,461,946	5,576,506	5,334,723	241,783
<b>Total expenditures</b>	<u>6,461,946</u>	<u>5,576,506</u>	<u>5,334,723</u>	<u>241,783</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,326,446)</u>	<u>(4,475,506)</u>	<u>(4,185,998)</u>	<u>289,508</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,326,446	4,479,435	4,185,998	(293,437)
<b>Total other financing sources (uses)</b>	<u>5,326,446</u>	<u>4,479,435</u>	<u>4,185,998</u>	<u>(293,437)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 3,929</u>	<u>-</u>	<u>\$ (3,929)</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Household Hazardous Waste Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 164,831	\$ 64,831
Miscellaneous	-	-	2,800	2,800
<b>Total revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>167,631</u>	<u>67,631</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	148,032	146,593	145,314	1,279
<b>Total expenditures</b>	<u>148,032</u>	<u>146,593</u>	<u>145,314</u>	<u>1,279</u>
<b>Net change in fund balance</b>	<u>\$ (48,032)</u>	<u>\$ (46,593)</u>	22,317	<u>\$ 68,910</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>309,197</u>	
End of year			<u>\$ 331,514</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,370,546	\$ 3,715,923	\$ 3,871,223	\$ 155,300
<b>Total revenues</b>	<u>3,370,546</u>	<u>3,715,923</u>	<u>3,871,223</u>	<u>155,300</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(3,370,546)	(3,715,923)	(3,818,017)	(102,094)
<b>Total other financing sources (uses)</b>	<u>(3,370,546)</u>	<u>(3,715,923)</u>	<u>(3,818,017)</u>	<u>(102,094)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	53,206	<u>\$ 53,206</u>
<b>FUND BALANCE:</b>				
Beginning of year			446,429	
End of year			<u>\$ 499,635</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Air Quality Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 89,000	\$ 92,000	\$ 72,597	\$ (19,403)
Investment income (loss)	-	23,788	21,773	(2,015)
<b>Total revenues</b>	<b>89,000</b>	<b>115,788</b>	<b>94,370</b>	<b>(21,418)</b>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	458	122,440	798	121,642
Capital outlay	-	50,000	-	50,000
<b>Total expenditures</b>	<b>458</b>	<b>172,440</b>	<b>798</b>	<b>171,642</b>
<b>Net change in fund balance</b>	<b>\$ 88,542</b>	<b>\$ (56,652)</b>	<b>93,572</b>	<b>\$ 150,224</b>
<b>FUND BALANCE:</b>				
Beginning of year			210,723	
End of year			<b>\$ 304,295</b>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Traffic Safety Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 202,000	\$ 132,500	\$ 158,971	\$ 26,471
<b>Total revenues</b>	<u>202,000</u>	<u>132,500</u>	<u>158,971</u>	<u>26,471</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(202,000)	(132,500)	(155,962)	(23,462)
<b>Total other financing sources (uses)</b>	<u>(202,000)</u>	<u>(132,500)</u>	<u>(155,962)</u>	<u>(23,462)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	3,009	<u>\$ 3,009</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>11,733</u>	
End of year			<u>\$ 14,742</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Measure I Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,837,360	\$ 1,837,360	\$ 2,057,010	\$ 219,650
Investment income (loss)	-	165,000	99,074	(65,926)
<b>Total revenues</b>	<u>1,837,360</u>	<u>2,002,360</u>	<u>2,156,084</u>	<u>153,724</u>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	16,527	16,527	16,527	-
<b>Total expenditures</b>	<u>16,527</u>	<u>16,527</u>	<u>16,527</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,820,833)	(4,054,958)	(3,733,391)	321,567
<b>Total other financing sources (uses)</b>	<u>(1,820,833)</u>	<u>(4,054,958)</u>	<u>(3,733,391)</u>	<u>321,567</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (2,069,125)</u>	(1,593,834)	<u>\$ 475,291</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,069,125</u>	
End of year			<u>\$ 475,291</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Open Space Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 500,000	\$ 54,469	\$ 203,170	\$ 148,701
Investment income (loss)	-	122,241	107,216	(15,025)
<b>Total revenues</b>	<b>500,000</b>	<b>176,710</b>	<b>310,386</b>	<b>133,676</b>
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation	-	1,089	4,064	(2,975)
<b>Total expenditures</b>	<b>-</b>	<b>1,089</b>	<b>4,064</b>	<b>(2,975)</b>
<b>Net change in fund balance</b>	<b>\$ 500,000</b>	<b>\$ 175,621</b>	<b>306,322</b>	<b>\$ 130,701</b>
<b>FUND BALANCE:</b>				
Beginning of year			2,261,887	
End of year			<u>\$ 2,568,209</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Downtown Redlands Business Area Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 154,000	\$ 2,806	\$ 5,040	\$ 2,234
Investment income (loss)	-	(4,129)	(3,461)	668
Miscellaneous	-	18,973	30,631	11,658
<b>Total revenues</b>	<u>154,000</u>	<u>17,650</u>	<u>32,210</u>	<u>14,560</u>
<b>EXPENDITURES:</b>				
Current:				
General government	155,262	144,842	135,516	9,326
<b>Total expenditures</b>	<u>155,262</u>	<u>144,842</u>	<u>135,516</u>	<u>9,326</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,262)</u>	<u>(127,192)</u>	<u>(103,306)</u>	<u>23,886</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	127,192	103,306	(23,886)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>127,192</u>	<u>103,306</u>	<u>(23,886)</u>
<b>Net change in fund balance</b>	<u>\$ (1,262)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	



**City of Redlands**  
**Budgetary Comparison Schedule**  
**Parking Authority Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ -	\$ 943	\$ 943
Rents and leases	11,500	8,000	5,008	(2,992)
<b>Total revenues</b>	<u>11,500</u>	<u>8,000</u>	<u>5,951</u>	<u>(2,049)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	24,299	24,299	25,462	(1,163)
<b>Total expenditures</b>	<u>24,299</u>	<u>24,299</u>	<u>25,462</u>	<u>(1,163)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,799)</u>	<u>(16,299)</u>	<u>(19,511)</u>	<u>(3,212)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	12,799	17,080	18,653	1,573
<b>Total other financing sources (uses)</b>	<u>12,799</u>	<u>17,080</u>	<u>18,653</u>	<u>1,573</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 781</u>	<u>(858)</u>	<u>\$ (1,639)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>858</u>	
End of year			<u>\$ -</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 113,600	\$ 331,995	\$ 331,870	\$ (125)
Investment income (loss)	6,000	19,019	42,470	23,451
Miscellaneous	-	-	24,480	24,480
<b>Total revenues</b>	<u>119,600</u>	<u>351,014</u>	<u>398,820</u>	<u>47,806</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	158,582	203,987	94,212	109,775
Capital outlay	-	14,005	14,005	-
<b>Total expenditures</b>	<u>158,582</u>	<u>217,992</u>	<u>108,217</u>	<u>109,775</u>
<b>Net change in fund balance</b>	<u>\$ (38,982)</u>	<u>\$ 133,022</u>	290,603	<u>\$ 157,581</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,611,125</u>	
End of year			<u>\$ 1,901,728</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Supplemental Law Enforcement Grant Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 225,000	\$ 225,000	\$ 34,958	\$ (190,042)
Investment income (loss)	1,500	29,245	25,443	(3,802)
Miscellaneous	-	-	82	82
<b>Total revenues</b>	<u>226,500</u>	<u>254,245</u>	<u>60,483</u>	<u>(193,762)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	239,405	135,000	34,958	100,042
Capital outlay	75,000	-	-	-
<b>Total expenditures</b>	<u>314,405</u>	<u>135,000</u>	<u>34,958</u>	<u>100,042</u>
<b>Net change in fund balance</b>	<u>\$ (87,905)</u>	<u>\$ 119,245</u>	25,525	<u>\$ (93,720)</u>
<b>FUND BALANCE:</b>				
Beginning of year			92,390	
End of year			<u>\$ 117,915</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Park and Open Space Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,500,000	\$ 303,509	\$ 641,425	\$ 337,916
Investment income (loss)	-	109,736	90,808	(18,928)
<b>Total revenues</b>	<u>1,500,000</u>	<u>413,245</u>	<u>732,233</u>	<u>318,988</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation	3,463	9,533	16,291	(6,758)
Debt service:				
Principal	66,882	66,882	66,882	-
Interest and fiscal charges	35,312	35,312	35,312	-
<b>Total expenditures</b>	<u>105,657</u>	<u>111,727</u>	<u>118,485</u>	<u>(6,758)</u>
<b>Net change in fund balance</b>	<u>\$ 1,394,343</u>	<u>\$ 301,518</u>	613,748	<u>\$ 312,230</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,035,257</u>	
End of year			<u>\$ 2,649,005</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Arterial Street Construction Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 817,000	\$ 294,683	\$ 317,961	\$ 23,278
Investment income (loss)	14,000	252,726	226,237	(26,489)
<b>Total revenues</b>	<b>831,000</b>	<b>547,409</b>	<b>544,198</b>	<b>(3,211)</b>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	150,000	257,867	39,555	218,312
Capital outlay	800,000	-	130,908	(130,908)
<b>Total expenditures</b>	<b>950,000</b>	<b>257,867</b>	<b>170,463</b>	<b>87,404</b>
<b>Net change in fund balance</b>	<b>\$ (119,000)</b>	<b>\$ 289,542</b>	<b>373,735</b>	<b>\$ 84,193</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,610,701	
End of year			<b>\$ 4,984,436</b>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Traffic Signals Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 88,000	\$ 14,000	\$ 19,474	\$ 5,474
Investment income (loss)	4,500	77,750	71,810	(5,940)
<b>Total revenues</b>	<u>92,500</u>	<u>91,750</u>	<u>91,284</u>	<u>(466)</u>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	100,000	161,950	389	161,561
Capital outlay	-	267,702	267,702	-
<b>Total expenditures</b>	<u>100,000</u>	<u>429,652</u>	<u>268,091</u>	<u>161,561</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,500)</u>	<u>(337,902)</u>	<u>(176,807)</u>	<u>161,095</u>
<b>Net change in fund balance</b>	<u>\$ (7,500)</u>	<u>\$ (337,902)</u>	<u>(176,807)</u>	<u>\$ 161,095</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>930,112</u>	
End of year			<u>\$ 753,305</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Freeway Interchanges Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 324,720	\$ 449,374	\$ 124,654
Charges for services	518,000	140,000	188,628	48,628
Investment income (loss)	8,500	110,406	96,238	(14,168)
<b>Total revenues</b>	<u>526,500</u>	<u>575,126</u>	<u>734,240</u>	<u>159,114</u>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	-	78,690	18,437	60,253
Capital outlay	-	1,580,063	530,499	1,049,564
<b>Total expenditures</b>	<u>-</u>	<u>1,658,753</u>	<u>548,936</u>	<u>1,109,817</u>
<b>Net change in fund balance</b>	<u>\$ 526,500</u>	<u>\$ (1,083,627)</u>	185,304	<u>\$ 1,268,931</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,055,393</u>	
End of year			<u>\$ 2,240,697</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Street Lighting District #1 Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 25,000	\$ 24,097	\$ 25,073	\$ 976
<b>Total revenues</b>	<u>25,000</u>	<u>24,097</u>	<u>25,073</u>	<u>976</u>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	21,766	23,322	23,355	(33)
<b>Total expenditures</b>	<u>21,766</u>	<u>23,322</u>	<u>23,355</u>	<u>(33)</u>
<b>Net change in fund balance</b>	<u>\$ 3,234</u>	<u>\$ 775</u>	1,718	<u>\$ 943</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>39,878</u>	
End of year			<u>\$ 41,596</u>	



**City of Redlands**  
**Budgetary Comparison Schedule**  
**CFD 2004-1 Assessment Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 600,000	\$ 662,149	\$ 692,256	\$ 30,107
Investment income (loss)	1,000	12,504	9,026	(3,478)
Miscellaneous	-	-	6,013	6,013
<b>Total revenues</b>	<u>601,000</u>	<u>674,653</u>	<u>707,295</u>	<u>32,642</u>
<b>EXPENDITURES:</b>				
Current:				
General government	443,768	636,915	599,515	37,400
Highway and streets	15,000	-	-	-
<b>Total expenditures</b>	<u>458,768</u>	<u>636,915</u>	<u>599,515</u>	<u>37,400</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>142,232</u>	<u>37,738</u>	<u>107,780</u>	<u>70,042</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(128,596)	(134,122)	(130,760)	3,362
<b>Total other financing sources (uses)</b>	<u>(128,596)</u>	<u>(134,122)</u>	<u>(130,760)</u>	<u>3,362</u>
<b>Net change in fund balance</b>	<u>\$ 13,636</u>	<u>\$ (96,384)</u>	(22,980)	<u>\$ 73,404</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>103,264</u>	
End of year			<u>\$ 80,284</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance District Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 29,000	\$ 29,000	\$ 28,457	\$ (543)
<b>Total revenues</b>	<u>29,000</u>	<u>29,000</u>	<u>28,457</u>	<u>(543)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	50,839	45,048	34,657	10,391
<b>Total expenditures</b>	<u>50,839</u>	<u>45,048</u>	<u>34,657</u>	<u>10,391</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(21,839)</u>	<u>(16,048)</u>	<u>(6,200)</u>	<u>9,848</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	21,839	16,048	6,200	(9,848)
<b>Total other financing sources (uses)</b>	<u>21,839</u>	<u>16,048</u>	<u>6,200</u>	<u>(9,848)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Local Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ -	\$ 11,130	\$ 11,130
Miscellaneous	-	44,000	-	(44,000)
<b>Total revenues</b>	<b>-</b>	<b>44,000</b>	<b>11,130</b>	<b>(32,870)</b>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	-	107,571	-	107,571
<b>Total expenditures</b>	<b>-</b>	<b>107,571</b>	<b>-</b>	<b>107,571</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (63,571)</b>	<b>11,130</b>	<b>\$ 74,701</b>
<b>FUND BALANCE:</b>				
Beginning of year			192,903	
End of year			<u>\$ 204,033</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**PARIS Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ 175,000	\$ 206,462	\$ 31,462
Miscellaneous	-	25,000	24,448	(552)
<b>Total revenues</b>	<b>-</b>	<b>200,000</b>	<b>230,910</b>	<b>30,910</b>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	553,858	506,609	1,617,718	(1,111,109)
Capital outlay	4,500,000	8,579,361	7,357,089	1,222,272
<b>Total expenditures</b>	<b>5,053,858</b>	<b>9,085,970</b>	<b>8,974,807</b>	<b>111,163</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,053,858)</b>	<b>(8,885,970)</b>	<b>(8,743,897)</b>	<b>142,073</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,311,820	7,969,939	7,575,694	(394,245)
<b>Total other financing sources (uses)</b>	<b>5,311,820</b>	<b>7,969,939</b>	<b>7,575,694</b>	<b>(394,245)</b>
<b>Net change in fund balance</b>	<b>\$ 257,962</b>	<b>\$ (916,031)</b>	<b>(1,168,203)</b>	<b>\$ (252,172)</b>
<b>FUND BALANCE:</b>				
Beginning of year			3,745,904	
End of year			<u>\$ 2,577,701</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Public Art Special Revenue Fund**  
**For the Year Ended June 30, 2024**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ -	\$ 456	\$ 456
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>456</u>	<u>456</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	456	<u>\$ 456</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>9,411</u>	
End of year			<u>\$ 9,867</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Transportation Development Act Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 1,972,631	\$ 671,581	\$ (1,301,050)
<b>Total revenues</b>	<u>-</u>	<u>1,972,631</u>	<u>671,581</u>	<u>(1,301,050)</u>
<b>EXPENDITURES:</b>				
Current:				
Highway and streets	-	250,061	-	250,061
Capital outlay	-	1,041,733	-	1,041,733
<b>Total expenditures</b>	<u>-</u>	<u>1,291,794</u>	<u>-</u>	<u>1,291,794</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 680,837</u>	671,581	<u>\$ (9,256)</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(680,745)</u>	
End of year			<u>\$ (9,164)</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Public Facilities Development Special Revenue Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,287,000	\$ 262,800	\$ 409,077	\$ 146,277
<b>Total revenues</b>	<u>1,287,000</u>	<u>262,800</u>	<u>409,077</u>	<u>146,277</u>
<b>EXPENDITURES:</b>				
Current:				
General government	20,500	5,256	8,181	(2,925)
Debt service:				
Interest and fiscal charges	-	-	661	(661)
<b>Total expenditures</b>	<u>20,500</u>	<u>5,256</u>	<u>8,842</u>	<u>(3,586)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,266,500</u>	<u>257,544</u>	<u>400,235</u>	<u>142,691</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	7,690,541	7,690,541
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>7,690,541</u>	<u>7,690,541</u>
<b>Net change in fund balance</b>	<u>\$ 1,266,500</u>	<u>\$ 257,544</u>	8,090,776	<u>\$ 7,833,232</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(6,161,839)</u>	
End of year			<u>\$ 1,928,937</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Storm Drain Capital Projects Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 380,000	\$ 75,000	\$ 139,468	\$ 64,468
Investment income (loss)	7,500	138,291	123,767	(14,524)
<b>Total revenues</b>	<u>387,500</u>	<u>213,291</u>	<u>263,235</u>	<u>49,944</u>
<b>EXPENDITURES:</b>				
Current:				
General government	7,512	38,233	43,634	(5,401)
Capital outlay	400,000	-	-	-
<b>Total expenditures</b>	<u>407,512</u>	<u>38,233</u>	<u>43,634</u>	<u>(5,401)</u>
<b>Net change in fund balance</b>	<u>\$ (20,012)</u>	<u>\$ 175,058</u>	219,601	<u>\$ 44,543</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,545,321</u>	
End of year			<u>\$ 2,764,922</u>	



**City of Redlands**  
**Budgetary Comparison Schedule**  
**Safety Hall Replacement Capital Projects Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ 129,883	\$ 120,778	\$ (9,105)
<b>Total revenues</b>	<b>-</b>	<b>129,883</b>	<b>120,778</b>	<b>(9,105)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	1,350,000	120,846	1,229,154
Capital outlay	-	6,783,589	405,725	6,377,864
<b>Total expenditures</b>	<b>-</b>	<b>8,133,589</b>	<b>526,571</b>	<b>7,607,018</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(8,003,706)</b>	<b>(405,793)</b>	<b>7,597,913</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	6,005,596	257,547	(5,748,049)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>6,005,596</b>	<b>257,547</b>	<b>(5,748,049)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (1,998,110)</b>	<b>(148,246)</b>	<b>\$ 1,849,864</b>
<b>FUND BALANCE:</b>				
Beginning of year			2,325,558	
End of year			<u>\$ 2,177,312</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**General Debt Service Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 30,000	\$ 30,000	\$ 29,039	\$ (961)
Investment income (loss)	430	16,219	14,382	(1,837)
<b>Total revenues</b>	<u>30,430</u>	<u>46,219</u>	<u>43,421</u>	<u>(2,798)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	3,460	3,460	3,459	1
Debt service:				
Principal	185,000	185,000	185,000	-
Interest and fiscal charges	207,455	207,455	207,455	-
<b>Total expenditures</b>	<u>395,915</u>	<u>395,915</u>	<u>395,914</u>	<u>1</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(365,485)</u>	<u>(349,696)</u>	<u>(352,493)</u>	<u>(2,797)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	372,251	372,251
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>372,251</u>	<u>372,251</u>
<b>Net change in fund balance</b>	<u>\$ (365,485)</u>	<u>\$ (349,696)</u>	19,758	<u>\$ 369,454</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>559,509</u>	
End of year			<u>\$ 579,267</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Simonds Endowment Permanent Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ 2,022	\$ 1,817	\$ (205)
<b>Total revenues</b>	<u>-</u>	<u>2,022</u>	<u>1,817</u>	<u>(205)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 2,022</u>	1,817	<u>\$ (205)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>37,455</u>	
End of year			<u>\$ 39,272</u>	

**City of Redlands**  
**Budgetary Comparison Schedule**  
**Pauline Stancliff Memorial Trust Permanent Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ 1,195	\$ 1,075	\$ (120)
<b>Total revenues</b>	<u>-</u>	<u>1,195</u>	<u>1,075</u>	<u>(120)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,195</u>	1,075	<u>\$ (120)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>22,138</u>	
End of year			<u>\$ 23,213</u>	

## **Non-Major Enterprise Funds**

***Groves Fund*** - This fund is used to account for the farming operations of citrus groves owned by the City.

***Non-Potable Water Fund*** - This fund is used to account for non potable water utility operations, projects, debt service costs, and impact fees of the City.

***Cemetery Fund*** - This fund is used to account for the operations of Hillside Memorial Park Cemetery.

***Aviation Fund*** - This fund is used to account for the operations of the Redlands Municipal Airport.

**City of Redlands**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2024**

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 491,263	\$ 3,885,992	\$ 3,500,959	\$ 289,190	\$ 8,167,404
Accounts receivable, net	-	55,115	189,451	2,338	246,904
Taxes receivable	-	-	-	103	103
Interest receivable	2,028	16,040	14,451	1,194	33,713
Lease receivable - due within one year	-	-	20,485	110,691	131,176
Due from other governments	-	-	-	51,947	51,947
Total current assets	<u>493,291</u>	<u>3,957,147</u>	<u>3,725,346</u>	<u>455,463</u>	<u>8,631,247</u>
Noncurrent assets:					
Lease receivable - due in more than one year	-	-	-	503,028	503,028
Capital assets:					
Non-depreciable	13,570,179	-	630,631	1,165,281	15,366,091
Depreciable, net	88,553	8,968	732,413	2,143,490	2,973,424
Total capital assets	<u>13,658,732</u>	<u>8,968</u>	<u>1,363,044</u>	<u>3,308,771</u>	<u>18,339,515</u>
Total noncurrent assets	<u>13,658,732</u>	<u>8,968</u>	<u>1,363,044</u>	<u>3,811,799</u>	<u>18,842,543</u>
<b>Total assets</b>	<u>14,152,023</u>	<u>3,966,115</u>	<u>5,088,390</u>	<u>4,267,262</u>	<u>27,473,790</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Related to OPEB	-	-	325,195	88,127	413,322
Related to pensions	55,259	29,883	245,964	71,631	402,737
Total deferred outflow of resources	<u>55,259</u>	<u>29,883</u>	<u>571,159</u>	<u>159,758</u>	<u>816,059</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	39,981	1,525	58,261	25,967	125,734
Accrued payroll	13,040	7,127	39,419	9,932	69,518
Interest payable	-	-	678	-	678
Deposits payable	-	-	1,386,545	13,512	1,400,057
Unearned revenue	-	-	-	15,872	15,872
Compensated absences - due within one year	1,044	583	19,350	1,408	22,385
Long-term debt - due within one year	6,915	-	66,081	-	72,996
Total current liabilities	<u>60,980</u>	<u>9,235</u>	<u>1,570,334</u>	<u>66,691</u>	<u>1,707,240</u>
Noncurrent liabilities:					
Advances from other funds	-	-	487,867	707,929	1,195,796
Compensated absences - due in more than one year	1,043	582	19,350	1,408	22,383
Long term debt - due in more than one year	5,218	-	97,673	-	102,891
Total OPEB liability	-	-	960,283	232,878	1,193,161
Net pension liability	193,152	104,453	859,750	250,381	1,407,736
Total noncurrent liabilities	<u>199,413</u>	<u>105,035</u>	<u>2,424,923</u>	<u>1,192,596</u>	<u>3,921,967</u>
<b>Total liabilities</b>	<u>260,393</u>	<u>114,270</u>	<u>3,995,257</u>	<u>1,259,287</u>	<u>5,629,207</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to leases	-	-	20,326	599,835	620,161
Related to OPEB	-	-	647,204	130,692	777,896
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>667,530</u>	<u>730,527</u>	<u>1,398,057</u>
<b>NET POSITION</b>					
Net investment in capital assets	13,646,599	8,968	1,199,290	3,308,771	18,163,628
Restricted:					
Capital projects	298,288	-	-	-	298,288
Endowment - non-expendable	-	-	110,741	-	110,741
Total restricted	<u>298,288</u>	<u>-</u>	<u>110,741</u>	<u>-</u>	<u>409,029</u>
Unrestricted (deficit)	2,002	3,872,760	(313,269)	(871,565)	2,689,928
<b>Total net position</b>	<u>\$ 13,946,889</u>	<u>\$ 3,881,728</u>	<u>\$ 996,762</u>	<u>\$ 2,437,206</u>	<u>\$ 21,262,585</u>

**City of Redlands**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2024**

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 845,420	\$ 553,827	\$ 947,465	\$ 152,175	\$ 2,498,887
Miscellaneous operating revenue	243,393	-	278,155	194,013	715,561
<b>Total operating revenues</b>	<b>1,088,813</b>	<b>553,827</b>	<b>1,225,620</b>	<b>346,188</b>	<b>3,214,448</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	164,107	96,046	702,836	204,623	1,167,612
General and administrative	1,066,996	435,507	420,874	235,618	2,158,995
Parts and supplies	175,141	-	156,872	47,898	379,911
Utilities	69,214	42,175	23,731	48,281	183,401
Depreciation/amortization	31,780	8,149	67,515	223,085	330,529
<b>Total operating expenses</b>	<b>1,507,238</b>	<b>581,877</b>	<b>1,371,828</b>	<b>759,505</b>	<b>4,220,448</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(418,425)</b>	<b>(28,050)</b>	<b>(146,208)</b>	<b>(413,317)</b>	<b>(1,006,000)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	16,434	205,590	194,746	28,207	444,977
Interest expense	(111)	-	(27,302)	(30,316)	(57,729)
Property taxes	-	-	-	104,411	104,411
Operating grants	-	-	-	49,550	49,550
<b>Total nonoperating revenues (expenses)</b>	<b>16,323</b>	<b>205,590</b>	<b>167,444</b>	<b>151,852</b>	<b>541,209</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(402,102)</b>	<b>177,540</b>	<b>21,236</b>	<b>(261,465)</b>	<b>(464,791)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital contributions	-	139,006	-	-	139,006
Transfers in	406,357	-	-	-	406,357
Transfers out	-	(257,664)	-	-	(257,664)
<b>Total capital contributions and transfers</b>	<b>406,357</b>	<b>(118,658)</b>	<b>-</b>	<b>-</b>	<b>287,699</b>
<b>Changes in net position</b>	<b>4,255</b>	<b>58,882</b>	<b>21,236</b>	<b>(261,465)</b>	<b>(177,092)</b>
<b>NET POSITION:</b>					
Beginning of year	13,942,634	3,822,846	975,526	2,698,671	21,439,677
End of year	<u>\$ 13,946,889</u>	<u>\$ 3,881,728</u>	<u>\$ 996,762</u>	<u>\$ 2,437,206</u>	<u>\$ 21,262,585</u>

**City of Redlands**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2024**

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 908,020	\$ 547,062	\$ 1,045,810	\$ 185,106	\$ 2,685,998
Cash payments to suppliers for goods and services	(1,401,022)	(529,902)	(571,601)	(343,095)	(2,845,620)
Cash payments to employees for services	(180,453)	(87,903)	(594,458)	(159,496)	(1,022,310)
Receipts from other operating revenues	243,393	-	278,155	194,013	715,561
<b>Net cash provided by (used in) operating activities</b>	<b>(430,062)</b>	<b>(70,743)</b>	<b>157,906</b>	<b>(123,472)</b>	<b>(466,371)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Operating grants	-	-	-	63,405	63,405
Property taxes	-	-	-	104,687	104,687
Advances from other funds	-	-	(126,045)	(29,684)	(155,729)
Transfers from other funds	406,357	-	-	-	406,357
Transfers to other funds	-	(257,664)	-	-	(257,664)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>406,357</b>	<b>(257,664)</b>	<b>(126,045)</b>	<b>138,408</b>	<b>161,056</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	1	-	(131,176)	(1)	(131,176)
Cash contributions received from developers	-	139,006	-	-	139,006
Inception of lease liability	-	-	122,163	-	122,163
Principal payment of long-term debt	(6,867)	-	(48,571)	-	(55,438)
Interest paid on debt	(111)	-	(27,823)	(30,316)	(58,250)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(6,977)</b>	<b>139,006</b>	<b>(85,407)</b>	<b>(30,317)</b>	<b>16,305</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income (loss)	14,406	189,550	180,295	27,013	411,264
<b>Net cash provided by (used in) investing activities</b>	<b>14,406</b>	<b>189,550</b>	<b>180,295</b>	<b>27,013</b>	<b>411,264</b>
<b>Net change in cash and cash equivalents</b>	<b>(16,276)</b>	<b>149</b>	<b>126,749</b>	<b>11,632</b>	<b>122,254</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	507,539	3,885,843	3,374,210	277,558	8,045,150
End of year	<u>\$ 491,263</u>	<u>\$ 3,885,992</u>	<u>\$ 3,500,959</u>	<u>\$ 289,190</u>	<u>\$ 8,167,404</u>

(Continued)



**City of Redlands**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2024**

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO</b>					
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (418,425)	\$ (28,050)	\$ (146,208)	\$ (413,317)	\$ (1,006,000)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	31,780	8,149	67,515	223,085	330,529
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:					
Accounts receivable, net	62,600	(6,765)	20,343	24,937	101,115
Lease receivable	-	-	27,181	108,872	136,053
Deferred outflows - OPEB related	-	-	66,846	13,369	80,215
Deferred outflows - pension related	19,453	3,845	33,548	623	57,469
Accounts payable	(89,671)	(52,220)	29,876	(11,298)	(123,313)
Accrued payroll	258	3,111	7,625	2,531	13,525
Deposits payable	-	-	77,921	1,508	79,429
Unearned revenue	-	-	-	10,000	10,000
Compensated absences	1,545	905	6,619	1,927	10,996
Total OPEB liability	-	-	(147,382)	(29,476)	(176,858)
Net pension liability	(33,572)	2,101	11,533	31,118	11,180
Deferred inflows - lease related	-	-	(27,100)	(112,386)	(139,486)
Deferred inflows - OPEB related	-	-	144,667	28,933	173,600
Deferred inflows - pension related	(4,030)	(1,819)	(15,078)	(3,898)	(24,825)
Total adjustments	(11,637)	(42,693)	304,114	289,845	539,629
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (430,062)</b>	<b>\$ (70,743)</b>	<b>\$ 157,906</b>	<b>\$ (123,472)</b>	<b>\$ (466,371)</b>

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## **Internal Service Funds**

***General Liability Self-Insurance Fund*** - This fund is used to account for the City's self-insured general and automobile liability programs, which are provided to all City departments and funds.

***Information Technology Fund*** - This fund is used to account for the general maintenance and service of all City computers and phone equipment provided to all City departments.

***Workers' Compensation Self-Insurance Fund*** - This fund is used to account for the City's self-insured Workers' Compensation and General Safety Programs, which are provided to all City departments and funds.

***Equipment Maintenance Fund*** - This fund is used to account for providing ongoing maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.

***Utility Billing Fund*** - This fund is used to account for billing services costs provided for water, sewer, and solid waste.

***Payroll Clearing Fund*** - This fund is used to account for the City's reoccurring payroll obligations.

**City of Redlands**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2024**

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 746,512	\$ 4,814,720	\$ 7,764,691	\$ 6,085,549
Accounts receivable, net	740,778	-	-	57,234
Interest receivable	3,081	19,874	32,050	25,119
Prepaid items	398	-	198,681	764
Inventories	-	-	-	104,416
<b>Total current assets</b>	<b>1,490,769</b>	<b>4,834,594</b>	<b>7,995,422</b>	<b>6,273,082</b>
Noncurrent assets:				
Capital assets:				
Depreciable, net	-	-	666,982	244,031
<b>Total capital assets</b>	<b>-</b>	<b>-</b>	<b>666,982</b>	<b>244,031</b>
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>666,982</b>	<b>244,031</b>
<b>Total assets</b>	<b>1,490,769</b>	<b>4,834,594</b>	<b>8,662,404</b>	<b>6,517,113</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Related to OPEB	88,127	88,127	919,756	416,249
Related to pensions	110,795	282,026	714,094	329,596
<b>Total deferred outflow of resources</b>	<b>198,922</b>	<b>370,153</b>	<b>1,633,850</b>	<b>745,845</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	148,933	-	181,969	981,389
Accrued payroll	18,089	34,042	136,311	61,466
Compensated absences - due within one year	3,068	6,971	98,349	39,162
Claims payable - due within one year	2,200,276	5,516,461	-	-
Long-term debt - due within one year	-	-	55,044	14,723
<b>Total current liabilities</b>	<b>2,370,366</b>	<b>5,557,474</b>	<b>471,673</b>	<b>1,096,740</b>
Noncurrent liabilities:				
Compensated absences - due in more than one year	3,068	6,971	98,349	39,162
Claims payable - due in more than one year	2,200,276	5,516,460	-	-
Long term debt - due in more than one year	-	-	-	44,714
Total OPEB liability	311,933	221,986	2,769,644	1,585,300
Net pension liability	387,277	985,803	2,496,064	1,152,080
<b>Total noncurrent liabilities</b>	<b>2,902,554</b>	<b>6,731,220</b>	<b>5,364,057</b>	<b>2,821,256</b>
<b>Total liabilities</b>	<b>5,272,920</b>	<b>12,288,694</b>	<b>5,835,730</b>	<b>3,917,996</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to OPEB	130,692	130,692	1,949,839	655,593
<b>Total deferred inflows of resources</b>	<b>130,692</b>	<b>130,692</b>	<b>1,949,839</b>	<b>655,593</b>
<b>NET POSITION</b>				
Net Investment in capital assets	-	-	666,982	244,031
Unrestricted (deficit)	(3,713,921)	(7,214,639)	1,843,703	2,445,338
<b>Total net position (deficit)</b>	<b>\$ (3,713,921)</b>	<b>\$ (7,214,639)</b>	<b>\$ 2,510,685</b>	<b>\$ 2,689,369</b>

(Continued)

**City of Redlands**  
**Combining Statement of Net Position (Continued)**  
**All Internal Service Funds**  
**June 30, 2024**

	Utility Billing Fund	Payroll Clearing Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 2,685,948	\$ 629,034	\$ 22,726,454
Accounts receivable, net	3,746	-	801,758
Interest receivable	11,087	-	91,211
Prepaid items	-	32,207	232,050
Inventories	-	-	104,416
Total current assets	<u>2,700,781</u>	<u>661,241</u>	<u>23,955,889</u>
Noncurrent assets:			
Capital assets:			
Depreciable, net	49,145	-	960,158
Total capital assets	<u>49,145</u>	<u>-</u>	<u>960,158</u>
Total noncurrent assets	<u>49,145</u>	<u>-</u>	<u>960,158</u>
<b>Total assets</b>	<u>2,749,926</u>	<u>661,241</u>	<u>24,916,047</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to OPEB	985,252	-	2,497,511
Related to pensions	506,231	-	1,942,742
<b>Total deferred outflow of resources</b>	<u>1,491,483</u>	<u>-</u>	<u>4,440,253</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	11,956	5,759	1,330,006
Accrued payroll	82,336	582,581	914,825
Compensated absences - due within one year	87,578	-	235,128
Claims payable - due within one year	-	-	7,716,737
Long-term debt - due within one year	-	-	69,767
Total current liabilities	<u>181,870</u>	<u>588,340</u>	<u>10,266,463</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	87,577	-	235,127
Claims payable - due in more than one year	-	-	7,716,736
Long term debt - due in more than one year	-	-	44,714
Total OPEB liability	2,677,273	-	7,566,136
Net pension liability	1,769,492	-	6,790,716
Total noncurrent liabilities	<u>4,534,342</u>	<u>-</u>	<u>22,353,429</u>
<b>Total liabilities</b>	<u>4,716,212</u>	<u>588,340</u>	<u>32,619,892</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	1,815,217	-	4,682,033
<b>Total deferred inflows of resources</b>	<u>1,815,217</u>	<u>-</u>	<u>4,682,033</u>
<b>NET POSITION</b>			
Net Investment in capital assets	49,145	-	960,158
Unrestricted (deficit)	(2,339,165)	72,901	(8,905,783)
<b>Total net position (deficit)</b>	<u>\$ (2,290,020)</u>	<u>\$ 72,901</u>	<u>\$ (7,945,625)</u>

(Concluded)

**City of Redlands**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ 3,272,153	\$ 6,974,774	\$ 8,435,670
Miscellaneous operating revenue	747,279	52,985	-	-
<b>Total operating revenues</b>	<b>747,279</b>	<b>3,325,138</b>	<b>6,974,774</b>	<b>8,435,670</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	353,815	948,774	2,121,802	1,112,117
General and administrative	5,054,556	1,541,386	1,995,073	1,004,380
Parts and supplies	62	6,431	73,508	6,120,678
Utilities	1,231	-	331,888	6,249
Depreciation/amortization	-	-	490,703	49,853
<b>Total operating expenses</b>	<b>5,409,664</b>	<b>2,496,591</b>	<b>5,012,974</b>	<b>8,293,277</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(4,662,385)</b>	<b>828,547</b>	<b>1,961,800</b>	<b>142,393</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income (loss)	(225,342)	200,165	253,459	263,902
Interest expense	-	-	(5,549)	(44)
<b>Total nonoperating revenues (expenses)</b>	<b>(225,342)</b>	<b>200,165</b>	<b>247,910</b>	<b>263,858</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(4,887,727)</b>	<b>1,028,712</b>	<b>2,209,710</b>	<b>406,251</b>
<b>TRANSFERS:</b>				
Transfers in	6,151,403	-	-	-
Transfers out	-	-	-	(36,297)
<b>Total transfers</b>	<b>6,151,403</b>	<b>-</b>	<b>-</b>	<b>(36,297)</b>
<b>Changes in net position</b>	<b>1,263,676</b>	<b>1,028,712</b>	<b>2,209,710</b>	<b>369,954</b>
<b>NET POSITION (DEFICIT):</b>				
Beginning of year	(4,977,597)	(8,243,351)	300,975	2,319,415
End of year	<b>\$ (3,713,921)</b>	<b>\$ (7,214,639)</b>	<b>\$ 2,510,685</b>	<b>\$ 2,689,369</b>

(Continued)

**City of Redlands**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

	Utility Billing Fund	Payroll Clearing Fund	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 2,239,166	\$ 372,251	\$ 21,294,014
Miscellaneous operating revenue	35,940	-	836,204
<b>Total operating revenues</b>	<b>2,275,106</b>	<b>372,251</b>	<b>22,130,218</b>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	1,351,516	-	5,888,024
General and administrative	674,899	-	10,270,294
Parts and supplies	20,222	-	6,220,901
Utilities	843	-	340,211
Depreciation/amortization	9,829	-	550,385
<b>Total operating expenses</b>	<b>2,057,309</b>	<b>-</b>	<b>23,269,815</b>
<b>OPERATING INCOME (LOSS)</b>	<b>217,797</b>	<b>372,251</b>	<b>(1,139,597)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income (loss)	653,974	-	1,146,158
Interest expense	-	-	(5,593)
<b>Total nonoperating revenues (expenses)</b>	<b>653,974</b>	<b>-</b>	<b>1,140,565</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>871,771</b>	<b>372,251</b>	<b>968</b>
<b>TRANSFERS:</b>			
Transfers in	-	-	6,151,403
Transfers out	-	(372,251)	(408,548)
<b>Total transfers</b>	<b>-</b>	<b>(372,251)</b>	<b>5,742,855</b>
<b>Changes in net position</b>	<b>871,771</b>	<b>-</b>	<b>5,743,823</b>
<b>NET POSITION (DEFICIT):</b>			
Beginning of year	(3,161,791)	72,901	(13,689,448)
End of year	<u>\$ (2,290,020)</u>	<u>\$ 72,901</u>	<u>\$ (7,945,625)</u>

(Concluded)

**City of Redlands**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ (740,778)	\$ 3,272,153	\$ 6,974,774	\$ 8,433,663
Cash payments to suppliers for goods and services	(4,920,862)	(1,735,420)	(2,414,117)	(7,186,810)
Cash payments to employees for services	(262,107)	(813,697)	(1,606,029)	(846,120)
Receipts from other operating activities	747,279	52,985	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(5,176,468)</b>	<b>776,021</b>	<b>2,954,628</b>	<b>400,733</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds	6,151,403	-	-	-
Transfers to other funds	-	-	-	(36,297)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>6,151,403</b>	<b>-</b>	<b>-</b>	<b>(36,297)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	-	-	(263,659)	(101,307)
Inception of lease liability	-	-	-	55,274
Principal payment of long-term debt	-	-	(130,385)	(7,107)
Interest paid on debt	-	-	(5,549)	(44)
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(399,593)</b>	<b>(53,184)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income (loss)	(228,423)	180,291	221,409	238,783
<b>Net cash provided by (used in) investing activities</b>	<b>(228,423)</b>	<b>180,291</b>	<b>221,409</b>	<b>238,783</b>
<b>Net change in cash and cash equivalents</b>	<b>746,512</b>	<b>956,312</b>	<b>2,776,444</b>	<b>550,035</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	-	3,858,408	4,988,247	5,535,514
End of year	<u>\$ 746,512</u>	<u>\$ 4,814,720</u>	<u>\$ 7,764,691</u>	<u>\$ 6,085,549</u>

(Continued)



**City of Redlands**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (4,662,385)	\$ 828,547	\$ 1,961,800	\$ 142,393
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	-	-	490,703	49,853
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(740,778)	-	-	(2,007)
Prepaid items	(398)	-	(39,079)	(764)
Inventories	-	-	-	(10,162)
Deferred outflows - OPEB related	13,369	13,369	213,908	66,846
Deferred outflows -pension related	(11,215)	2,656	26,926	(11,651)
Accounts payable	41,726	(1,524)	25,431	(44,577)
Accrued payroll	7,049	4,117	56,277	32,957
Compensated absences	3,332	8,936	19,984	10,477
Claims payable	93,659	(186,079)	-	-
Total OPEB liability	(29,476)	(29,476)	(471,624)	(147,382)
Net pension liability	85,088	121,899	247,343	187,234
Deferred inflows - OPEB related	28,933	28,933	462,933	144,667
Deferred inflows - pension related	(5,372)	(15,357)	(39,974)	(17,151)
Total adjustments	<u>(514,083)</u>	<u>(52,526)</u>	<u>992,828</u>	<u>258,340</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (5,176,468)</u></b>	<b><u>\$ 776,021</u></b>	<b><u>\$ 2,954,628</u></b>	<b><u>\$ 400,733</u></b>

(Continued)

**City of Redlands**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

	Utility Billing Fund	Payroll Clearing Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,238,530	\$ 372,251	\$ 20,550,593
Cash payments to suppliers for goods and services	(687,753)	(27,108)	(16,972,070)
Cash payments to employees for services	(1,110,276)	116,229	(4,522,000)
Receipts from other operating activities	35,940	-	836,204
<b>Net cash provided by (used in) operating activities</b>	<b>476,441</b>	<b>461,372</b>	<b>(107,273)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers from other funds	-	-	6,151,403
Transfers to other funds	-	(372,251)	(408,548)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>	<b>(372,251)</b>	<b>5,742,855</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(32,893)	-	(397,859)
Inception of lease liability	-	-	55,274
Principal payment of long-term debt	-	-	(137,492)
Interest paid on debt	-	-	(5,593)
<b>Net cash (used in) capital and related financing activities</b>	<b>(32,893)</b>	<b>-</b>	<b>(485,670)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income (loss)	642,887	-	1,054,947
<b>Net cash provided by (used in) investing activities</b>	<b>642,887</b>	<b>-</b>	<b>1,054,947</b>
<b>Net change in cash and cash equivalents</b>	<b>1,086,435</b>	<b>89,121</b>	<b>6,204,859</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	1,599,513	539,913	16,521,595
End of year	<u>\$ 2,685,948</u>	<u>\$ 629,034</u>	<u>\$ 22,726,454</u>

(Continued)

**City of Redlands**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2024**

	Utility Billing Fund	Payroll Clearing Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 217,797	\$ 372,251	\$ (1,139,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	9,829	-	550,385
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(636)	-	(743,421)
Prepaid items	7,813	(32,207)	(64,635)
Inventories	-	-	(10,162)
Deferred outflows - OPEB related	200,539	-	508,031
Deferred outflows -pension related	91,548	-	98,264
Accounts payable	398	5,099	26,553
Accrued payroll	21,364	116,229	237,993
Compensated absences	12,728	-	55,457
Claims payable	-	-	(92,420)
Total OPEB liability	(442,147)	-	(1,120,105)
Net pension liability	(44,545)	-	597,019
Deferred inflows - OPEB related	434,000	-	1,099,466
Deferred inflows - pension related	(32,247)	-	(110,101)
Total adjustments	<u>258,644</u>	<u>89,121</u>	<u>1,032,324</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 476,441</u></u>	<u><u>\$ 461,372</u></u>	<u><u>\$ (107,273)</u></u>

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**STATISTICAL SECTION  
(UNAUDITED)**

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## ***CITY OF REDLANDS - STATISTICAL SECTION***

This part of the City of Redlands'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 City's overall financial health.

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

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the City's annual comprehensive financial reports for the relevant year

**City of Redlands**  
**Schedule 1**  
**Net Position by Component**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2024	2023	2022	2021	2020
<b>Governmental activities</b>					
Net investment in capital assets,	\$ 629,390,358	\$ 590,288,015	\$ 537,558,597	\$ 481,259,666	\$ 473,042,917
Restricted	26,403,823	13,385,123	11,326,983	14,059,449	17,346,674
Unrestricted (deficit)	<u>(97,862,236)</u>	<u>(88,121,189)</u>	<u>(114,273,699)</u>	<u>(143,979,153)</u>	<u>(154,157,129)</u>
<b>Total governmental activities net position</b>	<b><u>\$ 557,931,945</u></b>	<b><u>\$ 515,551,949</u></b>	<b><u>\$ 434,611,881</u></b>	<b><u>\$ 351,339,962</u></b>	<b><u>\$ 336,232,462</u></b>
<b>Business type activities</b>					
Net investment in capital assets	\$ 196,064,177	\$ 190,475,232	\$ 183,665,229	\$ 167,349,714	\$ 165,453,760
Restricted	19,763,252	16,677,323	16,677,323	18,031,654	23,794,167
Unrestricted	<u>8,113,449</u>	<u>18,287,832</u>	<u>20,522,584</u>	<u>25,405,456</u>	<u>10,901,482</u>
<b>Total business type activities net position</b>	<b><u>\$ 223,940,878</u></b>	<b><u>\$ 225,440,387</u></b>	<b><u>\$ 220,865,136</u></b>	<b><u>\$ 210,786,824</u></b>	<b><u>\$ 200,149,409</u></b>
<b>Primary government</b>					
Net investment in capital assets	\$ 825,454,535	\$ 780,763,247	\$ 721,223,826	\$ 648,609,380	\$ 638,496,677
Restricted	46,167,075	30,062,446	28,004,306	32,091,103	41,140,841
Unrestricted (deficit)	<u>(89,748,787)</u>	<u>(69,833,357)</u>	<u>(93,751,115)</u>	<u>(118,573,697)</u>	<u>(143,255,647)</u>
<b>Total primary government net position</b>	<b><u>\$ 781,872,823</u></b>	<b><u>\$ 740,992,336</u></b>	<b><u>\$ 655,477,017</u></b>	<b><u>\$ 562,126,786</u></b>	<b><u>\$ 536,381,871</u></b>

NOTE:

- (1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.
- (2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.  
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).
- (3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.
- (4) The significant variance in net position invested in capital assets for Governmental Activities is due to a large increase in the amount of right-of-way added as well as a significant increase in the assigned value based on the City's revised valuation methodology. More information is available in Management's Discussion and Analysis.



**City of Redlands**  
**Schedule 1**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2019	2018	2017	2016	2015
<b>Governmental activities</b>					
Net investment in capital assets	\$ 443,551,078	\$ 655,044,577	\$ 642,109,428	\$ 622,119,006	\$ 625,683,667
Restricted	15,676,686	20,499,351	11,100,669	15,258,535	15,584,054
Unrestricted (deficit)	<u>(148,411,538)</u>	<u>(148,371,437)</u>	<u>(93,361,330)</u>	<u>(81,795,361)</u>	<u>(81,181,952)</u>
Total governmental activities net position	<u>\$ 310,816,226</u>	<u>\$ 527,172,491</u>	<u>\$ 559,848,767</u>	<u>\$ 555,582,180</u>	<u>\$ 560,085,769</u>
<b>Business type activities</b>					
Net investment in capital assets	\$ 150,997,528	\$ 150,228,905	\$ 149,771,777	\$ 163,565,980	\$ 154,904,203
Restricted	26,162,608	17,516,341	17,399,398	3,702,600	4,671,097
Unrestricted	<u>6,544,230</u>	<u>117,617</u>	<u>12,757,392</u>	<u>13,253,120</u>	<u>22,953,122</u>
Total business type activities net position	<u>\$ 183,704,366</u>	<u>\$ 167,862,863</u>	<u>\$ 179,928,567</u>	<u>\$ 180,521,700</u>	<u>\$ 182,528,422</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 594,548,606	\$ 805,273,482	\$ 791,881,205	\$ 785,684,986	\$ 780,587,870
Restricted	41,839,294	38,015,692	28,500,067	18,961,135	20,255,151
Unrestricted (deficit)	<u>(141,867,308)</u>	<u>(148,253,820)</u>	<u>(80,603,938)</u>	<u>(68,542,241)</u>	<u>(58,228,830)</u>
Total primary government net position	<u>\$ 494,520,592</u>	<u>\$ 695,035,354</u>	<u>\$ 739,777,334</u>	<u>\$ 736,103,880</u>	<u>\$ 742,614,191</u>

NOTE:

- (1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.
- (2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.  
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).
- (3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.
- (4) The significant variance in net position invested in capital assets for Governmental Activities is due to a large increase in the amount of right-of-way added as well as a significant increase in the assigned value based on the City's revised valuation methodology. More information is available in Management's Discussion and Analysis.

**City of Redlands**  
**Schedule 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2024	2023	2022	2021	2020 <sup>4</sup>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 42,250,996	\$ 28,913,048	\$ 26,157,407	\$ 18,717,217	\$ 16,211,056
Public protection	70,359,582	48,272,159	61,325,651	57,395,655	57,656,302
Culture and recreation	9,900,700	9,123,335	6,902,767	4,250,967	5,227,381
Highway and streets	13,911,149	12,081,743	9,754,750	11,057,940	4,060,779
Library	4,068,345	3,557,350	2,754,340	2,792,316	2,921,245
Interest and fiscal charges	679,186	792,780	738,561	888,750	994,894
Total governmental activities expenses	<u>141,169,958</u>	<u>102,740,415</u>	<u>107,633,477</u>	<u>95,102,845</u>	<u>87,071,657</u>
Business type activities:					
Water	30,614,235	26,729,160	26,535,646	23,411,564	22,719,142
Disposal	22,954,172	17,755,193	15,637,376	15,026,409	15,194,462
Wastewater (Sewer)	16,143,743	13,554,178	11,764,304	12,077,904	11,242,914
Groves	1,507,349	1,880,763	1,146,879	991,602	845,498
Non-Potable Water	581,877	563,123	956,768	677,088	249,911
Cemetery	1,399,130	1,441,652	958,443	1,119,999	1,049,876
Aviation	789,821	819,188	715,647	582,770	637,012
Total business type activities expenses	<u>73,990,327</u>	<u>62,743,257</u>	<u>57,715,063</u>	<u>53,887,336</u>	<u>51,938,815</u>
Total primary government expenses	<u>\$ 215,160,285</u>	<u>\$ 165,483,672</u>	<u>\$ 165,348,540</u>	<u>\$ 148,990,181</u>	<u>\$ 139,010,472</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 16,010,783	\$ 15,681,682	\$ 15,368,391	\$ 13,967,066	\$ 11,482,417
Public safety	965,128	932,542	744,389	669,155	1,769,514
Culture and recreation	641,939	421,867	748,377	261,090	291,801
Highway and streets	375,497	332,187	355,465	350,025	2,311,254
Library	20,721	83,541	118,701	418,298	120,623
Operating grants and contributions	14,227,777	5,158,328	4,223,681	3,941,740	2,995,658
Capital grants and contributions	38,207,775	53,471,990	28,433,466	11,372,774	32,104,508
Total governmental activities program revenues	<u>70,449,620</u>	<u>76,082,137</u>	<u>49,992,470</u>	<u>30,980,148</u>	<u>51,075,775</u>
Business type activities:					
Charges for services:					
Water	27,009,859	27,080,827	30,131,495	31,217,602	28,014,723
Disposal	20,764,912	20,313,945	21,066,272	19,009,933	18,566,965
Wastewater (Sewer)	13,144,186	12,465,052	11,998,633	10,124,426	10,154,451
Groves	845,420	1,681,761	863,303	684,782	481,632
Non-Potable Water	553,827	618,839	641,340	629,395	484,262
Cemetery	947,465	986,715	1,139,982	1,258,104	926,398
Aviation	152,175	136,727	135,480	125,857	133,262
Operating grants and contributions	114,117	385,895	631,695	20,125	55,371
Capital grants and contributions	3,867,244	4,010,635	6,134,627	2,840,765	6,800,041
Total business type activities program revenues	<u>67,399,205</u>	<u>67,680,396</u>	<u>72,742,827</u>	<u>65,910,989</u>	<u>65,617,105</u>
Total primary government program revenues	<u>\$ 137,848,825</u>	<u>\$ 143,762,533</u>	<u>\$ 122,735,297</u>	<u>\$ 96,891,137</u>	<u>\$ 116,692,880</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	(70,720,338)	(26,658,278)	(57,641,007)	(64,122,697)	(35,995,882)
Business type activities	(6,591,122)	4,937,139	15,027,764	12,023,653	13,678,290
Total primary government net expense	<u>\$ (77,311,460)</u>	<u>\$ (21,721,139)</u>	<u>\$ (42,613,243)</u>	<u>\$ (52,099,044)</u>	<u>\$ (22,317,592)</u>

**City of Redlands**  
**Schedule 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2019 <sup>3</sup>	2018 <sup>2</sup>	2017	2016	2015 <sup>1</sup>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 16,210,304	\$ 12,394,000	\$ 14,391,456	\$ 16,235,478	\$ 10,229,535
Public protection	53,095,381	32,240,549	43,263,363	42,097,211	40,920,668
Culture and recreation	4,783,803	4,748,841	4,086,880	3,542,242	3,554,720
Highway and streets	10,183,231	12,854,490	11,271,259	15,594,075	12,043,276
Library	2,537,698	2,000,613	2,304,552	2,023,972	1,929,752
Interest and fiscal charges	683,446	834,297	936,132	1,123,871	1,297,837
Total governmental activities expenses	<u>87,493,863</u>	<u>65,072,790</u>	<u>76,253,642</u>	<u>80,616,849</u>	<u>69,975,788</u>
Business type activities:					
Water	20,857,656	20,369,100	20,514,340	21,635,151	19,556,198
Disposal	16,162,875	12,877,703	12,274,583	12,172,640	12,201,957
Wastewater (Sewer)	9,926,236	8,851,848	8,979,254	8,956,871	8,030,897
Groves	849,678	788,554	742,740	841,529	689,839
Non-Potable Water	116,759	125,323	434,912	81,152	73,383
Cemetery	936,535	861,109	75,761	1,304,891	681,223
Aviation	617,285	466,972	785,348	609,088	333,061
Total business type activities expenses	<u>49,467,024</u>	<u>44,340,609</u>	<u>43,806,938</u>	<u>45,601,322</u>	<u>41,566,558</u>
Total primary government expenses	<u>\$ 136,960,887</u>	<u>\$ 109,413,399</u>	<u>\$ 120,060,580</u>	<u>\$ 126,218,171</u>	<u>\$ 111,542,346</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 11,151,187	\$ 10,811,937	\$ 10,144,231	\$ 9,270,657	\$ 10,625,356
Public safety	2,711,769	3,076,343	2,696,810	3,403,559	1,975,667
Culture and recreation	310,780	303,222	719,642	286,315	295,199
Highway and streets	2,322,468	1,895,996	1,361,187	1,205,141	1,681,146
Library	131,338	131,408	125,052	33,098	33,270
Operating grants and contributions	1,867,228	4,469,962	2,911,259	5,596,864	8,607,394
Capital grants and contributions	7,083,735	4,533,292	2,257,370	1,346,021	4,666,849
Total governmental activities program revenues	<u>25,578,505</u>	<u>25,222,160</u>	<u>20,215,551</u>	<u>21,141,655</u>	<u>27,884,881</u>
Business type activities:					
Charges for services:					
Water	28,053,989	27,030,979	22,479,655	18,873,106	22,217,588
Disposal	17,159,911	15,110,821	13,657,953	13,504,267	12,887,067
Wastewater (Sewer)	10,229,449	9,611,197	9,340,274	9,531,484	9,688,884
Groves	930,738	741,397	700,334	507,914	798,577
Non-Potable Water	528,296	638,313	83,905	508,556	499,211
Cemetery	555,256	745,347	514,015	461,997	349,472
Aviation	120,087	127,233	575,846	15,214	16,472
Operating grants and contributions	56,555	-	-	-	180,000
Capital grants and contributions	5,450,817	347,871	816,777	392,189	4,593,429
Total business type activities program revenues	<u>63,085,098</u>	<u>54,353,158</u>	<u>48,168,759</u>	<u>43,794,727</u>	<u>51,230,700</u>
Total primary government program revenues	<u>\$ 88,663,603</u>	<u>\$ 79,575,318</u>	<u>\$ 68,384,310</u>	<u>\$ 64,936,382</u>	<u>\$ 79,115,581</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	(61,915,358)	(39,850,630)	(56,038,091)	(59,475,194)	(42,090,907)
Business type activities	13,618,074	10,012,549	4,361,821	(1,806,595)	9,664,142
Total primary government net expense	<u>\$ (48,297,284)</u>	<u>\$ (29,838,081)</u>	<u>\$ (51,676,270)</u>	<u>\$ (61,281,789)</u>	<u>\$ (32,426,765)</u>

**City of Redlands**  
**Schedule 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2024	2023	2022	2021	2020 <sup>4</sup>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 42,883,738	\$ 40,372,312	\$ 37,769,495	\$ 35,722,886	\$ 33,743,135
Sales and taxes	47,629,644	48,632,853	48,232,171	26,541,469	17,510,274
Franchises taxes	4,471,469	4,487,821	2,625,852	2,379,571	2,369,348
Other taxes	2,676,553	3,109,696	2,706,919	2,462,019	2,031,015
Investment income (loss)	9,235,054	2,757,278	(1,546,892)	282,836	1,869,008
Intergovernmental (unrestricted)	852,762	572,685	1,308,520	1,455,573	167,157
Miscellaneous revenue	2,523,968	4,734,390	1,689,391	3,064,706	1,865,686
Transfers	2,827,146	2,742,192	48,127,470	3,660,469	1,856,495
<b>Total governmental activities</b>	<b>113,100,334</b>	<b>107,409,227</b>	<b>140,912,926</b>	<b>75,569,529</b>	<b>61,412,118</b>
Business type activities:					
Property taxes	104,411	96,621	73,337	79,616	81,098
Investment income (loss)	5,841,165	1,123,030	(2,746,746)	557,392	3,214,540
Miscellaneous revenue	1,973,183	1,107,435	1,208,057	1,637,223	1,327,610
Gain on sale of capital assets	-	-	44,643,370	-	-
Transfers	(2,827,146)	(2,742,192)	(48,127,470)	(3,660,469)	(1,856,495)
<b>Total business type activities</b>	<b>5,091,613</b>	<b>(415,106)</b>	<b>(4,949,452)</b>	<b>(1,386,238)</b>	<b>2,766,753</b>
<b>Total primary government</b>	<b>\$ 118,191,947</b>	<b>\$ 106,994,121</b>	<b>\$ 135,963,474</b>	<b>\$ 74,183,291</b>	<b>\$ 64,178,871</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 42,379,996	\$ 80,750,949	\$ 83,271,919	\$ 11,446,832	\$ 25,416,236
Business type activities	(1,499,509)	4,522,033	10,078,312	10,637,415	16,445,043
<b>Total primary government</b>	<b>\$ 40,880,487</b>	<b>\$ 85,272,982</b>	<b>\$ 93,350,231</b>	<b>\$ 22,084,247</b>	<b>\$ 41,861,279</b>

NOTE:

- (1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.
- (2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.  
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).
- (3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.
- (4) The significant variance in the change in net position for Governmental Activities is due to a large decrease in the prior year 'to account for a revised right-of-way valuation methodology that had an adverse affect on net position, followed by a significant 'increase in right-of-way value added. More information is available in Management's Discussion and Analysis.

**City of Redlands**  
**Schedule 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2019 <sup>3</sup>	2018 <sup>2</sup>	2017	2016	2015 <sup>1</sup>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 31,833,632	\$ 30,067,473	\$ 28,173,741	\$ 26,424,395	\$ 25,157,824
Sales and taxes	18,838,445	17,177,492	16,843,090	18,344,596	16,040,049
Franchises taxes	2,221,789	3,224,053	3,035,317	3,079,571	3,735,682
Other taxes	2,061,674	1,907,344	1,977,985	1,792,527	1,681,618
Investment income (loss)	2,421,036	206,304	212,991	800,889	467,427
Intergovernmental (unrestricted)	187,586	195,866	196,602	234,787	424,385
Miscellaneous revenue	1,498,562	1,689,135	7,331,734	1,105,258	1,035,134
Transfers	2,943,934	8,243,110	2,500,914	4,486,199	16,113,690
<b>Total governmental activities</b>	<b>62,006,658</b>	<b>62,710,777</b>	<b>60,272,374</b>	<b>56,268,222</b>	<b>64,655,809</b>
Business type activities:					
Property taxes	85,928	66,263	40,199	38,109	35,225
Investment income (loss)	3,310,733	509,882	500,783	1,335,997	921,859
Miscellaneous revenue	1,770,702	2,457,912	4,627,943	2,911,966	1,152,177
Gain on sale of capital assets	-	-	-	-	4,840
Transfers	(2,943,934)	(8,243,110)	(2,500,914)	(4,486,199)	(16,113,690)
<b>Total business type activities</b>	<b>2,223,429</b>	<b>(5,209,053)</b>	<b>2,668,011</b>	<b>(200,127)</b>	<b>(13,999,589)</b>
<b>Total primary government</b>	<b>\$ 64,230,087</b>	<b>\$ 57,501,724</b>	<b>\$ 62,940,385</b>	<b>\$ 56,068,095</b>	<b>\$ 50,656,220</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 91,300	\$ 22,860,147	\$ 4,234,283	\$ (3,206,972)	\$ 22,564,902
Business type activities	15,841,503	4,803,496	7,029,832	(2,006,722)	(4,335,447)
<b>Total primary government</b>	<b>\$ 15,932,803</b>	<b>\$ 27,663,643</b>	<b>\$ 11,264,115</b>	<b>\$ (5,213,694)</b>	<b>\$ 18,229,455</b>

NOTE:

- (1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.
- (2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.  
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.  
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).
- (3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.
- (4) The significant variance in the change in net position for Governmental Activities is due to a large decrease in the prior year 'to account for a revised right-of-way valuation methodology that had an adverse affect on net position, followed by a significant 'increase in right-of-way value added. More information is available in Management's Discussion and Analysis.

**City of Redlands**  
**Schedule 3**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Years				
	2024	2023	2022 <sup>2</sup>	2021	2020
General fund					
Nonspendable	\$ 3,513,932	\$ 8,214,591	\$ 8,369,652	\$ 8,327,781	\$ 8,469,766
Restricted	1,333,444	1,260,683	1,157,866	1,076,656	1,058,540
Committed	12,232,036	12,492,698	12,663,905	11,863,318	8,285,676
Assigned	33,591,308	35,700,799	31,734,961	4,188,185	3,901,788
Unassigned	60,505,969	53,289,070	39,513,840	29,877,229	19,000,734
Total general fund	<u>111,176,689</u>	<u>110,957,841</u>	<u>93,440,224</u>	<u>55,333,169</u>	<u>40,716,504</u>
All other governmental funds					
Nonspendable	293,319	574,827	43,400	30,200	104,242
Restricted	24,458,555	11,961,583	9,980,754	13,024,622	16,266,437
Committed	-	11,893,350	11,409,016	10,748,915	11,048,266
Assigned	2,764,922	2,325,558	2,560,682	2,742,004	1,463,122
Unassigned (deficit)	(240,244)	(8,448,957)	(6,610,754)	(7,558,978)	(7,740,144)
Total all other governmental fund	<u>27,276,552</u>	<u>18,306,361</u>	<u>17,383,098</u>	<u>18,986,763</u>	<u>21,141,923</u>
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 138,453,241</u></u>	<u><u>\$ 129,264,202</u></u>	<u><u>\$ 110,823,322</u></u>	<u><u>\$ 74,319,932</u></u>	<u><u>\$ 61,858,427</u></u>

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.

(2) The City passed a one-cent sales tax which added significant revenue over budget forecasts, additionally \$7.1 million in unspent appropriations were carried over to the following fiscal year. Lastly the City implemented GASB 84 to recognize special deposits from another fund in the General Fund as committed fund balance.

**City of Redlands**  
**Schedule 3**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Years				
	2019	2018	2017	2016	2015 <sup>1</sup>
General fund					
Nonspendable	\$ 8,707,654	\$ 8,734,646	\$ 8,517,994	\$ 8,324,472	\$ 7,481,159
Restricted	1,104,848	1,057,918	-	-	-
Committed	8,285,676	8,285,676	8,122,332	8,122,332	7,935,152
Assigned	3,894,566	4,063,636	2,130,916	2,267,840	1,883,794
Unassigned	17,654,773	13,592,754	13,927,733	13,454,147	14,510,450
Total general fund	<u>75,382,147</u>	<u>35,734,630</u>	<u>32,698,975</u>	<u>32,168,791</u>	<u>31,810,555</u>
All other governmental funds					
Nonspendable	123,682	123,661	2,539,567	-	327,340
Restricted	14,541,638	19,321,372	9,563,703	15,258,535	15,584,054
Committed	9,738,292	8,441,919	8,013,248	7,212,199	6,698,593
Assigned	1,480,036	1,204,854	3,419,978	-	-
Unassigned (deficit)	(8,548,572)	(8,761,721)	(10,470,797)	(9,553,680)	(7,849,278)
Total all other governmental fund	<u>17,335,076</u>	<u>20,330,085</u>	<u>13,065,699</u>	<u>12,917,054</u>	<u>14,760,709</u>
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 92,717,223</u></u>	<u><u>\$ 56,064,715</u></u>	<u><u>\$ 45,764,674</u></u>	<u><u>\$ 45,085,845</u></u>	<u><u>\$ 46,571,264</u></u>

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.

(2) The City passed a one-cent sales tax which added significant revenue over budget forecasts, additionally \$7.1 million in unspent appropriations were carried over to the following fiscal year. Lastly the City implemented GASB 84 to recognize special deposits from another fund in the General Fund as committed fund balance.

**City of Redlands**  
**Schedule 4**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Years				
	2024	2023	2022 <sup>2</sup>	2021	2020
<b>Revenues</b>					
Taxes	\$ 97,661,404	\$ 97,890,204	\$ 92,468,816	\$ 68,307,527	\$ 57,080,368
Licenses and permits	9,238,592	8,862,824	8,122,570	7,579,479	9,786,703
Intergovernmental	21,998,289	11,470,217	8,748,788	7,520,076	5,052,310
Charges for services	11,662,388	12,139,614	15,275,610	9,853,495	9,659,518
Use of money and property	6,916,285	482,019	(3,135,140)	248,353	1,659,740
Other miscellaneous	2,207,763	2,468,702	1,577,070	1,712,985	2,846,580
Total revenues	<u>149,684,721</u>	<u>133,313,580</u>	<u>123,057,714</u>	<u>95,221,915</u>	<u>86,085,219</u>
<b>Expenditures</b>					
Current:					
General government	36,952,522	25,336,594	23,345,899	16,897,961	14,842,765
Public safety	60,359,083	54,055,313	50,048,806	50,208,365	48,554,670
Culture and recreation	7,956,878	7,405,824	5,346,330	3,154,163	3,244,432
Highway and streets	6,513,304	5,851,214	4,491,032	4,657,068	6,998,840
Library	3,580,553	3,125,090	2,601,164	2,426,448	2,464,463
Capital outlay	23,894,085	14,328,396	47,887,675	11,067,756	4,819,364
Debt service:					
Principal	3,907,790	2,545,598	2,061,323	1,708,629	1,477,188
Interest and fiscal charges	630,463	851,968	612,391	488,363	548,472
Total expenditures	<u>143,794,678</u>	<u>113,499,997</u>	<u>136,394,620</u>	<u>90,608,753</u>	<u>82,950,194</u>
Excess of revenues over (under) expenditures	<u>5,890,043</u>	<u>19,813,583</u>	<u>(13,336,906)</u>	<u>4,613,162</u>	<u>3,135,025</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of property	-	-	-	1,425,889	89,657
Inception of finance purchase agreement	3,668,445	-	3,275,547	362,413	-
Inception of lease liability	2,546,260	384,011	196,119	-	-
Contributions to other governments	-	-	-	-	-
Transfers in	23,060,757	11,455,770	69,860,227	14,158,728	12,557,880
Transfers out	(25,976,466)	(13,212,484)	(23,491,596)	(11,759,357)	(10,906,728)
Total other financing sources (uses)	<u>3,298,996</u>	<u>(1,372,703)</u>	<u>49,840,297</u>	<u>4,187,673</u>	<u>1,740,809</u>
Net change in fund balances	<u>\$ 9,189,039</u>	<u>\$ 18,440,880</u>	<u>\$ 36,503,391</u>	<u>\$ 8,800,835</u>	<u>\$ 4,875,834</u>
Restatements	\$ -	\$ -	\$ -	\$ 3,660,669	\$ -
Debt service as a percentage of non-capital expenditures <sup>1</sup>	3.8%	3.4%	3.0%	2.8%	2.6%

NOTE:

<sup>1</sup> Calculated by dividing the sum of principal and interest by noncapital expenditures which are total expenditures less

- a) capital outlay (to extent capitalized for the government-wide statements of net position; and
- b) expenditures for capitalized assets contained within the functional expenditure categories.

<sup>2</sup> The City's tax revenue was bolstered by the passage of a new one-cent local sales tax and a favorable tax reallocation from its Amazon fulfillment center.



**City of Redlands**  
**Schedule 4**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Years				
	2019	2018	2017	2016	2015
<b>Revenues</b>					
Taxes	\$ 56,188,843	\$ 53,608,771	\$ 51,196,332	\$ 49,641,089	\$ 46,615,173
Licenses and permits	9,363,446	8,249,522	8,482,996	7,321,567	11,582,473
Intergovernmental	4,290,382	4,029,164	4,266,267	3,637,854	5,602,252
Charges for services	9,912,278	8,100,020	7,484,890	7,469,738	7,283,095
Use of money and property	1,823,854	185,610	191,541	717,504	431,301
Other miscellaneous	1,930,916	4,866,979	3,958,621	3,785,796	1,900,979
Total revenues	<u>83,509,719</u>	<u>79,040,066</u>	<u>75,580,647</u>	<u>72,573,548</u>	<u>73,415,273</u>
<b>Expenditures</b>					
Current:					
General government	14,702,684	12,830,680	12,351,772	12,915,590	11,041,353
Public safety	45,514,084	45,246,205	42,755,811	40,337,356	37,891,668
Culture and recreation	3,286,739	2,870,721	2,611,210	2,481,223	2,791,661
Highway and streets	6,565,573	7,033,817	5,695,084	5,034,090	6,107,137
Library	2,158,580	1,989,717	1,942,607	1,909,442	1,824,593
Capital outlay	10,307,277	6,132,826	15,476,158	11,481,823	23,146,625
Debt service:					
Principal	2,688,630	3,043,767	3,115,653	3,947,223	3,701,474
Interest and fiscal charges	665,241	812,002	976,711	1,158,384	1,343,002
Total expenditures	<u>85,888,808</u>	<u>79,959,735</u>	<u>84,925,006</u>	<u>79,265,131</u>	<u>87,847,513</u>
Excess of revenues over (under) expenditures	<u>(2,379,089)</u>	<u>(919,669)</u>	<u>(9,344,359)</u>	<u>(6,691,583)</u>	<u>(14,432,240)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of property	252,613	1,975,203	6,272,810	311,189	16,083
Inception of finance purchase agreement	-	-	-	-	-
Inception of lease liability	-	-	-	-	-
Contributions to other governments	-	-	-	-	(100,919)
Transfers in	16,569,439	19,326,814	15,430,085	15,911,839	29,941,931
Transfers out	(13,525,085)	(9,788,204)	(11,558,209)	(9,720,247)	(13,980,425)
Total other financing sources (uses)	<u>3,296,967</u>	<u>11,513,813</u>	<u>10,144,686</u>	<u>6,502,781</u>	<u>15,876,670</u>
Net change in fund balances	<u>\$ 917,878</u>	<u>\$ 10,594,144</u>	<u>\$ 800,327</u>	<u>\$ (188,802)</u>	<u>\$ 1,444,430</u>
Restatements	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service as a percentage of non-capital expenditures <sup>1</sup>	4.4%	5.2%	5.9%	7.5%	8.1%

NOTE:

<sup>1</sup> Calculated by dividing the sum of principal and interest by noncapital expenditures which are total expenditures less

- a) capital outlay (to extent capitalized for the government-wide statements of net position; and
- b) expenditures for capitalized assets contained within the functional expenditure categories.

<sup>2</sup> The City's tax revenue was bolstered by the passage of a new one-cent local sales tax and a favorable tax reallocation from its Amazon fulfillment center.

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**City of Redlands**  
**Schedule 5**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2024	\$ 12,812,282	\$ 410,488	\$ (68,251)	\$ 13,154,519	\$ 0.21758
2023	11,786,415	339,774	(70,106)	12,056,083	0.21821
2022	11,148,507	342,259	(72,875)	11,417,891	0.21869
2021	10,700,129	358,630	(73,396)	10,985,363	0.21864
2020	10,187,750	361,653	(74,204)	10,475,199	0.21874
2019	9,564,308	387,527	(74,744)	9,877,091	0.21877
2018	9,090,915	328,121	(76,265)	9,342,771	0.21877
2017	8,616,414	309,224	(76,808)	8,848,830	0.21877
2016	8,112,897	337,359	(74,030)	8,376,226	0.21877
2015	7,725,648	316,364	(75,033)	7,966,979	0.21913

NOTE:

In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total minimum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available, with respect to the actual market value of taxable property, and is subject to the limitations described above.

With the approval of ABX1 26, the State eliminated Redevelopment from the State of California for the Fiscal Year 2012/13 and years thereafter.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)  
California Municipal Statistics, Inc.  
San Bernardino County Auditor-Controller - Property Tax Division

**City of Redlands**  
**Schedule 6**  
**Assessed Value and Estimated Actual Value of Taxable Property by Major Type**  
**Last Ten Fiscal Years**

CATEGORY	Fiscal Years				
	2024	2023	2022	2021	2020
Residential	\$ 8,504,880	\$ 7,877,964	\$ 7,407,486	\$ 7,072,365	\$ 6,708,893
Commercial	1,488,548	1,387,866	1,299,726	1,253,237	1,176,203
Industrial	1,723,267	1,444,607	1,361,167	1,326,479	1,253,275
Government	7,068	6,929	15,553	2,883	576
Institutional	21,037	22,473	21,841	20,405	18,506
Irrigated	27,649	29,799	25,897	27,275	28,199
Miscellaneous	60,190	45,389	36,104	37,025	33,513
Recreational	49,504	48,611	55,431	51,028	50,098
Vacant Land	276,303	264,095	270,853	222,964	232,018
SBE Nonunitary	626,016	634,683	654,449	686,469	686,469
Unsecured	438,308	363,771	360,182	358,629	361,653
Unknown	-	-	-	-	-
<b>Total Assessed Value</b>	<b>13,222,770</b>	<b>12,126,187</b>	<b>11,508,689</b>	<b>11,058,759</b>	<b>10,549,403</b>
Less: Exemptions	(68,251)	(70,106)	(72,875)	(73,396)	(74,204)
<b>Taxable Assessed Value</b>	<b>13,154,519</b>	<b>12,056,081</b>	<b>11,435,814</b>	<b>10,985,363</b>	<b>10,475,199</b>
<b>Total Direct Rate</b>	<b>0.21758</b>	<b>0.21821</b>	<b>0.21755</b>	<b>0.21718</b>	<b>0.21732</b>

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at 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.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

**City of Redlands**  
**Schedule 6**  
**Assessed Value and Estimated Actual Value of Taxable Property by Major Type (Continued)**  
**Last Ten Fiscal Years**

CATEGORY	Fiscal Years				
	2019	2018	2017	2016	2015
Residential	\$ 6,246,593	\$ 5,935,215	\$ 5,643,230	\$ 5,355,614	\$ 5,102,276
Commercial	1,085,468	1,040,344	988,145	959,063	941,128
Industrial	1,201,011	1,160,879	1,035,053	790,087	774,960
Government	548	522	513	505	1,478
Institutional	18,463	17,188	16,293	16,172	15,809
Irrigated	26,136	26,471	26,750	26,691	30,844
Miscellaneous	39,302	27,016	26,495	23,785	22,390
Recreational	49,887	49,678	32,808	32,520	31,962
Vacant Land	199,973	200,329	209,375	277,305	231,763
SBE Nonunitary	696,927	633,273	637,752	631,155	573,038
Unsecured	387,527	328,121	309,224	337,359	316,364
Unknown	-	-	-	-	-
<b>Total Assessed Value</b>	<b>9,951,835</b>	<b>9,419,036</b>	<b>8,925,638</b>	<b>8,450,256</b>	<b>8,042,012</b>
Less: Exemptions	(74,744)	(76,265)	(76,808)	(74,030)	(75,033)
<b>Taxable Assessed Value</b>	<b>9,877,091</b>	<b>9,342,771</b>	<b>8,848,830</b>	<b>8,376,226</b>	<b>7,966,979</b>
<b>Total Direct Rate</b>	<b>0.21877</b>	<b>0.21877</b>	<b>0.21877</b>	<b>0.21877</b>	<b>0.21913</b>

**City of Redlands**  
**Schedule 7**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2024	2023	2022	2021	2020
City Share of Basic Levy (1)	0.21878	0.21878	0.21878	0.21878	0.21878
Overlapping Rates: (2)					
County General Fund	0.14600	0.14600	0.14600	0.14600	0.14600
County Superintendent	0.00501	0.00750	0.00740	0.00740	0.00750
Inland Empire Joint Resource Conservation District	0.00050	0.00050	0.00050	0.00050	0.00050
Educational Revenue Augmentation Fund	0.22110	0.22110	0.22110	0.22110	0.22110
Flood Control Zone 3	0.02560	0.02560	0.02560	0.02560	0.02560
Flood Control Admin 3-6	0.00088	0.00088	0.00088	0.00088	0.00088
Redlands Unified	0.30160	0.30160	0.30160	0.30160	0.30160
San Bernardino Community College	0.05130	0.05130	0.05130	0.05130	0.05130
San Bernardino Valley Municipal Water	0.02640	0.02630	0.02640	0.02640	0.02630
San Bernardino Valley Water Conservation District	0.00044	0.00044	0.00044	0.00044	0.00044
Superintendent - Physically Handicapped	0.00197	-	-	-	-
Superintendent - Development Center	0.00052	-	-	-	-
Total Proposition 13 Rate	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Redlands Debt Service			-	-	-
Redlands Unified	0.03160	0.02790	0.06620	0.03600	0.03390
San Bernardino Community College	0.04520	0.04500	0.05340	0.06510	0.05620
San Bernardino Unified	0.06880	0.08780	0.10890	0.10340	0.09690
San Bernardino Valley Municipal Water	<u>0.12000</u>	<u>0.13000</u>	<u>0.13000</u>	<u>0.14250</u>	<u>0.14250</u>
Total Voter Approved Rate	<u>0.26560</u>	<u>0.29070</u>	<u>0.35850</u>	<u>0.34700</u>	<u>0.32950</u>
Total Direct and Overlapping Rate	<u>1.26560</u>	<u>1.29070</u>	<u>1.35850</u>	<u>1.34700</u>	<u>1.32950</u>
City Share of 1% Levy Per Prop 13 (3)	0.21878	0.21878	0.21878	0.21878	0.21878
Redlands Debt Service			-	-	-
City Direct Rate (4)	<b>0.21758</b>	<b>0.21821</b>	<b>0.21755</b>	<b>0.21718</b>	<b>0.21732</b>

NOTES:

(1) In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter approved items.

(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.

(3) 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. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) Because basic and debt rates vary by tax rate area, individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

**City of Redlands**  
**Schedule 7**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2019	2018	2017	2016	2015
City Share of Basic Levy (1)	0.21878	0.21878	0.21878	0.21878	0.21878
Overlapping Rates: (2)					
County General Fund	0.14600	0.14600	0.14600	0.14600	0.14600
County Superintendent	0.00750	0.00750	0.00750	0.00750	0.00750
Inland Empire Joint Resource Conservation District	0.00050	0.00050	0.00050	0.00050	0.00050
Educational Revenue Augmentation Fund	0.22110	0.22110	0.22110	0.22110	0.22110
Flood Control Zone 3	0.02560	0.02560	0.02560	0.02560	0.02560
Flood Control Zone 8	0.00088	0.00088	0.00088	0.00088	0.00088
Redlands Unified	0.30160	0.30160	0.30160	0.30160	0.30160
San Bernardino Community College	0.05130	0.05130	0.05130	0.05130	0.05130
San Bernardino Valley Municipal Water	0.02630	0.02630	0.02630	0.02630	0.02630
San Bernardino Valley Water Conservation District	0.00044	0.00044	0.00044	0.00044	0.00044
Superintendent - Physically Handicapped	-	-	-	-	-
Superintendent - Development Center	-	-	-	-	-
Total Proposition 13 Rate	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Redlands Debt Service	-	-	-	-	-
Redlands Unified	0.03240	0.04940	0.05240	0.05670	0.05940
San Bernardino Community College	0.04070	0.03760	0.03500	0.04030	0.03930
San Bernardino Unified	0.11260	0.10070	0.07950	0.11820	0.10810
San Bernardino Valley Municipal Water	<u>0.15250</u>	<u>0.15250</u>	<u>0.16250</u>	<u>0.16250</u>	<u>0.16250</u>
Total Voter Approved Rate	<u>0.33820</u>	<u>0.34020</u>	<u>0.32940</u>	<u>0.37770</u>	<u>0.36930</u>
Total Direct and Overlapping Rate	<u>1.33820</u>	<u>1.34020</u>	<u>1.32940</u>	<u>1.37770</u>	<u>1.36930</u>
City Share of 1% Levy Per Prop 13 (3)	0.21878	0.21878	0.21878	0.21878	0.21878
Redlands Debt Service	-	-	-	-	-
City Direct Rate (4)	<b>0.21877</b>	<b>0.21877</b>	<b>0.21877</b>	<b>0.21877</b>	<b>0.21913</b>

NOTES:

(1) In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter approved items.

(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.

(3) 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. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) Because basic and debt rates vary by tax rate area, individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

**City of Redlands**  
**Schedule 8**  
**Top Ten Principal Property Taxpayers**  
**Fiscal Year 2024 and Ten Years Prior**  
**(in Thousands)**

Taxpayer	2024		2015	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 623,884	4.74%	\$ 572,703	7.19%
Prologis LP	213,254	1.62%	84,633	1.06%
Duke Realty LP*	190,340	1.45%	41,186	0.52%
Redlands Owner LP*	168,300	1.28%	-	-
NYS New LLC*	148,905	1.13%	74,217	0.93%
PVT Apartments SPE LLC	140,030	1.06%	-	-
Ashley Furniture Industries	122,817	0.93%	-	-
BCI-OEF Redlands DC LP	112,271	0.85%	-	-
AMB Institutional Alliance Fund III	96,545	0.73%	81,939	1.03%
Teachers Insurance and Annuity Assoc.	91,362	0.69%	-	-
2301 W. San Bernardino Ave Invest Group	-	-	55,263	0.69%
BRE Piper/Parkview Terrace Assoc. LLC	-	-	82,600	1.04%
CLPF - Redlands Business Center	-	-	43,480	0.55%
ROC II California Redlands LLC	-	-	62,931	0.79%
PACGWL LLC	-	-	40,200	0.50%
<b>Top Ten Total</b>	<b>\$ 1,907,708</b>	<b>14.50%</b>	<b>\$ 1,139,152</b>	<b>14.30%</b>
<b>City Total Net Taxable Assessed Value</b>	<b>\$ 13,154,519</b>		<b>\$ 7,966,979</b>	

\* Pending appeals on parcels

Source: San Bernardino County Assessor (via HdL, Coren & Cone)



**City of Redlands**  
**Schedule 9**  
**Property Tax Levies and Collections <sup>1</sup>**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy <sup>2</sup>		Subsequent Years Collections of Prior Years	Total Collections to Date <sup>2</sup>	
		Amount	Percent of Levy		Amount	Percent of Levy
2024	\$ 54,132,817	\$ 53,937,939	99.64%	\$ 997,801	\$ 54,935,740	101.48%
2023	49,559,611	49,351,461	99.58%	651,627	50,003,088	100.89%
2022	49,347,531	49,204,423	99.71%	691,484	49,895,907	101.11%
2021	46,298,808	46,048,794	99.46%	615,108	46,663,902	100.79%
2020	42,472,462	42,173,456	99.30%	524,343	42,697,799	100.53%
2019	41,184,840	40,950,087	99.43%	571,918	41,522,005	100.82%
2018	35,648,742	35,417,025	99.35%	585,973	36,002,998	100.99%
2017	33,814,971	33,547,833	99.21%	561,371	34,109,204	100.87%
2016	31,245,233	31,220,237	99.92%	593,784	31,814,021	101.82%
2015	30,236,660	30,224,565	99.96%	618,909	30,843,474	102.01%
2014	29,697,798	29,620,584	99.74%	834,306	30,454,890	102.55%

NOTE:

<sup>1</sup> The amounts presented include City property taxes and Redevelopment Agency tax increment, as well as amounts collected by the City and Redevelopment Agency that were passed-through to other agencies. The State dissolved the redevelopment agency effective in 2012. This resulted in the City having to issue a refund of increment received that the County deemed as excess.

<sup>2</sup> Subsequent Years Collections of Prior Years may include delinquent tax payments from multiple prior years which are not identified separately by the County of San Bernardino. Any tax system changes required to identify and track this information would have to be developed in the County's tax system and subsequently included in reports provided to the City. At this time it is not known when or if the County will make such a change.

Source: City of Redlands, San Bernardino County Auditor-Controller/Treasurer/Tax Collector

**City of Redlands**  
**Schedule 10**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30	Governmental Activities				Total Governmental Activities
	Taxable	Certificates of Participation	Notes /	Leases / SBITAs Payable	
	Pension Bonds				
2024	\$ 4,469,940	\$ -	\$ 7,785,799	\$ 12,255,739	
2023	4,607,478	-	5,376,102	9,983,580	
2022	6,172,956	-	5,739,328	11,912,284	
2021	7,591,783	-	2,147,431	9,739,214	
2020	8,869,341	-	2,148,647	11,017,988	
2019	10,015,991	-	2,033,734	12,049,725	
2018	12,452,070	-	2,207,364	14,659,434	
2017	14,596,411	643,006	2,376,131	17,615,548	
2016	16,581,841	1,466,010	2,656,784	20,704,635	
2015	18,367,081	3,299,014	2,959,007	24,625,102	

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Redlands

**City of Redlands**  
**Schedule 10**  
**Ratios of Outstanding Debt by Type (Continued)**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Business-type Activities					Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Water Revenue Bonds	Wastewater Revenue Bonds	Solid Waste Revenue Bonds	Notes / Leases / SBITAs Payable	Total Business-type Activities			
2024	\$ -	\$ -	\$ -	\$ 13,558,549	\$ 13,558,549	\$ 25,814,288	0.84%	\$ 357
2023	-	-	1,660,000	13,461,929	15,121,929	25,105,509	0.88%	343
2022	-	-	3,408,353	14,644,928	18,053,281	29,965,565	1.05%	409
2021	-	-	5,091,347	15,514,242	20,605,589	30,344,803	1.16%	426
2020	-	-	6,704,343	16,784,165	23,488,508	34,506,496	1.20%	486
2019	-	-	8,247,337	18,129,060	26,376,397	38,426,122	1.54%	542
2018	-	-	9,720,331	19,440,040	29,160,371	43,819,805	1.76%	618
2017	-	990,000	11,138,322	20,929,311	33,057,633	50,673,181	2.31%	732
2016	-	2,021,443	12,506,313	18,819,314	33,347,070	54,051,705	2.41%	774
2015	1,195,000	3,024,098	13,834,309	16,429,544	34,482,951	59,108,053	2.63%	847

**City of Redlands**  
**Schedule 11**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Accumulated Resources to Repay Principal	Net General Bonded Debt	Percent of Assessed Value <sup>1</sup>	Per Capita
	Taxable Pension Bonds	Certificates of Participation	Total				
2024	\$ 4,470	\$ -	\$ 4,470	\$ 200	\$ 4,270	0.03%	\$ 59
2023	4,607	-	4,607	185	4,422	0.04%	60
2022	6,173	-	6,173	1,620	4,553	0.04%	62
2021	7,592	-	7,592	1,480	6,112	0.06%	86
2020	8,869	-	8,869	1,520	7,349	0.08%	104
2019	10,016	-	10,016	1,383	8,633	0.10%	122
2018	12,452	-	12,452	2,575	9,877	0.13%	139
2017	14,596	643	15,239	2,416	12,823	0.17%	185
2016	16,582	1,466	18,048	2,265	15,783	0.21%	232
2015	18,367	3,299	21,666	2,129	19,537	0.27%	280

NOTE:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

As a result of the dissolution of the redevelopment agency in 2012, the outstanding \$30,150,000 indebtedness of the former redevelopment agency was transferred to the Successor Agency. As of 6/30/2023, that indebtedness has been fully satisfied.

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**City of Redlands**  
**Schedule 12**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2024**

Net Taxable 2023-2024 Assessed Valuation	\$	13,126,700	
	Percentage Applicable <sup>1</sup>	Outstanding Debt 06/30/24	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
San Bernardino Community College District	12.968%	\$ 905,105,266	\$ 117,374,051
Redlands Unified School District	56.228%	48,943,512	\$ 27,519,958
San Bernardino City Unified School District	0.049%	315,584,428	\$ 154,636
City of Redlands Community Facilities District No. 2001-1	100.000%	1,960,000	\$ 1,960,000
City of Redlands Community Facilities District No. 2003-1	100.000%	6,440,000	\$ 6,440,000
Total Overlapping Tax and Assessment Debt		1,278,033,206	153,448,645
<b>Overlapping General Fund Debt:</b>			
San Bernardino County General Fund Obligations	4.121%	131,565,000	5,421,794
San Bernardino County Flood Control District General Fund Obligations	4.121%	37,295,000	1,536,927
San Bernardino City Unified School District (Certificates of Participation)	0.049%	56,025,000	27,452
Redlands Unified School District (Certificates of Participation)	56.228%	21,210,000	11,925,959
Yucaipa-Calimesa Joint Unified School District (Certificates of Participation)	0.694%	43,237,273	300,067
Total Overlapping General Fund Debt		289,332,273	19,212,198
<b>Overlapping Tax Increment Debt (Successor Agencies)</b>			
San Bernardino County Inland Valley Tax Allocation Bonds	5.470%	209,565,000	\$ 11,463,206
Total Overlapping Tax Increment Debt		209,565,000	11,463,206
Total Gross Overlapping General Fund Debt		498,897,273	30,675,404
Total Gross Overlapping Debt			\$ 184,124,049
<b>Direct General Fund Debt:</b>			
City of Redlands Pension Obligations	100.000%	4,469,940	4,469,940
Total Direct General Fund Debt			4,469,940
<b>Direct Loan/Capital Lease Debt:</b>			
I-Bank Sports Park Lease	100.000%	\$ 1,087,565	\$ 1,087,565
Finance Purchase Agreements and Leases Payable	100.000%	3,701,646	3,701,646
Lease Liability	100.000%	\$ 2,941,545	\$ 2,941,545
Subscription Liability	100.000%	55,044	55,044
Total Direct General Fund Debt		2,996,589	7,785,800
Total Direct Debt			\$ 12,255,740
Combined Total Direct and Overlapping Debt <sup>2</sup>			\$ 196,379,789

<sup>1</sup> The overlapping district's assessed valuation located within the City is divided by the total assessed valuation of the overlapping district. That percentage is multiplied by the total debt outstanding for the overlapping district resulting in the City's share of debt.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue.

**Ratios to 2023-24 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	1.17%
Total Direct Debt (\$3,925,485)	0.03%
Combined Total Debt	1.43%

**Ratios to Redevelopment Successor Agencies Incremental Valuation (\$1,622,271,373)**

Total Overlapping Tax Increment Debt	0.67%
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Sources: Avenu Insights and Analytics

This report reflects debt which is being repaid through voter-approved tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the City of Redlands.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Redlands. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City of Redlands boundaries and dividing it by each unit's total taxable assessed value.

**City of Redlands**  
**Schedule 13**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation	Fiscal Year				
	2024	2023	2022	2021	2020
Assessed valuation	\$ 13,154,519	\$ 12,056,083,275	\$ 11,435,814,517	\$ 10,985,363,463	\$ 10,475,199,528
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,288,630	3,014,020,819	2,858,953,629	2,746,340,866	2,618,799,882
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	493,294	452,103,123	428,843,044	411,951,130	392,819,982
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 493,294</u>	<u>\$ 452,103,123</u>	<u>\$ 428,843,044</u>	<u>\$ 411,951,130</u>	<u>\$ 392,819,982</u>
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)  
City of Redlands  
California Municipal Statistics, Inc.

**City of Redlands**  
**Schedule 13**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation	Fiscal Year				
	2019	2018	2017	2016	2015
Assessed valuation	\$ 9,877,091,307	\$ 9,342,770,314	\$ 8,925,637,991	\$ 8,450,256,632	\$ 8,042,012,336
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,469,272,827	2,335,692,579	2,231,409,498	2,112,564,158	2,010,503,084
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	370,390,924	350,353,887	334,711,425	316,884,624	301,575,463
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 370,390,924	\$ 350,353,887	\$ 334,711,425	\$ 316,884,624	\$ 301,575,463
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.0%

**City of Redlands**  
**Schedule 14**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	<b>Water Revenue Bonds</b>					
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2024	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2023	-	-	-	-	-	N/A
2022	-	-	-	-	-	N/A
2021	-	-	-	-	-	N/A
2020	-	-	-	-	-	N/A
2019	-	-	-	-	-	N/A
2018	-	-	-	-	-	N/A
2017	-	-	-	-	-	N/A
2016	19,566,403	18,802,920	763,483	1,195,000	17,925 *	0.63
2015	23,236,963	16,684,682	6,552,281	1,160,000	53,250	5.40

Fiscal Year Ended June 30	<b>Wastewater Revenue Bonds</b>					
	Wastewater Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2024	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2023	-	-	-	-	-	N/A
2022	-	-	-	-	-	N/A
2021	-	-	-	-	-	N/A
2020	-	-	-	-	-	N/A
2019	-	-	-	-	-	N/A
2018	9,689,226	7,274,339	2,414,887	990,000	19,800 *	2.39
2017	9,483,891	7,207,159	2,276,732	960,000	58,800	2.23
2016	9,981,677	7,319,389	2,662,288	925,000	91,875	2.62
2015	9,932,156	6,483,856	3,448,300	900,000	119,250	3.38

Fiscal Year Ended June 30	<b>Solid Waste Revenue Bonds</b>					
	Solid Waste Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2024	\$ 22,070,109	\$ 17,987,135	\$ 4,082,974	\$ 1,660,000	\$ 122,500	2.24
2023	20,447,864	16,549,875	3,897,989	1,580,000	122,500	2.29
2022	21,106,844	14,161,410	6,945,434	1,500,000	199,500	3.21
2021	19,780,794	13,669,667	6,111,127	1,430,000	272,750	2.82
2020	19,833,178	13,639,644	6,193,534	1,360,000	342,500	3.64
2019	17,996,521	14,518,673	3,477,848	1,290,000	408,750	1.61
2018	15,507,091	11,060,050	4,447,041	1,235,000	465,700	2.05
2017	13,899,757	9,911,432	3,988,325	1,185,000	537,800	2.32
2016	13,974,604	10,437,524	3,537,080	1,145,000	572,150	2.06
2015	13,442,842	10,341,915	3,100,927	1,115,000	516,422	1.90

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

\* In 2016, the Water Refunding Revenue Bonds Series 2012A matured and were paid in full.

\* In 2018, the Wastewater Refunding Revenue Bonds Series 2012A matured and were paid in full.

\* In 2024, the Solid Waste Revenue Bonds Series 2013A matured and were paid in full.

Source: City of Redlands



**City of Redlands**  
**Schedule 15**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

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Calendar Year (1)	Population (2)	Personal Income (In Thousands)	Per Capita Personal Income (3)	Unemployment Rate (4)
2023	72,696	\$ 3,702,989	\$ 50,938	3.6%
2022	72,259	3,086,832	42,719	5.5%
2021	73,288	2,846,286	38,837	2.9%
2020	71,154	2,607,936	36,652	7.4%
2019	70,952	2,882,851	40,631	3.0%
2018	71,441	2,790,914	39,066	3.2%
2017	70,851	2,494,168	35,203	3.1%
2016	69,211	2,195,442	31,721	3.3%
2015	68,040	2,192,657	32,226	3.0%
2014	69,814	2,243,752	32,139	4.7%
2013	69,882	2,265,714	32,422	6.0%

Sources:

- (1) Information presented on the calendar year basis, therefore the most current full year is included
- (2) State of California, Department of Finance - Demographic Research Unit
- (3) U.S Department of Commerce U.S Census Bureau
- (4) State of California, Employment Development Department

**City of Redlands**  
**Schedule 16**  
**Principal Employers**  
**Fiscal Year 2024 and Ten Years Prior**

Employer	2024		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Redlands Unified School District*	2,513	6.79%	2,894	8.74%
ESRI	2,432	6.57%	2,590	7.82%
Redlands Community Hospital	1,759	4.75%	1,600	4.83%
Optum (Beaver Medical Group & Epic Mgmt)	1,000	2.70%	1,200	3.63%
Amazon Fulfillment Center (Redlands)	888	2.40%	1,300	3.93%
City of Redlands	538	1.45%	557	1.68%
University of Redlands	501	1.35%	550	1.66%
Loma Linda University Behavioral Medicine Ctr.	455	1.23%	350	1.06%
Madison Grove Post Acute (Terracina Post Acute)	388	1.05%	-	
Asistencia Villa Rehabilitation and Care Center	229	0.62%	-	
The Home Depot			670	2.02%
La-Z-Boy, Inc.			449	1.36%
<b>Total of Top Employers</b>	<b>10,703</b>	<b>28.93%</b>	<b>12,160</b>	<b>36.74%</b>
<b>Total Employees in City<sup>(1)</sup></b>	<b>37,000</b>		<b>33,100</b>	
County "Donut Hole" Employers <sup>(2)</sup> :				
Burlington Coat Factory Distribution Center	824	2.23%		
Amazon Fulfillment Center*	500	1.35%		
Target	235	0.64%		
Lamps Plus DC & Store	205	0.55%		
The Home Depot Distribution Center	190	0.51%		
Becton Dickinson (BD) Distribution	125	0.34%		
Kohl's Retail Store	119	0.32%		
<b>Total Employees</b>	<b>2,198</b>	<b>5.94%</b>		

\*Count includes PT/FT, classified, certificated, admin.

NOTES:

(1) Total Employees in City provided by EDD Labor Force Data, represents the total employment of all employers located within City limits.

(2) The City of Redlands fully encapsulates a county pocket containing Citrus Plaza and a significant industrial area which is home to a number of distribution centers and logistics companies.

The City of Redlands has chosen to list some of the significant employers within this area as it is believed to contribute to the financial well being of the city.

Source: Avenu Insights and Analytics

**City of Redlands**  
**Schedule 17**  
**Full Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

FUNCTION/PROGRAM	Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Full-time employees:										
City clerk's office	2	2	2	2	-	1	1	1	1	1
City manager's office	14	13	10	7	9	12	12	11	9	7
Development services	27	27	19	18	17	19	21	22	22	21
Finance	33	31	28	26	24	27	24	27	26	25
Fire	70	70	65	63	62	63	61	60	60	60
Human resources	13	12	11	9	7	9	9	10	8	7
Library	24	23	20	11	18	20	18	17	17	16
Management information systems	-	-	-	-	-	-	-	-	-	9
Department of Innovation & Tech	16	15	12	9	12	12	10	9	10	-
Municipal utilities and engineering:										
Administration	26	41	36	26	30	29	33	34	34	34
Water	48	47	48	45	48	50	50	49	49	50
Wastewater	22	22	17	21	23	24	24	24	24	24
Police	142	138	134	112	117	130	126	122	122	121
Facilities & Community Services <sup>2</sup>										
Administration, parks & streets	85	67	67	51	63	63	62	56	56	52
Equipment maintenance	4	5	5	10	4	4	5	5	5	6
Solid waste	49	44	42	38	39	39	33	33	33	32
Cemetery	5	5	4	4	4	4	4	4	4	4
	<u>580</u>	<u>562</u>	<u>520</u>	<u>452</u>	<u>477</u>	<u>506</u>	<u>493</u>	<u>484</u>	<u>480</u>	<u>469</u>
Part-time employees	40	40	51	39	43	68	90	87	87	88
At-will employees	-	-	-	10	-	-	-	-	-	-
Grant-funded employees <sup>1</sup>	3	1	1	1	1	7	7	10	10	10
Limited Term Position	-	-	-	1	-	-	4	1	1	-
	<u>623</u>	<u>603</u>	<u>572</u>	<u>503</u>	<u>521</u>	<u>581</u>	<u>594</u>	<u>582</u>	<u>578</u>	<u>567</u>

<sup>1</sup> Includes both full & part time positions.

<sup>2</sup> Prior to Fiscal Year 2018, the Facilities & Community Services Department was referred to as the Quality of Life Department. Reorganizations in 2008 and 2016 created new departments, moved divisions and transferred employees. Historical data has been changed to reflect some but not all of these reorganizations.

Source: City of Redlands Budget

**City of Redlands**  
**Schedule 18**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

FUNCTION/PROGRAM	Fiscal Years				
	2024	2023	2022	2021	2020
Police:					
Calls for service	35,478	38,502	44,746	44,259	52,520
Emergency calls for service <sup>1</sup>	539	665	68,761	649	808
Citations issued	4,275	2,685	2,135	4,239	6,837
Fire:					
Number of incidents	12,118	11,624	11,386	10,636	10,789
Inspections performed	2,057	1,521	1,688	1,362	6,429
Building and safety:					
Permits issued	2,723	3,005	2,764	2,078	2,159
Inspections performed	17,970	18,040	15,613	12,017	11,211
Parks and recreation:					
Community center attendance	36,700	31,069	28,245	13,645	45,022
Senior center attendance	28,588	19,539	17,763	5,822	20,175
Joslyn center attendance <sup>2</sup>	6,810	0	870	1,206	18,257
Youth sports attendance	34,392	34,392	31,266	4,774	10,032
Adult sports attendance	7,945	7,945	7,223	6,524	2,480
Water:					
Number of services	22,882	22,744	22,639	22,537	22,380
Average daily consumption (thousands of gallons)	20,445	20,487	29,317	22,560	25,926
Solid waste:					
Recycled materials (tons)	26,664	21,809	23,307	24,703	23,952
Refuse disposed (tons)	50,417	49,625	47,567	61,631	52,476
Library:					
Number of volumes	150,558	152,448	149,577	148,652	146,379

<sup>1</sup> Except for in FY 2021-22, this number indicates the total number of priority 1 calls received only. In FY 2021-22, it encompassed all levels.

<sup>2</sup> In FY 2022-23, the Joslyn Senior Center was closed for the duration of fiscal year for renovations.

**City of Redlands**  
**Schedule 18**  
**Operating Indicators by Function/Program (Continued)**  
**Last Ten Fiscal Years**

FUNCTION/PROGRAM	Fiscal Years				
	2019	2018	2017	2016	2015
Police:					
Calls for service <sup>1</sup>	52,914	54,370	40,159	47,488	55,972
Emergency calls for service <sup>1</sup>	815	708	517	578	538
Citations issued <sup>1</sup>	5,449	7,347	5,299	7,062	6,733
Fire:					
Number of incidents	10,760	10,684	10,484	10,169	9,354
Inspections performed <sup>1</sup>	5,821	4,075	2,827	2,186	1,974
Building and safety:					
Permits issued	2,111	2,408	2,110	1,947	1,932
Inspections performed	9,431	9,381	10,015	8,293	4,486
Parks and recreation:					
Community center attendance	48,500	51,000	44,725	42,625	31,238
Senior center attendance	25,109	24,970	24,415	28,675	29,415
Joslyn center attendance	22,679	20,498	21,554	23,795	21,846
Youth sports attendance	12,396	12,870	12,271	11,521	21,102
Adult sports attendance	3,200	1,800	2,830	5,760	7,200
Water:					
Number of services	22,440	22,113	22,378	21,842	21,842
Average daily consumption (thousands of gallons)	26,670	30,328	20,989	18,679	24,631
Solid waste:					
Recycled materials (tons)	25,474	23,758	22,287	22,805	20,611
Refuse disposed (tons)	51,769	51,798	52,527	52,826	49,416
Library:					
Number of volumes	146,173	144,173	144,887	144,122	140,667

Source: City of Redlands

**City of Redlands**  
**Schedule 19**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

FUNCTION/PROGRAM	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	1	1	1	1	2	2	2	2
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets (miles)	302	302	300	300	368	368	368	319	316	316
Traffic signals (city-owned)	74	74	73	73	73	72	69	68	68	68
Parks and recreation:										
Parks (acreage)	313	313	333	333	333	327	295	295	295	295
Groves (acreage)	184	184	199	199	199	180	164	164	159	159
Community centers	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	427	427	400	400	388	388	388	385	386	386
Maximum daily production capacity (thousands of gallons)	56,500	34,900	34,900	34,900	55,000	55,000	55,000	55,000	55,000	55,000
Non Potable Water										
Water mains (miles)	34	34	34	34	34	34	34	34	33	32
Maximum daily production capacity (thousands of gallons)	5,600	4,100	4,100	4,100	14,000	4,500	4,500	4,500	4,500	4,500
Wastewater:										
Sewers (miles)	250	250	247	247	245	245	245	245	245	245
Daily capacity of wastewater plant (thousands of gallons)	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Solid waste:										
Landfill (city-owned)	1	1	1	1	1	1	1	1	1	1
Library:										
Public library	1	1	1	1	1	1	1	1	1	1

Source: City of Redlands