

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ending  
June 30, 2024

CITY OF HEMET  
CALIFORNIA

Joe Males – Mayor  
Jackie Peterson – Mayor Pro-Tem  
Carole Kendrick – Councilmember  
Malcolm Lilienthal – Councilmember  
Linda Krupa – Councilmember

PREPARED BY: CITY OF HEMET FINANCE DEPARTMENT

**CITY OF HEMET, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Year Ended June 30, 2024**

**City of Hemet**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2024

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## **INTRODUCTORY SECTION**



# City of Hemet

April 30, 2025

To the Members of the City Council and Citizens of the City of Hemet,

It is the policy of the City of Hemet to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Hemet 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 for loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with 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 assurance 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 VLF, LLP., a 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 opinion that the City's financial statements for the fiscal year ended June 30, 2024, was fairly presented in conformity with 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 was 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 requirement involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

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 report of the independent auditors in the financial section of the ACFR.

## **Profile of the City of Hemet, California**

The City of Hemet, incorporated in 1910, is nestled in the gorgeous San Jacinto Valley, with 340 days of sunshine annually. Hemet is centrally located in beautiful Southern California, between San Diego, Palms Springs and Orange County. The City currently occupies a land area of approximately 30 square miles and serves an estimated population of 90,000 residents. The area has a rich history, originally inhabited by the Soboba people and the Cahuilla tribe before Spanish colonization. Hemet's development was significantly influenced by the formation of Lake Hemet, which stimulated agriculture and growth in the region.

Hemet is known for its historical and cultural significance. It is home to The Ramona Pageant, California's official outdoor play, which has been performed annually since 1923. The City has also been recognized as a Tree City USA for its dedication to maintaining its urban forest.

Hemet is the gateway to breathtaking natural outdoor resources and activities including Diamond Valley Lake and Lake Hemet which offer various camping, boating, kayaking and fishing activities. The city operates 12 parks which fulfill community recreational needs and serve to enrich the quality of life for the local community with more than 30 miles of hiking and biking trails. The City continues to offer residents and visitors the appeal of rural living while providing opportunity for growth and a strong sense of community.

The City of Hemet has operated under the council-manager form of government since 1984. Policy making and legislative authority are vested in a City Council consisting of a mayor and four council members elected at-large. Beginning with the election in November 2016, council members are now elected by council districts. The City Council is responsible for, among many things, passing ordinances, adopting the annual budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and for appointing the heads of various departments. Council members are elected on a non-partisan basis and serve four-year staggered terms, with two or three council members elected every two years. The mayor is selected in December by the City Council to serve a one-year term.

The City of Hemet provides a full range of services which include general government, public safety (police and fire protection), community and economic development, library services, water service, and the construction and maintenance of highways, streets, and other infrastructure. In addition to general City activities, the Council is financially accountable for the Hemet Housing Authority (additional information on this legally separate agency can be found on Note 1 in the notes to the financial statements) and the Successor Agency to the former Hemet Redevelopment Agency (RDA).

The annual budget serves as the foundation for the City's financial planning and control. The Finance Division, under the direction of the Administrative Services Director, is responsible for compiling the estimated revenues and appropriations for the City Manager. The development of the City of Hemet's annual operating budget begins in December once the prior year ACFR has been completed. Typically, the department's planned appropriations and additional requests are submitted to the Finance Division in March. During this preparation, the Finance Division builds out personnel costs, including all salaries and fringe benefits and the City's Internal Service Fund (ISF) charges. Through the budget process, the City Council is provided with at least two workshops to keep the members informed and up to date with the overall progress. When the budget has been reviewed and balanced, the City Manager then presents the budget document recommendations in the form of a proposed budget to the City Council for review prior to the final City Council meeting in June. The Council is required to hold public meetings on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g.,

public safety), and department (e.g., police). The City Manager may approve transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the approval of the City Council.

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 City of Hemet is in the Inland Empire (Metropolitan Statistical Area – “MSA”), which consists of Riverside and San Bernardino Counties. There have been modest improvements in the real estate and home building sectors, as well as sales tax. The Inland Empire MSA is projected to grow in future years as land values continue to remain well below those in Los Angeles, Orange and San Diego Counties. The Inland Empire is now the 12th most populous MSA in the U.S., with approximately 4.7 million residents. The region is benefiting from growth in sectors like transportation, healthcare, hospitality, and logistics.

With migration from coastal areas due to more affordable housing, the City continues to see growth in both assessed valuation and population. The City has experienced improved financial health in recent years due in part to the November 2016 passage of Measure U, a 1% sales tax. In November 2022, the citizens of Hemet voted to approve Measure H which eliminated the previously established sunset on Measure U. This has contributed to growth in the General Fund reserve balance. To prepare for economic headwinds, the City Council increased the General Fund reserve policy from 20% to 40% effective June 30, 2024.

Overall, the City’s Net Position of governmental activities increased by 6.6% to \$355.1 million in 2024. The City has continued to maintain overall growth in revenues with a modest increase of 2.7% to \$112 million. Property taxes continue to increase with regionally better affordable home values while sales taxes have begun to slow mainly due to higher interest rates creating a decrease in retail sales, specifically auto sales which materially impact City sales tax performance.

With growth in the General Fund balance, the City has experienced substantial yield during fiscal year 2023-24 with investment income exceeding \$5 million for the first time. This has been a key factor in the growth of the City’s Net Position.

The General Fund, which is the chief operating fund of the City, ended the fiscal year with a fund balance of \$72.0 million, and increase of \$8.4 million from the prior year. The increase was largely due to investment income partnered with lower actual expenditures, primarily in salary savings created by challenges in hiring personnel because of previously non-competitive salaries. As sales taxes have collectively slowed, Measure U collection flatlined in 2024 and the account balance decreased from \$19.4 million in 2023 to \$18.9 million. Of the \$18.9 million fund balance this year, there is \$2.0 million reserved for ongoing projects and purchases, a 20% reserve requirement of \$3.3 million set by policy, and a remaining balance of \$13.6 million available for future investment.

## Long-term Financial Planning

To address rising pension liabilities and further improve the City's financial sustainability, the City continues to contribute to an OPEB Trust and a Section 115 Pension Trust. The OPEB Trust is designed to mitigate retiree benefit liability and the Section 115 Pension Trust, which was adopted by City Council in February 2022, is designed to mitigate future pension liability at reduced investment risk. For fiscal year 2023-24, the City contributed \$225,200 to the OPEB trust and \$200,000 to the Pension Trust.

In August 2022, the City adopted a resolution with options to contribute to the Section 115 Pension Trust in the amount of 15% or 30% of a given year's surplus beginning in fiscal year 2023-24 and every year thereafter. The current balances as of June 30, 2024 are:

- OPEB Trust - \$3,102,029.81
- Pension Trust - \$593,558.18

## Awards and Acknowledgements

The City of Hemet is regularly recognized for excellence in financial reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to agencies for its Annual Comprehensive Financial Report (ACFR). To receive this prestigious award, a governmental unit must publish an easily readable and efficiently organized ACFR, the contents of which conform to program standards. Such reports must also satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe our current ACFR conforms to the GFOA Certificate of Achievement Program and will be submitted for review and consideration.

The preparation of the City's ACFR is an undertaking of the Finance Division of the Administrative Services Department. The report was made possible by the dedicated service of the entire staff and the City's independent auditor.

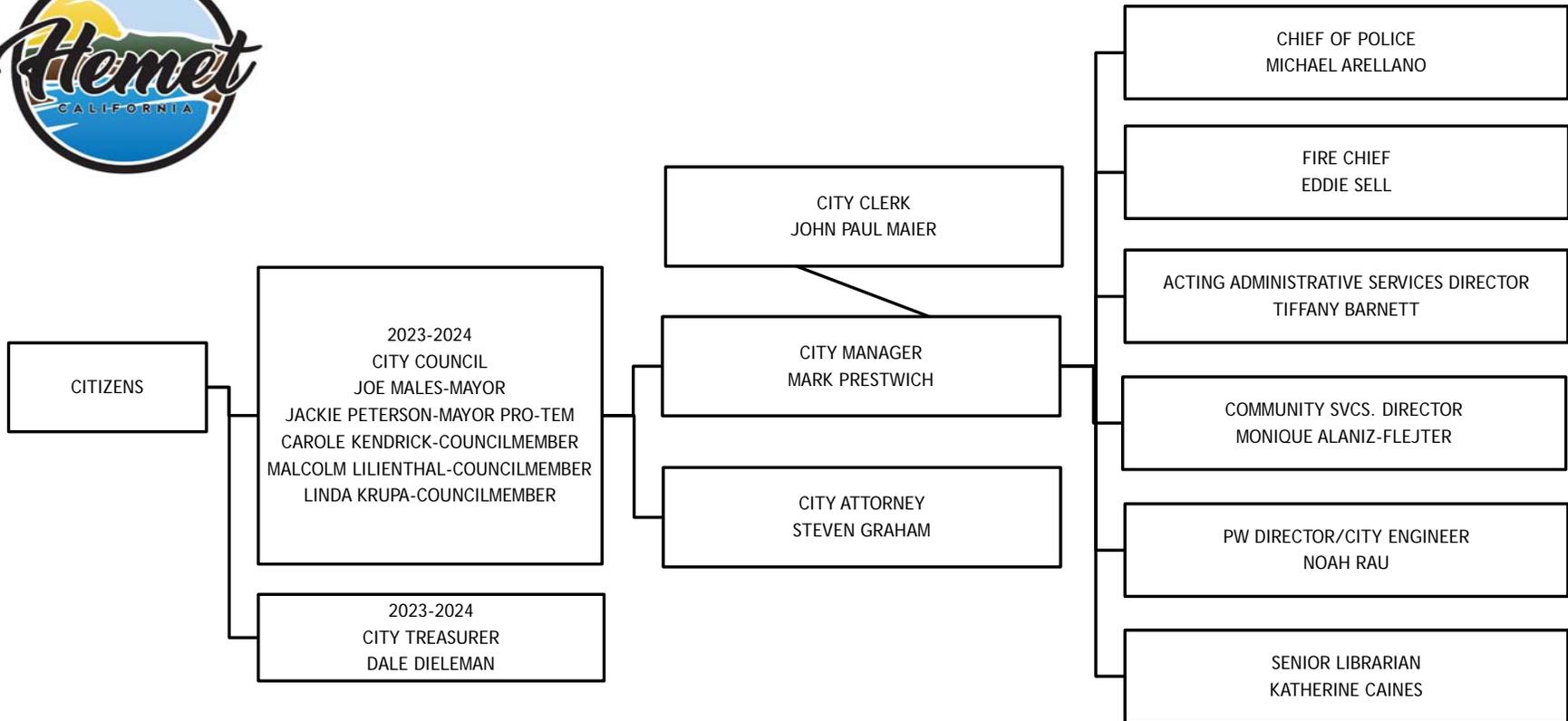
Credit also must be given to the Mayor and City Council for their steadfast support for maintaining the highest standards of professionalism in the management of the City of Hemet's finances.

Respectfully Submitted,



Mark T. Prestwich  
City Manager

CITY OF HEMET  
 ORGANIZATIONAL CHART  
 2023-2024  
 as of 6/30/2024



PRINCIPAL OFFICIALS OF THE CITY OF HEMET, CALIFORNIA

June 30, 2024

Elected and Administrative Officials

City Council

Joe Males	Mayor
Jackie Peterson	Mayor Pro-Tem
Carole Kendrick	Councilmember
Malcolm Lilienthal	Councilmember
Linda Krupa	Councilmember

Other Elected Officials

Dale Dieleman	City Treasurer
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Administrative Officials

Mark Prestwich	City Manager
Steven Graham	City Attorney
Tiffany Barnett	Acting Administrative Svcs. Director
Monique Alaniz-Flejter	Community Svcs. Director
Michael Arellano	Police Chief
Eddie Sell	Fire Chief
Noah Rau	PW Director/City Engineer
Katherine Caines	Senior Librarian



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hemet  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



## Independent Auditors' Report

The Honorable City Council  
City of Hemet, California

### Report on the Financial Statements

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the City of Hemet, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

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#### **Van Lant & Fankhanel, LLP**

29970 Technology Drive, Suite 105 A  
Murrieta, CA 92563  
909.856.6879

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

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

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report

thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Van Lant & Fankhaed, LLP". The signature is written in a cursive, flowing style.

April 30, 2025

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

The following discussion and analysis of the financial performance of the City of Hemet provides an overview of the City’s financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of five parts – 1) *management’s discussion and analysis* (this section), 2) the *basic financial statements*, 3) *required supplementary information*, 4) a *supplementary section* that presents *combining statements* for non-major governmental funds and internal service funds, and 5) a *statistical section*. The basic financial statements include two kinds of statements that present different views of the City; the government-wide financial statements and the fund financial statements.

**Government-wide Financial Statements**

The governmental fund statements provide readers with a broad overview of the City’s finances.

The *Statement of Net Position* presents financial information on all of the City’s assets/deferred outflows of resources and liabilities/deferred inflows, with the difference reported as net position (Exhibit 2). Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information regarding changes to the City’s net position during the most recent fiscal year (Exhibit 3). All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, the City is 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. The governmental activities of the City include general government, police, fire, public works, community development, housing, parks and library.
- *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. The business-type activities of the City include water.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, the 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. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

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

*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 *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* is described in a reconciliation at the bottom of the fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriation budget for its governmental funds. A budgetary comparison statement is provided for general and special revenue major funds to demonstrate compliance with budgets.

*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.

Proprietary funds can be classified into two subcategories: enterprise funds and internal service funds.

- *Enterprise fund* is reported as business-type activities in the government-wide financial statements. In fact, the City's enterprise fund is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.
- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service funds account for the management of the City's liability insurance and for medical and dental coverage for its employees; as well as, unemployment and other postemployment benefits, administrative services, vehicle and facility maintenance, and city attorney. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

*Fiduciary Funds:*

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. 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. These activities are excluded 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.

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

***Notes to the Financial Statements***

The notes to financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

Exhibit 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 Hemet**  
**Management’s Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2024**

Exhibit 1

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

	<u>Fund Statements</u>			
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else’s resources
Required financial statements	<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/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City’s fiduciary funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

A summary of the government-wide *statement of net position* follows:

Exhibit 2

**Net Position**  
(in Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 187.2	\$ 172.7	\$ 41.6	\$ 37.7	\$ 228.8	\$ 210.4
Noncurrent assets	\$ 4.4	\$ 4.5	\$ -	\$ -	\$ 4.4	\$ 4.5
Capital assets	\$ 314.6	\$ 308.2	\$ 2.3	\$ 2.6	\$ 316.9	\$ 310.8
Total assets	<u>\$ 506.2</u>	<u>\$ 485.4</u>	<u>\$ 43.9</u>	<u>\$ 40.3</u>	<u>\$ 550.1</u>	<u>\$ 525.7</u>
Deferred outflows of resources:						
Pension DOR	\$ 28.6	\$ 32.6	\$ 1.4	\$ 1.7	\$ 30.0	\$ 34.3
OPEB DOR	\$ 2.0	\$ 3.5	\$ 0.1	\$ 0.2	\$ 2.2	\$ 3.7
Total deferred outflows of resources	<u>\$ 30.6</u>	<u>\$ 36.1</u>	<u>\$ 1.5</u>	<u>\$ 1.9</u>	<u>\$ 32.1</u>	<u>\$ 38.0</u>
Current liabilities	\$ 15.1	\$ 18.7	\$ 2.3	\$ 2.0	\$ 17.4	\$ 20.7
Noncurrent liabilities	\$ 163.2	\$ 165.2	\$ 11.3	\$ 10.3	\$ 174.5	\$ 175.4
Total liabilities	<u>\$ 178.3</u>	<u>\$ 183.9</u>	<u>\$ 13.6</u>	<u>\$ 12.3</u>	<u>\$ 191.9</u>	<u>\$ 196.2</u>
Deferred inflows of resources:						
Pension DIR	\$ 1.0	\$ 1.2	\$ 0.2	\$ 0.2	\$ 1.1	\$ 1.4
OPEB DIR	\$ 2.5	\$ 3.3	\$ 0.2	\$ 0.2	\$ 2.7	\$ 3.6
Total deferred inflows of resources	<u>\$ 3.5</u>	<u>\$ 4.5</u>	<u>\$ 0.4</u>	<u>\$ 0.4</u>	<u>\$ 3.8</u>	<u>\$ 5.0</u>
Net Position:						
Net Investment in Capital Assets	\$ 314.5	\$ 308.2	\$ 2.3	\$ 2.6	\$ 316.8	\$ 310.8
Restricted	\$ 69.7	\$ 62.7	\$ -	\$ -	\$ 69.7	\$ 62.7
Unrestricted	\$ (29.1)	\$ (37.8)	\$ 29.2	\$ 24.9	\$ 0.1	\$ (12.9)
Total net position	<u>\$ 355.1</u>	<u>\$ 333.1</u>	<u>\$ 31.5</u>	<u>\$ 27.5</u>	<u>\$ 386.6</u>	<u>\$ 360.6</u>

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

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

Exhibit 3

**Changes in Net Position**  
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 25.9	\$ 35.6	\$ 14.4	\$ 14.0	\$ 40.3	\$ 49.6
Operating grants/contributions	4.1	2.8	-	-	4.1	2.8
Capital grants/contributions	16.1	11.6	-	-	16.1	11.6
General revenues:						
Property taxes	10.3	9.4	-	-	10.3	9.4
Transient occupancy taxes	1.0	0.9	-	-	1.0	0.9
Sales taxes	17.0	17.9	-	-	17.0	17.9
Measure U sales tax	16.1	16.2	-	-	16.1	16.2
Motor vehicle in-lieu taxes	9.4	8.5	-	-	9.4	8.5
Franchise and other taxes	6.3	5.6	-	-	6.3	5.6
Investment income and misc.	5.4	0.6	1.5	0.6	6.9	1.2
Gain on Sale of Assets	0.3	-	-	-	0.3	-
<b>Total revenues</b>	<u>\$ 112.0</u>	<u>\$ 109.1</u>	<u>\$ 15.9</u>	<u>\$ 14.6</u>	<u>\$ 127.9</u>	<u>\$ 123.7</u>
<b>Program expenses</b>						
General government	\$ 5.4	\$ 3.6	\$ -	\$ -	\$ 5.4	\$ 3.6
Public safety	45.4	38.3	-	-	45.4	38.3
Public Safety Measure U	16.6	16.7	-	-	16.6	16.7
Community development	5.8	6.7	-	-	5.8	6.7
Public works	10.7	13.4	-	-	10.7	13.4
Sanitation	2.7	2.9	-	-	2.7	2.9
Parks and library	3.3	3.0	-	-	3.3	3.0
Water and refuse	-	-	11.9	10.4	11.9	10.4
<b>Total expenses</b>	<u>\$ 90.0</u>	<u>\$ 84.7</u>	<u>\$ 11.9</u>	<u>\$ 10.4</u>	<u>\$ 101.9</u>	<u>\$ 95.1</u>
Excess (deficiency)	\$ 22.0	\$ 24.3	\$ 4.0	\$ 4.2	\$ 26.0	\$ 28.5
Transfers	\$ -	\$ 0.2	\$ -	\$ (0.2)	\$ -	\$ -
Beginning Net Position	<u>\$ 333.1</u>	<u>\$ 308.6</u>	<u>\$ 27.5</u>	<u>\$ 23.4</u>	<u>\$ 360.6</u>	<u>\$ 332.0</u>
Prior Period Adjustment	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.1
Ending Net Position	<u>\$ 355.1</u>	<u>\$ 333.1</u>	<u>\$ 31.5</u>	<u>\$ 27.5</u>	<u>\$ 386.6</u>	<u>\$ 360.6</u>

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

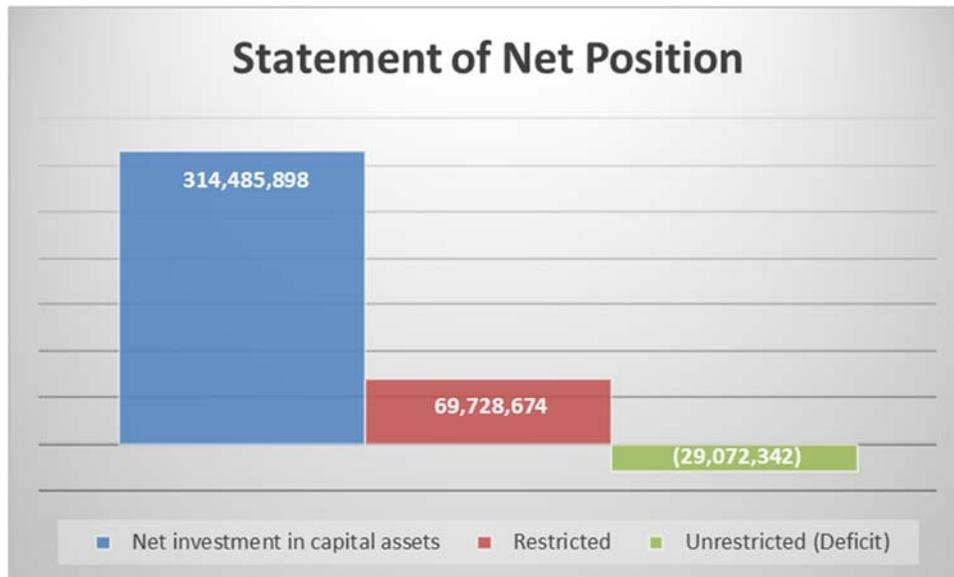
The increase or decrease in net position can provide an indication as to whether the overall financial position of the City improved or deteriorated during the year. The Net Position of the City’s *governmental activities* increased by 6.6% (from \$333.1 million to \$355.1 million) in 2024. While sales tax revenue is slowing down, the City has continued to maintain a healthy grasp on other revenues, surpassing fiscal year estimates in several categories, including property tax, motor vehicle in-lieu of tax, franchise fees, and interest income. Interest income alone went from \$600,000 in 2023 to \$5.4 million in 2024.

The increase in interest earnings is mostly due to rising interest rates in 2024 and a cost value adjustment in 2023 which impacted interest income. The interest rate for the Local Agency Investment Fund (LAIF) rose from 3.15% on June 30, 2023, to 4.30% on June 30, 2024. Additionally, the City also grew its investments in LAIF and other Local Government Investment Pools by 7% in 2024. On June 30, 2023, the City adjusted the value of its investments down by \$1.4 million which was offset with a decrease in investment income of \$1.4 million.

The *unrestricted net position* – the part of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements – moved from a deficit of \$37.8 million in 2023 to a deficit of \$29.0 million in 2024. This decrease is largely due to a change in the pension deferred inflow or resources and reductions in long-term debt.

Total Net Position – Governmental Activities

Exhibit 4



The Net Position of the City’s business-type activities increased by 17.3% (from \$27.5 million to \$31.5 million) in 2024. The decrease was due in part to an increase of the Water Fund’s cash and investments.

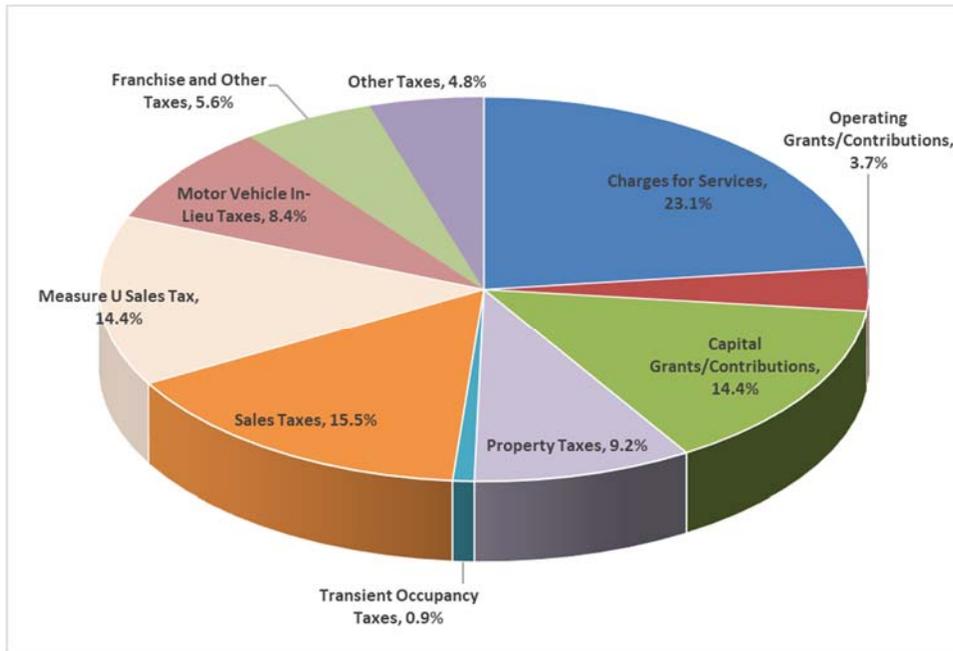
The net position (financial position) of the City changed as a result of the revenue and expense fluctuations described below for the governmental and business-type activities of the City.

# City of Hemet Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2024

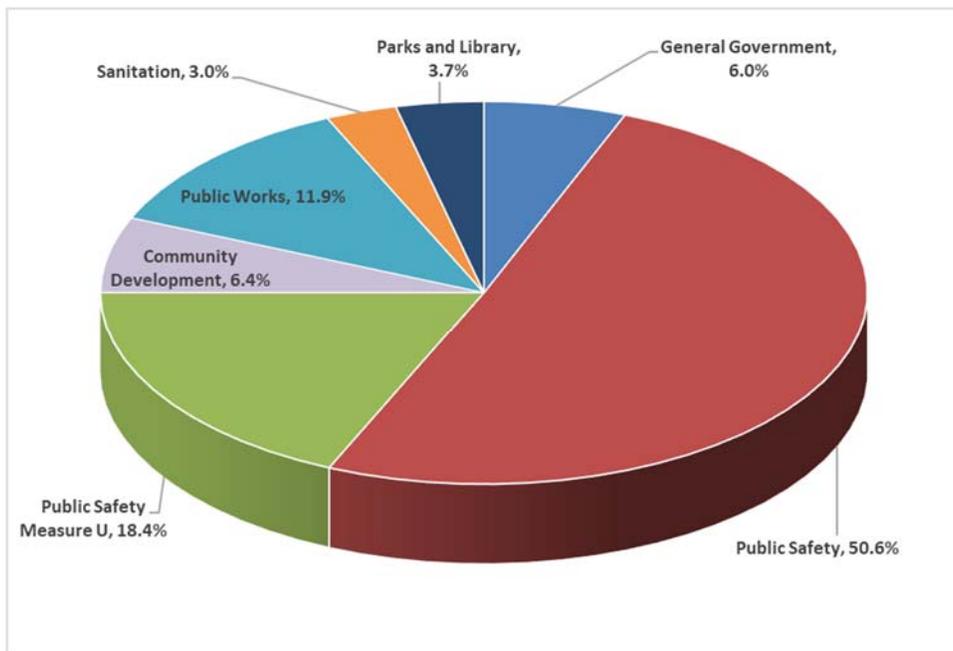
## Governmental Activities

While expenditures increased approximately 6.3%, specifically within Public Safety (from \$55.0 million in 2023 to \$62.0 million in 2024), the revenues for the City's governmental activities increased 2.7% (from \$109.1 million in 2023 to \$112.0 million in 2024). This \$2.9 million increase can be attributed to the investment income that came in 800% more (from \$600,000 in 2023 to \$5.4 million in 2024).

### Revenues by Source – Governmental Activities



### Expenses by Function – Governmental Activities



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

Business-Type Activities

Revenues for the City's business-type activities increased 8.9% (from \$14.6 million in 2023 to \$15.9 million in 2023). This \$1.3 million increase can be mainly attributed to investment income that increased \$900,000 (from \$600,000 in 2023 to \$1.5 million in 2024).

**GENERAL FUND BUDGET HIGHLIGHTS**

Actual expenditures, excluding transfers, for the General Fund were approximately \$6.5 million lower than the adopted budget and are summarized as follows:

- General Government expenditures were approximately \$117,500 less than final budget appropriations due to salary savings in vacant positions in several departments, including City Manager and Administrative Services.
- Public Safety expenditures were approximately \$4.1 million less than final budget appropriations largely due to salary savings in vacant positions in both the Police and Fire Departments.
- Community Development expenditures were approximately \$2.2 million less than final budget appropriations due to salary savings in vacant positions in some departments, including, Planning, Building and Engineering.
- Parks and Library expenditures were approximately \$89,000 less than final budget appropriations due to lower cost in the water utility than budgeted.

Actual revenues, excluding transfers, received for the General Fund were approximately \$9.6 million higher than the adopted budget and are summarized as follows:

- Taxes exceeded the budget by approximately \$900,000. Property taxes were more than budget by approximately \$1.0 million, which can be attributed to increased assessed valuations and additional growth. Unfortunately, sales taxes, including Measure U, have seen a decline of approximately \$1.5 million compared to the budget, which can be attributed to an increase of interest rates and a decline in auto sales. Actual Franchise fees collected were \$1.4 million more than budgeted.
- Licenses and Permits exceeded the budget by approximately \$2.7 million due to higher than anticipated development activity.
- Intergovernmental Revenue exceeded the budget by approximately \$1.2 million due to increased State Motor Vehicle In Lieu Tax and grant reimbursements.
- Charges for Services exceeded the budget by approximately \$235,000 due to the continued increase in building permits, including, plan check, plan storage, and microfilm reproduction fees.
- Use of Money and Property and Miscellaneous had an overall increase of \$4.6 million mainly due to the significant increase in investment income and partly due to the sale of property.

**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 legal requirements.

**Major Governmental Funds.** The **General Fund** is the chief operating fund of the city. At the end of the current fiscal year, the General Fund's total fund balance was \$72.0 million. The fund balance increased \$8.4 million. The increase was mainly due to the increase in revenues and investment income and expenditure savings from budgeted totals.

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

Measure U sales tax collection decreased by approximately \$500,000 for 2024 and the account balance decreased from \$19.4 million in 2023 to \$18.9 million in 2024. Of the \$18.9 million fund balance this year, there is \$2.0 million reserved for ongoing projects and purchases; as well as its portion of the 20% compliance of the reserve requirement which calculates out to approximately \$3.3 million.

A summary of the Measure U activities follows:

**Measure U Activity For the Year Ended June 30, 2024**

	<b>Police</b>	<b>Fire</b>	<b>Total</b>
Revenues:			
Police 2/3, Fire 1/3 overall allocation	10,764,279	5,382,139	16,146,418
Expenditures:			
Salary & Fringe Benefits	7,555,485	4,166,288	11,721,773
Operating Supplies & Services	1,926,208	104,335	2,030,543
Internal Service Charges	1,172,600	462,500	1,635,100
Capital Outlay	1,123,040	138,959	1,261,999
	<u>11,777,334</u>	<u>4,872,081</u>	<u>16,649,415</u>
Measure U in Support of General Fund			
Public Safety	-	-	-
Change in Fund Balance	(1,013,055)	510,058	(502,997)
Beginning Fund Balance	<u>14,952,844</u>	<u>4,430,326</u>	<u>19,383,170</u>
Nonspendable	238,197	1,731,442	1,969,639
Committed (20% Reserve)	2,355,467	974,416	3,329,883
Committed	11,346,125	2,234,526	13,580,651
Ending Fund Balance	<u>13,939,789</u>	<u>4,940,384</u>	<u>18,880,173</u>

**Major Special Revenue Fund.** The Sewer and Storm Drain Fund provides wastewater and sanitation services through the City. The net position of the Sewer and Storm Drain Fund increased by approximately \$1.2 million mainly due to increased investment income and a decrease in funds spent on capital outlay projects.

**Major Capital Projects Fund.** The Bridges/Streets/Traffic Facilities Fund accounts for the financial transactions for bridges, streets and traffic facilities in the development impact fees funded through developer contributions. The net position of the Capital Projects Fund increased by \$1.8 million mainly due to increase in intergovernmental revenues and investment income.

**Major Enterprise Funds.** Total net position of the **Water Fund** at the end of the year amounted to \$31.5 million, an increase of \$4.0 million (from \$27.5 million in 2023) due to increased charges for services and investment income.

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

**CAPITAL ASSETS**

Capital Assets  
(net of depreciation, in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 15.0	\$ 12.3	\$ -	\$ -	\$ 15.0	\$ 12.3
Rights of Way	190.5	190.5	-	-	190.5	190.5
Buildings and Improvements	12.2	12.9	2.3	2.6	14.5	15.5
Machinery and Equipment	10.6	9.0	-	-	10.6	9.0
Software Subscription	0.3	0.6	-	-	0.3	0.6
Infrastructure	76.4	77.9	-	-	76.4	77.9
Construction in Progress	9.6	4.9	-	-	9.6	4.9
Total	<u>\$ 314.6</u>	<u>\$ 308.2</u>	<u>\$ 2.3</u>	<u>\$ 2.6</u>	<u>\$ 316.9</u>	<u>\$ 310.0</u>

A total of three capital projects were completed in fiscal year 2024:

<b>Project Description</b>	<b>Total Project Cost</b>
CIP 5651; Highway Safety Improvement Program	\$ 1,027,133
CIP 5713; SB1 Pavement Rehabilitation	\$ 1,539,858
CIP 5736; ARPA Simpson Center ADA Fire Lane Work	\$ 440,758

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

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

**LONG-TERM DEBT**

Outstanding Debt  
(in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Compensated absences	3.5	3.4	0.3	0.2	3.8	3.6
Claims Payable	9.5	4.4	-	-	9.5	4.4
Settlement Liability	-	-	3.1	3.4	3.1	3.4
Software Subscription Liability	0.2	0.4	-	-	0.2	0.4
Net OPEB Liability	\$ 35.7	\$ 43.0	2.5	\$ 3.0	\$ 38.2	\$ 46.0
Net Pension Liability	114.3	113.9	5.5	5.7	119.8	119.6
Total Long-Term Liabilities	<u>\$ 163.2</u>	<u>\$ 165.2</u>	<u>\$ 11.4</u>	<u>\$ 12.3</u>	<u>\$ 174.6</u>	<u>\$ 177.4</u>

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**Contacting the City's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Hemet Finance Division at 445 E. Florida Avenue, Hemet, California 92543, call (951)765-2330 or email [fncestaff@hemetca.gov](mailto:fncestaff@hemetca.gov).

## **BASIC FINANCIAL STATEMENTS**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 167,727,143	\$ 39,560,602	\$ 207,287,745
Receivables:			
Accounts	1,920,891	1,920,266	3,841,157
Taxes	466,106	-	466,106
Interest	3,226,261	-	3,226,261
Due from Other Governments	10,423,914	131,978	10,555,892
Due from Fiduciary Funds	911,413	-	911,413
Inventories	138,850	-	138,850
Prepaid Items	2,391,925	5,399	2,397,324
Notes Receivable	7,626,810	-	7,626,810
Allowance for Forgivable Notes	(5,871,480)	-	(5,871,480)
Restricted Cash and Investments	593,558	-	593,558
Land Held for Resale	2,076,419	-	2,076,419
Capital Assets:			
Land	15,035,131	32,975	15,068,106
Rights of Way	190,468,181	-	190,468,181
Construction in Process	9,589,995	-	9,589,995
Other Capital Assets, Net	99,543,388	2,231,950	101,775,338
Total Assets	<u>506,268,505</u>	<u>43,883,170</u>	<u>550,151,675</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Items	28,646,748	1,383,827	30,030,575
OPEB Related Items	1,996,470	138,792	2,135,262
Total Deferred Outflows of Resources	<u>30,643,218</u>	<u>1,522,619</u>	<u>32,165,837</u>
<b>LIABILITIES</b>			
Accounts Payable	5,489,607	721,345	6,210,952
Accrued Salaries and Benefits	1,050,141	50,043	1,100,184
Accrued Liabilities	12,045	5,399	17,444
Deposits	4,708,840	1,500,926	6,209,766
Unearned Revenue	3,857,174	-	3,857,174
Noncurrent Liabilities:			
Due Within One Year	3,905,566	307,852	4,213,418
Due in More Than One Year	159,308,538	11,017,880	170,326,418
Total Liabilities	<u>178,331,911</u>	<u>13,603,445</u>	<u>191,935,356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	964,493	158,350	1,122,843
OPEB Related Items	2,473,089	171,926	2,645,015
Total Deferred Inflows of Resources	<u>3,437,582</u>	<u>330,276</u>	<u>3,767,858</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	314,485,898	2,264,925	316,750,823
Restricted for:			
Community Development	7,734,199	-	7,734,199
Public Works	42,613,199	-	42,613,199
Public Safety	862,558	-	862,558
Sanitation	17,467,320	-	17,467,320
Libraries:			
Expendable	51,398	-	51,398
Nonexpendable	1,000,000	-	1,000,000
Unrestricted	(29,072,342)	29,207,143	134,801
Total Net Position	<u>\$ 355,142,230</u>	<u>\$ 31,472,068</u>	<u>\$ 386,614,298</u>

The accompanying notes are an integral part of this statement.

**City of Hemet**  
**Statement of Activities**  
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 5,369,132	\$ 3,110,894	\$ -	\$ -
Public Safety	62,053,349	5,430,161	3,922,325	637,918
Community Development	5,811,888	266,648	-	-
Public Works	10,711,708	11,443,847	154,050	14,186,518
Sanitation	2,712,010	5,659,612	-	-
Parks	1,243,672	-	-	971,793
Libraries	2,075,405	18,270	42,814	343,437
<b>Total Governmental Activities</b>	<b>89,977,164</b>	<b>25,929,432</b>	<b>4,119,189</b>	<b>16,139,666</b>
<b>Business-type Activities:</b>				
Water	11,858,193	14,380,234	-	-
<b>Total Business-type Activities</b>	<b>11,858,193</b>	<b>14,380,234</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 101,835,357</b>	<b>\$ 40,309,666</b>	<b>\$ 4,119,189</b>	<b>\$ 16,139,666</b>

**General Revenues:**

Taxes:

Property Taxes

Transient Occupancy Taxes

Sales Taxes

Motor Vehicle in Lieu Taxes (Unrestricted)

Franchise and Other Taxes

Investment Income

Miscellaneous

Gain on Sale of Capital Assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,258,238)	\$ -	\$ (2,258,238)
(52,062,945)	-	(52,062,945)
(5,545,240)	-	(5,545,240)
15,072,707	-	15,072,707
2,947,602	-	2,947,602
(271,879)	-	(271,879)
(1,670,884)	-	(1,670,884)
<u>(43,788,877)</u>	<u>-</u>	<u>(43,788,877)</u>
<u>-</u>	<u>2,522,041</u>	<u>2,522,041</u>
<u>-</u>	<u>2,522,041</u>	<u>2,522,041</u>
<u>(43,788,877)</u>	<u>2,522,041</u>	<u>(41,266,836)</u>
10,276,006	-	10,276,006
952,501	-	952,501
33,142,813	-	33,142,813
9,427,452	-	9,427,452
6,322,665	-	6,322,665
4,969,538	1,473,662	6,443,200
437,210	-	437,210
290,107	-	290,107
<u>-</u>	<u>-</u>	<u>-</u>
<u>65,818,292</u>	<u>1,473,662</u>	<u>67,291,954</u>
22,029,415	3,995,703	26,025,118
<u>333,112,815</u>	<u>27,476,365</u>	<u>360,589,180</u>
<u>\$ 355,142,230</u>	<u>\$ 31,472,068</u>	<u>\$ 386,614,298</u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Special Revenue		
		Sewer and Storm Drain	ARPA	Public Safety Grants
<b>ASSETS</b>				
Cash and Investments	\$ 63,687,953	\$ 17,462,788	\$ 9,681,082	\$ 759
Restricted Cash and Investments	593,558	-	-	-
Receivables:				
Accounts	552,690	1,087,323	-	-
Taxes	466,106	-	-	-
Interest	1,618,444	-	-	-
Due from Other Governments	5,545,232	180,921	-	1,440,807
Due from Other Funds	1,834,512	-	-	-
Due from Fiduciary Fund	911,413	-	-	-
Prepaid Items	1,999,945	-	-	-
Advances to Other Funds	-	-	-	-
Notes Receivable	-	-	-	-
Allowance for Forgivable Notes	-	-	-	-
Land Held for Resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 77,209,853</b>	<b>\$ 18,731,032</b>	<b>\$ 9,681,082</b>	<b>\$ 1,441,566</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,172,723	\$ 1,243,163	\$ 386,160	\$ 40,596
Accrued Salaries and Benefits	946,471	20,549	2,300	8,690
Accrued Liabilities	12,045	-	-	-
Deposits	3,084,291	-	-	-
Due to Other Funds	-	-	-	1,447,732
Unearned Revenue	1,115	-	2,744,843	13,066
<b>Total Liabilities</b>	<b>5,216,645</b>	<b>1,263,712</b>	<b>3,133,303</b>	<b>1,510,084</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Grants	2,947	-	-	723,587
<b>FUND BALANCE (DEFICITS)</b>				
Nonspendable	1,999,945	-	-	-
Restricted	2,194,169	17,467,320	-	-
Committed	38,783,960	-	6,547,779	-
Assigned	8,328,282	-	-	-
Unassigned	20,683,905	-	-	(792,105)
<b>Total Fund Balances (Deficits)</b>	<b>71,990,261</b>	<b>17,467,320</b>	<b>6,547,779</b>	<b>(792,105)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>	<b>\$ 77,209,853</b>	<b>\$ 18,731,032</b>	<b>\$ 9,681,082</b>	<b>\$ 1,441,566</b>

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 9,156,267	\$ 56,766,738	\$ 156,755,587
-	-	593,558
-	50,076	1,690,089
-	-	466,106
-	1,607,817	3,226,261
781,523	2,475,431	10,423,914
-	354,137	2,188,649
-	-	911,413
-	-	1,999,945
-	-	-
-	7,626,810	7,626,810
-	(5,871,480)	(5,871,480)
-	2,076,419	2,076,419
<u>\$ 9,937,790</u>	<u>\$ 65,085,948</u>	<u>\$ 182,087,271</u>
\$ 179,603	\$ 1,820,813	\$ 4,843,058
-	32,603	1,010,613
-	-	12,045
1,136,657	487,892	4,708,840
-	740,917	2,188,649
-	1,010,049	3,769,073
<u>1,316,260</u>	<u>4,092,274</u>	<u>16,532,278</u>
-	639,920	1,366,454
-	1,000,000	2,999,945
8,621,530	53,421,810	81,704,829
-	-	45,331,739
-	6,325,697	14,653,979
-	(393,753)	19,498,047
<u>8,621,530</u>	<u>60,353,754</u>	<u>164,188,539</u>
<u>\$ 9,937,790</u>	<u>\$ 65,085,948</u>	<u>\$ 182,087,271</u>

The accompanying notes are an integral part of this statement.

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**City of Hemet**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2024

Fund Balances of Governmental Funds		\$ 164,188,539
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital Assets	505,029,756	
Accumulated Depreciation	<u>(191,284,378)</u>	313,745,378
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
		1,366,454
Long-term liabilities including compensated absences and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated Absences		(3,529,187)
Net Pension Liability		(114,320,169)
Net OPEB Liability		(35,696,810)
Software Subscription Liability		(150,797)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension and Net OPEB Liability are not reported in the funds.		
Deferred Outflows Related to Pensions		28,646,748
Deferred Inflows Related to Pensions		(964,493)
Deferred Outflows Related to OPEB		1,996,470
Deferred Inflows Related to OPEB		(2,473,089)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		
		<u>2,333,186</u>
Net Position of Governmental Activities		<u>\$ 355,142,230</u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Special Revenue		
		Sewer and Storm Drain	ARPA	Public Safety Grants
<b>REVENUES</b>				
Taxes	\$ 50,693,986	\$ -	\$ -	\$ -
Licenses and Permits	5,502,913	-	-	-
Intergovernmental Revenues	12,008,625	-	2,217,507	1,078,566
Charges for Services	4,297,910	4,557,715	-	-
Fines and Forfeitures	172,327	-	-	-
Investment Income	4,706,329	639,106	-	-
Miscellaneous	335,220	-	-	-
Total Revenues	<u>77,717,310</u>	<u>5,196,821</u>	<u>2,217,507</u>	<u>1,078,566</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,024,103	-	396,747	-
Public Safety	55,020,040	-	-	1,802,153
Community Development	5,689,566	-	-	-
Public Works	-	-	-	-
Sanitation	-	2,989,713	-	-
Parks	1,370,769	-	-	-
Libraries	1,810,801	-	-	-
Capital Outlay	1,586,911	1,029,712	3,899,602	-
Total Expenditures	<u>67,502,190</u>	<u>4,019,425</u>	<u>4,296,349</u>	<u>1,802,153</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,215,120</u>	<u>1,177,396</u>	<u>(2,078,842)</u>	<u>(723,587)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Assets	352,925	-	-	-
Transfers In	-	-	-	-
Transfers Out	(2,190,638)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,837,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>8,377,407</u>	<u>1,177,396</u>	<u>(2,078,842)</u>	<u>(723,587)</u>
Fund Balances, Beginning, as previously reported	63,612,854	16,289,924	8,626,621	-
Change within financial reporting entity (nonmajor to major)	-	-	-	(68,518)
Fund Balances, Beginning, as adjusted	<u>63,612,854</u>	<u>16,289,924</u>	<u>8,626,621</u>	<u>(68,518)</u>
Fund Balances, Ending	<u>\$ 71,990,261</u>	<u>\$ 17,467,320</u>	<u>\$ 6,547,779</u>	<u>\$ (792,105)</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,800,611	\$ 53,494,597
-	-	5,502,913
865,966	8,612,808	24,783,472
1,179,148	9,582,605	19,617,378
-	-	172,327
327,696	1,801,072	7,474,203
-	199,640	534,860
<u>2,372,810</u>	<u>22,996,736</u>	<u>111,579,750</u>
-	77,263	2,498,113
-	1,023,420	57,845,613
-	717,401	6,406,967
564,994	5,471,539	6,036,533
-	-	2,989,713
-	-	1,370,769
-	133,160	1,943,961
-	8,218,587	14,734,812
<u>564,994</u>	<u>15,641,370</u>	<u>93,826,481</u>
<u>1,807,816</u>	<u>7,355,366</u>	<u>17,753,269</u>
-	-	352,925
-	885,700	885,700
-	-	(2,190,638)
<u>-</u>	<u>885,700</u>	<u>(952,013)</u>
<u>1,807,816</u>	<u>8,241,066</u>	<u>16,801,256</u>
6,813,714	52,044,170	147,387,283
-	68,518	-
<u>6,813,714</u>	<u>52,112,688</u>	<u>147,387,283</u>
<u>\$ 8,621,530</u>	<u>\$ 60,353,754</u>	<u>\$ 164,188,539</u>

The accompanying notes are an integral part of this statement.

**City of Hemet**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 16,801,256

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	13,964,659
Depreciation Expense	(7,353,123)
Loss on Disposal	(62,818)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	207,996
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Net Change in Compensated Absences	(151,234)
Net Change in Net Pension Liability	(397,242)
Net Change in Net OPEB Liability	7,346,650
Net Change in Software Subscription Liability	283,821
Net Change in Deferred Outflows Pension Related Amounts	(3,910,535)
Net Change in Deferred Inflows Pension Related Amounts	267,947
Net Change in Deferred Outflows OPEB Related Amounts	(1,521,585)
Net Change in Deferred Inflows OPEB Related Amounts	876,432

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.	(4,322,809)
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Change in Net Position of Governmental Activities	<u>\$ 22,029,415</u>
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The accompanying notes are an integral part of this statement.

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

	Business-type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 39,560,602	\$ 10,971,556
Receivables:		
Accounts	1,920,266	230,802
Due from Other Governmental Agencies	131,978	-
Prepaid Assets	5,399	391,980
Inventories	-	138,850
Total Current Assets	41,618,245	11,733,188
Noncurrent Assets:		
Land	32,975	-
Construction in Progress	-	-
Capital Assets	33,148,082	4,412,107
Less: Accumulated Depreciation	(30,916,132)	(3,520,790)
Total Noncurrent Assets	2,264,925	891,317
Total Assets	43,883,170	12,624,505
<b>DEFERRED OUTFLOWS</b>		
Deferred Outflows Related to OPEB	138,792	-
Deferred Outflows Related to Pensions	1,383,827	-
Total Deferred Outflows of Resources	1,522,619	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	721,345	646,549
Accrued Salaries and Benefits	50,043	39,528
Accrued Liabilities	5,399	-
Deposits	1,500,926	-
Unearned Revenue	-	88,101
Due to Other Funds	-	-
Compensated Absences Payable - Current Portion	39,252	-
Claims and Judgments Payable - Current Portion	-	2,861,592
Settlement Liability - Current Portion	268,600	-
Total Current Liabilities	2,585,565	3,635,770
Noncurrent Liabilities:		
Compensated Absences Payable	228,196	-
Claims Payable	-	6,655,549
Settlement Liability	2,820,300	-
Net OPEB Liability	2,481,596	-
Net Pension Liability	5,487,788	-
Total Noncurrent Liabilities	11,017,880	6,655,549
Total Liabilities	13,603,445	10,291,319
<b>DEFERRED INFLOWS</b>		
Deferred Inflows Related to OPEB	171,926	-
Deferred Inflows Related to Pensions	158,350	-
Total Deferred Inflows of Resources	330,276	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,264,925	891,317
Unrestricted	29,207,143	1,441,869
Total Net Position	\$ 31,472,068	\$ 2,333,186

The accompanying notes are an integral part of this statement.

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

	Business-type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Sales and Services	\$ 14,330,278	\$ 16,025,005
Miscellaneous	49,956	319,317
	<hr/>	<hr/>
Total Operating Revenues	14,380,234	16,344,322
<b>OPERATING EXPENSES</b>		
Personnel Services	3,172,052	2,429,728
Parts and Supplies	215,749	390,318
Maintenance	3,085,472	1,665,402
Utilities	489,853	1,010,027
Water Purchases	555,012	-
Contracts, Rents and Leases	823,999	613,943
Insurance	244,600	9,420,872
Claims and Judgments	-	6,289,071
Enterprise Assessments	2,937,500	-
Depreciation	333,956	152,708
	<hr/>	<hr/>
Total Operating Expenses	11,858,193	21,972,069
	<hr/>	<hr/>
Operating Income (Loss)	2,522,041	(5,627,747)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Loss on Disposal	-	-
Investment Income	1,473,662	-
Intergovernmental Revenues	-	-
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	1,473,662	-
	<hr/>	<hr/>
Income (Loss) Before Transfers and Capital Contributions	3,995,703	(5,627,747)
Transfers In	-	1,304,938
Transfers Out	-	-
	<hr/>	<hr/>
Change in Net Position	3,995,703	(4,322,809)
Total Net Position, Beginning	27,476,365	6,655,995
	<hr/>	<hr/>
Total Net Position, Ending	<u>\$ 31,472,068</u>	<u>\$ 2,333,186</u>

The accompanying notes are an integral part of this statement.

**City of Hemet**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended June 30, 2024

	<b>Business-type Activities Water Enterprise Fund</b>	<b>Governmental Activities - Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 14,204,078	\$ -
Cash Received from User Departments	-	16,201,974
Cash Paid to Suppliers for Goods and Services	(8,144,583)	(12,714,613)
Cash Paid to Employees for Services	(3,503,194)	(2,406,162)
Cash Payments for Insurance and Claims	-	(1,172,477)
Net Cash Provided (Used) by Operating Activities	2,556,301	(91,278)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Principal Paid Towards Settlement Liability	(268,600)	-
Cash Received From Other Funds	-	1,439,405
Cash Paid to Other Funds	-	(134,366)
Net Cash Provided (Used) by Noncapital Financing Activities	(268,600)	1,305,039
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	-	(33,702)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(33,702)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income Received	1,473,662	-
Net Cash Provided (Used) by Investing Activities	1,473,662	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,761,363	1,180,059
Cash and Cash Equivalents - Beginning of the Year	35,799,239	9,791,497
Cash and Cash Equivalents - End of the Year	\$ 39,560,602	\$ 10,971,556
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ 2,522,041	\$ (5,627,747)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	333,956	152,708
(Increase) Decrease in Accounts Receivable	(135,793)	(230,348)
(Increase) Decrease in Inventories	-	30,260
(Increase) Decrease in Prepaids	-	150,729
(Increase) Decrease in Due from Other Governments	(53,332)	-
(Increase) Decrease in Deferred Outflows - Pensions	343,190	-
(Increase) Decrease in Deferred Outflows - OPEB	105,778	-
Increase (Decrease) in Accounts Payable	207,602	204,960
Increase (Decrease) in Accrued Salaries and Benefits	23,889	23,566
Increase (Decrease) in Unearned Revenues	-	88,000
Increase (Decrease) in Claims Payable	-	5,116,594
Increase (Decrease) in Deposits Payable	12,969	-
Increase (Decrease) in Compensated Absences Payable	21,813	-
Increase (Decrease) in Deferred Inflows - Pensions	(36,508)	-
Increase (Decrease) in Deferred Inflows - OPEB	(60,928)	-
Increase (Decrease) in Net Pension Liability	(217,646)	-
Increase (Decrease) in Net OPEB Liability	(510,730)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 2,556,301	\$ (91,278)

The accompanying notes are an integral part of this statement.

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

	OPEB Trust Fund	Custodial Funds	Successor Agency Private-purpose Trust Fund
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 148,446	\$ 620,558
Investments:			
Balanced HighMark PLUS	3,102,030	-	-
Receivables:			
Accounts	-	12,308	-
Notes	-	-	168,309
Land Held for Resale	-	-	2,208,773
Restricted Assets:			
Cash and Investments with Fiscal Agents	-	1,163,994	-
Total Assets	<u>3,102,030</u>	<u>1,324,748</u>	<u>2,997,640</u>
<b>LIABILITIES</b>			
Accounts Payable	-	163,729	-
Accrued Liabilities	-	-	7,497
Deposits Payable	-	-	-
Interest Payable	-	-	121,515
Due to City of Hemet	-	911,413	-
Bonds Payable	-	-	6,508,745
Total Liabilities	<u>-</u>	<u>1,075,142</u>	<u>6,637,757</u>
<b>NET POSITION</b>			
Held in Trust for Successor Agency	-	-	(3,640,117)
Restricted for OPEB	3,102,030	-	-
Held for the Benefit of Other Organizations, Individuals, and Governments	-	249,606	-
Total Net Position	<u>\$ 3,102,030</u>	<u>\$ 249,606</u>	<u>\$ (3,640,117)</u>

The accompanying notes are an integral part of this statement.

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

	OPEB Trust Fund	Custodial Funds	Successor Agency Private-purpose Trust Fund
<b>ADDITIONS</b>			
Contributions:			
Taxes and Assessments Collected for Others	\$ -	\$ 2,385,291	\$ 972,405
Developer Contributions	-	75,876	-
Employer Contributions	240,300	-	-
Investment Earnings:			
Investment Income	357,500	52,005	2,639
Total Additions	<u>597,800</u>	<u>2,513,172</u>	<u>975,044</u>
<b>DEDUCTIONS</b>			
Administrative Costs	15,800	-	128,085
Interest on Bonds	-	-	194,770
Payments on behalf of Others	-	918,552	-
Payments to Other Agencies for Charges Collected	-	2,323,192	-
Total Deductions	<u>15,800</u>	<u>3,241,744</u>	<u>322,855</u>
Change in Net Position	582,000	(728,572)	652,189
Net Position - Beginning of Year	<u>2,520,030</u>	<u>978,178</u>	<u>(4,292,306)</u>
Net Position - End of Year	<u>\$ 3,102,030</u>	<u>\$ 249,606</u>	<u>\$ (3,640,117)</u>

The accompanying notes are an integral part of this statement.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Hemet, California was incorporated in 1910 as a general law City. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, refuse and recycling collection, water, sewer maintenance, public library, parks, public improvements, planning and zoning, and general administrative services.

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

**A) Description of Reporting Entity**

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of the organization's governing body and frequently has the ability to affect the organizations operations, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following entities should be reported as blended component units based on the criteria above. Although the following is legally separate from the City, it has been "blended" as though it is 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 unit; and/or the component unit provides 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.

**Hemet Housing Authority**

The Hemet City Council is also the governing board of the Hemet Housing Authority; therefore the Authority is included within the reporting entity of the City. The authority was formed under the California Health and Safety Code Section 34200, et seq, to provide financing for supplying safe and sanitary dwelling accommodations to persons of low income at affordable rents. Separate financial statements are not issued for the Housing Authority.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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 balance or net position, 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 and Fund Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. 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, deferred outflows of sources, liabilities, and deferred inflows of sources, 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.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, property taxes, franchise taxes, intergovernmental revenue and rental income 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.

Non-current portions of long-term receivables due from governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Proprietary and Fiduciary Funds

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expense.

The custodial funds account for monies held for the benefit of other organizations and governments to which the City provides accounting and investing services and are reported using economic resources measurement focus and the accrual basis of accounting. The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Fund Classifications**

The City reports the following major governmental funds:

General Fund - This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Sewer and Storm Drain Special Revenue Fund - This fund accounts for the financial transactions of a City-wide program to maintain storm drains and sewer transmission lines. Revenues are intended to cover the maintenance costs for these lines, not all of the costs associated with the replacement, and depreciation of these lines.

ARPA Special Revenue Fund – This fund accounts for the financial transactions as prescribed under the Federal American Rescue Plan Act (ARPA) of 2021.

Public Safety Grants Special Revenue Fund – This fund accounts for various public safety grant revenues restricted for public safety..

Bridges, Streets and Traffic Facilities Capital Projects Fund - This fund accounts for the financial transactions for bridges, streets and traffic facilities in the development impact fee report and is funded through developer contributions.

The City reports the following major enterprise funds:

Water - This fund accounts for the financial transactions of the City's water utility service, including water production, transmission, and distribution system.

The City also reports the following fund types:

Internal Service Funds - These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis. These departments consist of administrative, facility maintenance, vehicle maintenance, workers' compensation, dental, vision, retiree medical and liability insurance.

OPEB Trust Fund - These funds account for the prefunding of post-employment benefits other than pensions.

Custodial Funds - These funds account for resources held by the City in a trustee capacity as an agent for individuals, private organizations, and/or other governments. Custodial Funds are custodial in nature and are held for the benefit of other individuals, organizations and/or governments. These funds consist of the Police Activities League, pass thru fees collected for the County, and a developer CFD.

Private-purpose Trust Fund - This fund is used to account for the balances and transactions of the Successor Agency to the former Hemet Redevelopment Agency.

**D) Cash and Investments**

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned from pooled investments is allocated to those various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or were purchased so near their maturity that they present insignificant risk of change in value because of changes in interest rates. Cash and cash equivalents in the accompanying statements include the proprietary funds' share of the cash and investment pool of the City of Hemet.

**E) Receivables**

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous accounts receivable, and interest receivable. No allowance for doubtful accounts has been established, as the City believes all amounts are considered to be collectible in the normal course of business.

**F) Inventory and Prepaid Items**

All inventories are valued on the average cost method. Inventory in the General Fund consists of City promotional items. Inventory in the Internal Service fund consists of hardware supplies, auto shop supplies, fuel and oil. Inventory in the Enterprise fund consists of expendable supplies held for use by the water utility. All costs are recorded as an expenditure at the time the individual inventory items are consumed.

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method.

**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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**H) Forgivable Notes**

Certain loans have been made by the City to third parties in order to enhance the redevelopment, community development, economic development, and housing objectives of the City. Certain loans contain conditions for non-collection (after being held for a certain period of time, etc.). The City has recorded as an allowance for forgivable notes the estimate of the amounts that will not be collected on these loans.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**I) Land Held for Resale**

Land held for resale represents land, structures and their related improvements that were acquired for resale in accordance with the objectives of the Redevelopment Projects and grants. These costs will be charged to current year project expenditures when the related land and structures are sold. Land held for resale is valued at the lower of cost or expected net realizable value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**J) Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years except in the case of infrastructure-related capital projects, which would only be capitalized when total project costs are expected to exceed \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are valued at their acquisition value at the date of the contribution.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest were costs capitalized during the current fiscal year.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	25 - 50 years
Infrastructure	
Roadway	20 - 75 years
Storm Drain	100 years
Water System	30 years
Sewer System	30 years
Machinery and Equipment	
Vehicles	7 years
Office Equipment	5 years
Other Equipment	5 years

**K) Compensated Absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

City employees receive from twelve to thirty-three (12-33) vacation days each year depending upon length of service and bargaining group. Vacation can be accumulated up to a maximum of two years for most City bargaining units; two years plus the current year's accumulation for other units. Unused vacation may be cashed in yearly per each bargaining unit's M.O.U. limitations or upon retirement. City and police employees receive eight (8) hours of sick leave for each month of employment. Management employees accrue six (6) days of sick leave per year. City fire fighters accrue twelve (12) hours per calendar month. City general employees' right to accrue sick leave is unlimited. Used sick leave may be cashed in upon retirement at a payment percentage of 25%, 50% or 75% determined by length of continuous service and bargaining unit M.O.U.

City and police employees are allowed to accumulate compensatory leave time for unpaid overtime at 150% rate up to a forty (40) hour or eighty (80) hour maximum depending on M.O.U. limitations.

**L) Claims and Judgments**

The expenditures for claims are recognized when it is probable that the liability has been incurred at year-end and the amount of the loss can be reasonably estimated. Such claims are reported as liabilities in the Internal Service Funds and government-wide financial statements.

**M) Pension**

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. 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.

**N) Other Postemployment Benefits (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2023 Valuation Date; June 30, 2024 Measurement Date; and July 1, 2023 through June 30, 2024 Measurement Period.

**O) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has certain items that qualify for reporting in this category: deferred outflows relating to the City's net pension and OPEB liabilities.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, long-term loans receivable, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities.

**P) Net Position**

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

*Investment in Capital Assets* – this category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of those assets reduce this category.

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

*Unrestricted* – this category describes the portion of net position which is not restricted to use.

**Q) 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 statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

**R) Fund Balances**

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. 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, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

The City's committed fund balance includes:

- **General Fund Emergency Operating Contingency:**  
Fund balance in the General Fund has been committed for emergency/fiscal emergency contingencies, as set by ordinance. Emergencies shall mean the actual or threatened conditions of disaster or of extreme peril to the safety of persons and property within the City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot or earthquake, or other conditions, including conditions resulting from a labor controversy, which conditions are likely to be beyond the control of the services, personnel, equipment and facilities of the City, requiring combined forces of other political subdivisions to combat. A fiscal emergency is defined by the City of Hemet Municipal Code Section 2-451. The amount of the commitment as set forth by the City of Hemet Municipal Code Section 2-452 is equal to at least 40% of General Fund budgeted expenditures.

Encumbrance accounting, under which purchase order, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Project funds. Encumbrances outstanding at year-end are reported as committed fund balances in the fund financial statements since they do not constitute expenditures or liabilities.

Assigned Fund Balance – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources, but are neither restricted or committed. 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 by resolution authorized the City Manager to assign fund balance.

Unassigned Fund Balance - This amount is for any portion of the fund balances that do not fall into one of the above categories. 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 fund other than 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 Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**S) Property Tax Calendar**

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

Lien Date	March 1
Levy Date	July 1 to June 30
Due Date	November 1, 1 <sup>st</sup> Installment February 1, 2 <sup>nd</sup> Installment
Collection Date	December 1, 1 <sup>st</sup> Installment April 10, 2 <sup>nd</sup> Installment

The City receives from the County of Riverside a percentage of the basic 1% maximum tax rate allowed on assessments collected and allocated by the County. Property tax assessments are recognized as revenue when they become both measurable and available to finance the expenditures of the reported fiscal year. Material delinquent property taxes (net of estimated uncollectibles) are also recorded as current year receivables. Substantially all of the property taxes associated with the reported fiscal year were considered to be both measurable and available to finance expenditures of that fiscal year. When material amounts of property taxes are considered to be measurable but not available to finance the expenditures of the reported fiscal year, they are recorded as a receivable and as deferred revenue (to be recognized as revenue in the year in which they become available).

A delinquency penalty of 6% is assessed by the County of Riverside. If taxes become delinquent, they are deeded to the State and may be sold by the County Tax Collector for taxes due plus 1% per month redemption fee. All property taxes are collected by the County of Riverside and collection fees are deducted by the County before tax revenue is remitted to the City. The assessed valuation is at "full cash value".

**T) Use of Estimates**

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

**2) CASH AND INVESTMENTS**

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

	Government-wide			Total
	Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$167,727,143	\$39,560,602	\$ 3,871,034	\$211,158,779
Restricted Cash and Investments	593,558	-	1,163,994	1,757,552
<b>Total Cash and Investments</b>	<b>\$168,320,701</b>	<b>\$39,560,602</b>	<b>\$ 5,035,028</b>	<b>\$212,916,331</b>

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**2) CASH AND INVESTMENTS - Continued**

Cash and Investments consist of the following:

Cash on Hand	\$	8,250
Deposits with Financial Institutions		37,020,935
Investments		175,887,146
Total Cash and Investments		\$212,916,331

**Investments Authorized by the California Government Code and the City's Investment Policy**

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

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U.S. Treasury Obligations	Yes	None	None	None
U.S. Government Sponsored				
Agency Securities	Yes	5 years	None	None
Municipal Bonds	Yes	5 years	20%	None
Medium-Term Notes	Yes	5 years	20%	5%
Collateralized Certificate of Deposit	Yes	5 years	None	25%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Banker's Acceptance	Yes	180 days	40%	None
Commercial Paper	Yes	270 days	15%	10%
Money Market Mutual Funds	Yes	N/A	10%	None
Repurchase Agreements	Yes	30 days	10%	None
Local Agency Investment Fund	Yes	N/A	90%	\$75,000,000

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

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee 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 bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**2) CASH AND INVESTMENTS - Continued**

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Municipal Obligations	None	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

**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 is, 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 bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			
	Total	12 Months Or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury	\$ 71,774,119	\$ 1,810,814	\$ 35,621,949	\$ 34,341,356
U.S. Agency Securities	5,317,862	1,928,516	2,818,023	571,323
LAIF	52,713,347	52,713,347	-	-
California CLASS	15,299,938	15,299,938	-	-
CalTRUST	15,254,883	15,254,883	-	-
Municipal Obligations	954,440	-	954,440	-
Negotiable CD	1,228,027	985,274	242,753	-
Medium Term Notes	7,341,500	1,968,321	3,986,496	1,386,683
Money Market Mutual Funds	1,143,448	1,143,448	-	-
Held by Fiscal Agent:				
Money Market Mutual Funds	4,859,582	4,859,582	-	-
<b>Total</b>	<b>\$ 175,887,146</b>	<b>\$ 95,964,123</b>	<b>\$ 43,623,661</b>	<b>\$ 36,299,362</b>

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**2) CASH AND INVESTMENTS - 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 (where applicable) the California Government Code or the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	AAA	AA	A	Unrated
U.S. Treasury	\$ 71,774,119	N/A	\$ -	\$ 71,774,119	\$ -	\$ -
U.S. Agency Securities	5,317,862	N/A	-	5,317,862	-	-
LAIF	52,713,347	N/A	-	-	-	52,713,347
California CLASS	15,299,938	N/A	-	-	-	15,299,938
CalTRUST	15,254,883	N/A	-	-	-	15,254,883
Municipal Obligations	954,440	A	-	954,440	-	-
Negotiable CD	1,228,027	N/A	-	-	-	1,228,027
Medium Term Notes	7,341,500	A	-	658,065	6,683,435	-
Money Market Mutual Funds	1,143,448	AAA	1,143,448	-	-	-
Held by Bond Trustees:						
Money Market Mutual Funds	4,859,582	AAA	4,859,582	-	-	-
<b>Total</b>	<b>\$ 175,887,146</b>		<b>\$ 6,003,030</b>	<b>\$ 78,704,486</b>	<b>\$ 6,683,435</b>	<b>\$ 84,496,195</b>

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There was no investments in any one issuer (other than U.S. Government Agencies, Supranationals, Money Market Funds, and external investment pools) that represent 5% or more of total City investments.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits 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 government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the City deposits (bank balances were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California law. Investments held by bond trustee are selected under the terms of the applicable trust agreement. For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**2) CASH AND INVESTMENTS - Continued**

**Fair Value of Investments**

Investments (except those that may be reported at amortized cost) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2024 are described below.

Investment Type	Total	Measurement Input		
		Level 1	Level 2	Not subject to Measurement
U.S. Treasury	\$ 71,774,119	\$ 71,774,119	\$ -	\$ -
U.S. Agency Securities	5,317,862	-	5,317,862	-
LAIF	52,713,347	-	-	52,713,347
California CLASS	15,299,938	-	-	15,299,938
CalTRUST	15,254,883	-	-	15,254,883
Municipal Obligations	954,440	-	954,440	-
Negotiable CD	1,228,027	-	1,228,027	-
Medium Term Notes	7,341,500	-	7,341,500	-
Money Market Mutual Funds	1,143,448	-	-	1,143,448
Held by Bond Trustees:	-	-	-	-
Money Market Mutual Funds	4,859,582	-	-	4,859,582
<b>Total</b>	<b>\$ 175,887,146</b>	<b>\$ 71,774,119</b>	<b>\$ 14,841,829</b>	<b>\$ 89,271,198</b>

Investments categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not rated.

**Investment in CalTRUST**

CalTRUST is a Joint Powers Authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. CalTRUST maintains and administers four pooled accounts within the program: Money Market, Short-term, Medium-term and Long-term. The Money Market account permits daily transactions, with same-day liquidity (provided redemption requests are received by 1:00 p.m. Pacific time), with no limit on the amount of funds that may be invested. The

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**2) CASH AND INVESTMENTS - Continued**

Short-term account permits an unlimited number of transactions per month (with prior day notice), with no limit on the amount of funds that may be invested. The Medium- and Long-term accounts permit investments, withdrawals and transfers once per month, with five days advance notice. All CalTRUST accounts comply with the limits and restrictions placed on local agency investments by the California Government Code. CalTRUST imposes a \$250,000 minimum investment; however, there is no maximum limit.

The fair value of the City's investment in this pool is reported at amounts based upon the City's percentage interest of the fair value provided by CalTRUST (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

**Investment in California CLASS**

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The fair value of the City's investment in this pool is reported at amounts based upon the City's percentage interest of the fair value provided by California CLASS (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS.

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The following represents the composition of interfund balances as of June 30, 2024:

**Due To / From Other Funds**

The Other Governmental Funds borrowed \$354,137 from Other Governmental Funds as a result of routine, short-term interfund borrowing to eliminating temporary deficit cash balances. In addition, the Other Governmental Funds and Public Safety Grants Fund borrowed \$386,780 and \$1,447,732, respectively, from the General Fund as a result of routine, short-term interfund borrowings. These deficits will be eliminated when revenues are recognized.

**Due to City of Hemet**

The Fiduciary Funds borrowed \$445,002 and \$466,411 from the General Fund as a result of short-term borrowing to eliminate temporary deficit cash balances caused from fiduciary activities. These will be repaid when receivables are collected and restricted funds become available to repay.

**Interfund Transfers**

During the year, interfund transfers were made for purposes of financing administrative costs and capital improvements. Specifically, the following transfers were made:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

TRANSFERS OUT	TRANSFERS IN		Total
	Other Governmental Funds	Internal Service Funds	
General Fund	\$ 885,700	\$ 1,304,938	\$ 2,190,638
	\$ 885,700	\$ 1,304,938	\$ 2,190,638

The General Fund transferred \$885,700 to the Other Governmental Funds for project costs and \$1,304,938 to contribute additional funding for the General Liability Insurance fund.

**4) NOTES RECEIVABLE**

The City administers various residential rehabilitation and down payment assistance loan programs for low and moderate income families. In addition, the City has loaned monies to developers for affordable housing projects and entered into owner participation agreements. The loans have different stated interest rates, payback periods and may be forgivable assuming all conditions are met. These notes are long-term in nature and are recorded as notes receivable in the governmental funds balance sheet. At June 30, 2024 the outstanding balance of notes receivable totaled \$7,626,810. The balance on the loans that will be forgiven by the City, assuming all requirements are met was \$5,871,480, and is considered uncollectible. The balance of loans receivable is recorded net of the uncollectible amount in the Statement of Net Position and the Governmental Funds Balance Sheet.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**5) CHANGES IN CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2024 is as follows:

<b>Governmental Activities:</b>	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital Assets, Not Being Depreciated:</b>					
Land and Improvements	\$ 12,348,575	\$ 2,686,556	\$ -	\$ -	\$ 15,035,131
Rights of Way	190,468,181	-	-	-	190,468,181
Construction in Progress	4,942,586	8,974,796	-	(4,327,387)	9,589,995
Total Capital Assets, Not Being Depreciated	207,759,342	11,661,352	-	(4,327,387)	215,093,307
<b>Capital Assets Being Depreciated:</b>					
Building and Improvements	29,419,965	-	-	-	29,419,965
Building and Improvements - ISF	75,899	-	-	-	75,899
Machinery and Equipment	38,971,959	2,303,307	(1,296,242)	1,319,637	41,298,661
Machinery and Equipment - ISF	4,561,276	33,702	(258,770)	-	4,336,208
Software Subscription Assets	880,173	-	-	-	880,173
<b>Infrastructure</b>					
Pavement	147,696,565	-	(1,074,023)	1,855,701	148,478,243
Medians	163,384	-	-	-	163,384
Sidewalks	21,170,837	-	(852)	86,503	21,256,488
Curb and Gutter	17,720,829	-	-	38,413	17,759,242
Traffic Signal	7,343,494	-	-	1,027,133	8,370,627
Street Lights	5,059,579	-	-	-	5,059,579
Bridges	5,661,474	-	-	-	5,661,474
Storm Drain/Retention Basins	11,588,613	-	-	-	11,588,613
Total Capital Assets Being Depreciated	290,314,047	2,337,009	(2,629,887)	4,327,387	294,348,556
<b>Less Accumulated Depreciation:</b>					
Building and Improvements	(16,513,034)	(679,898)	-	-	(17,192,932)
Building and Improvements - ISF	(75,217)	(682)	-	-	(75,899)
Machinery and Equipment	(30,959,919)	(1,867,124)	1,233,424	-	(31,593,619)
Machinery and Equipment - ISF	(3,551,635)	(152,026)	258,770	-	(3,444,891)
Software Subscription Assets	(297,038)	(293,390)	-	-	(590,428)
<b>Infrastructure</b>					
Pavement	(113,342,229)	(3,352,867)	1,074,023	-	(115,621,073)
Medians	(89,859)	(10,892)	-	-	(100,751)
Sidewalks	(5,986,988)	(283,222)	852	-	(6,269,358)
Curb and Gutter	(5,365,667)	(236,534)	-	-	(5,602,201)
Traffic Signal	(5,340,174)	(196,239)	-	-	(5,536,413)
Street Lights	(3,441,593)	(187,795)	-	-	(3,629,388)
Bridges	(1,479,750)	(75,486)	-	-	(1,555,236)
Storm Drain/Retention Basins	(3,423,303)	(169,676)	-	-	(3,592,979)
Total Accumulated Depreciation	(189,866,406)	(7,505,831)	2,567,069	-	(194,805,168)
Total Capital Assets Being Depreciated, Net	100,447,641	(5,168,822)	(62,818)	4,327,387	99,543,388
<b>Total Capital Assets, Net</b>	<b>\$ 308,206,983</b>	<b>\$ 6,492,530</b>	<b>\$ (62,818)</b>	<b>\$ -</b>	<b>\$ 314,636,695</b>

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**5) CHANGES IN CAPITAL ASSETS - Continued**

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 893,269
Public Safety	1,610,837
Public Works	4,536,845
Libraries	312,172
Internal Service	152,708
Total Depreciation Expense	\$ 7,505,831

<b>Business-type Activities:</b>	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	\$ 32,975	\$ -	\$ -	\$ -	\$ 32,975
Total Capital Assets, Not Being Depreciated	32,975	-	-	-	32,975
Capital Assets Being Depreciated:					
Buildings and Improvements	29,624,091	-	-	-	29,624,091
Machinery and Equipment	3,716,459	-	(96,234)	-	3,620,225
Total Capital Assets Being Depreciated	33,340,550	-	(96,234)	-	33,244,316
Less Accumulated Depreciation:					
Buildings and Improvements	(27,101,896)	(290,435)	-	-	(27,392,331)
Machinery and Equipment	(3,672,748)	(43,521)	96,234	-	(3,620,035)
Total Accumulated Depreciation	(30,774,644)	(333,956)	96,234	-	(31,012,366)
Total Capital Assets Being Depreciated, Net	2,565,906	(333,956)	-	-	2,231,950
Total Capital Assets, Net	\$ 2,598,881	\$ (333,956)	\$ -	\$ -	\$ 2,264,925

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Business-type Activities</b>	
Water	\$ 333,956
Total Depreciation Expense	\$ 333,956

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**6) LONG-TERM LIABILITIES**

Changes in long-term liabilities for governmental activities and business-type activities are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences, Net	\$ 3,377,953	\$ 151,234	\$ -	\$ 3,529,187	\$ 893,177
Claims Payable	4,400,547	8,466,576	(3,349,982)	9,517,141	2,861,592
Software Subscription Liability	434,618	-	(283,821)	150,797	150,797
Net OPEB Liability	43,043,460	-	(7,346,650)	35,696,810	-
Net Pension Liability	113,922,927	397,242	-	114,320,169	-
<b>Total</b>	<b>\$ 165,179,505</b>	<b>\$ 9,015,052</b>	<b>\$ (10,980,453)</b>	<b>\$ 163,214,104</b>	<b>\$ 3,905,566</b>
<b>Business-type Activities:</b>					
Compensated Absences, Net	\$ 245,635	\$ 21,813	\$ -	\$ 267,448	\$ 39,252
Settlement Liability	3,357,500	-	(268,600)	3,088,900	268,600
Net OPEB Liability	2,992,326	-	(510,730)	2,481,596	-
Net Pension Liability	5,705,434	-	(217,646)	5,487,788	-
<b>Total</b>	<b>\$ 12,300,895</b>	<b>\$ 21,813</b>	<b>\$ (996,976)</b>	<b>\$ 11,325,732</b>	<b>\$ 307,852</b>

The compensated absences, net pension and OPEB liabilities in the governmental activities are generally liquidated by the General Fund, while the net pension and OPEB liabilities in the business-type activities are liquidated by the Water Enterprise Fund.

**Fiduciary Fund**

Changes in long-term liabilities for Fiduciary Funds for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Tax Allocation Bonds:</b>					
Series 2014, Refunding	\$ 6,810,000	\$ -	\$ (635,000)	\$ 6,175,000	\$ 670,000
Premium	379,944	-	(46,199)	333,745	-
<b>Total</b>	<b>\$ 7,189,944</b>	<b>\$ -</b>	<b>\$ (681,199)</b>	<b>\$ 6,508,745</b>	<b>\$ 670,000</b>

Settlement Liability

In February 2012, the City entered into a settlement agreement with the Soboba Band of Luiseño Indians (the "Tribe") over a dispute about water rights. The settlement agreement includes the City of Hemet, City of San Jacinto, Eastern Municipal Water District and Lake Hemet Municipal Water District. The City of Hemet's total settlement obligation per the agreement was \$7,252,000. The agreement does not require interest payments. Principal is due semi-annually on January 1 and July 1 of each year. Annual payments total \$268,600. The balance on the settlement liability at June 30, 2024 was \$3,088,900. The required payments on the settlement liability are as follows:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**6) LONG-TERM LIABILITIES - Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 268,600	\$ -	\$ 268,600
2026	268,600	-	268,600
2027	268,600	-	268,600
2028	268,600	-	268,600
2029	268,600	-	268,600
2030	268,600	-	268,600
2031	268,600	-	268,600
2032	268,600	-	268,600
2033	268,600	-	268,600
2034	268,600	-	268,600
2035	268,600	-	268,600
2036	134,300	-	134,300
Totals	<u>\$ 3,088,900</u>	<u>\$ -</u>	<u>\$ 3,088,900</u>

Software Subscription Liability

The City of Hemet has entered into subscription-based information technology arrangement (SBITA) with vendors for various City software systems. The systems are discounted at a rate of 3%. For the year ended June 30, 2024, the City reported a SBITA liability in the amount of \$150,797. For the year ended June 30, 2024, there was a principal reduction of \$313,821. As of June 30, 2024, the net SBITA right-to-use intangible asset was reported in the amount of \$583,135. The future payments on the SBITA liability are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 150,797	\$ 13,983	\$ 164,780
Totals	<u>\$ 150,797</u>	<u>\$ 13,983</u>	<u>\$ 164,780</u>

2014 Tax Allocation Refunding Bonds

In December 2014, the Riverside County Public Financing Authority issued \$11,110,000 Riverside County Public Financing Authority 2014 Tax Allocation Revenue Bonds (Hemet Refunding Project) to 1) refund the Successor Agency Subordinate Tax Allocation Bonds, 1999 Series A and Tax Allocation Bonds, 2002 Series A, 2) to satisfy the reserve requirement and 3) to pay cost of issuance. Interest ranges from 3.00% to 5.00% is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2015. Principal is due in annual installments of \$580,000 to \$870,000 through September 1, 2031. The outstanding balance at June 30, 2024 was \$6,175,000. The debt service to maturity is as follows:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**6) LONG-TERM LIABILITIES - Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 670,000	\$ 208,344	\$ 878,344
2026	700,000	174,094	874,094
2027	735,000	145,569	880,569
2028	765,000	122,591	887,591
2029	780,000	97,962	877,962
2030	815,000	72,044	887,044
2031	840,000	44,655	884,655
2032	870,000	15,255	885,255
Totals	<u>\$ 6,175,000</u>	<u>\$ 880,514</u>	<u>\$ 7,055,514</u>

**Non-Commitment Debt**

CFD No. 1999-1 Special Tax Refunding Bonds, Series 2006 (Heartland Project)

In July 2006, the City of Hemet authorized and provided for the issuance of special tax bonds for the Community Facilities District No. 1999-1. Proceeds of these bonds are held by a fiscal agent and are being used to defease and refund the 1999-1 Heartland CFD Series 2001A and Series 2002B bonds. The original issues were used to finance off-site improvements of a 1,417 home community with an 18-hole golf course. This bond issue is not a legal obligation of the City as the City is only acting as an agent for the property owners in collecting the assessments. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. Therefore, these bonds are not reported as a liability in the financial statements of the City. The outstanding balance on these bonds at June 30, 2024 is \$4,855,000.

**7) RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in municipal agency risk pools for their property, workers' compensation and excess liability coverage.

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Authority's Board of Directors. The Board operates through a nine-member Executive Committee.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**7) RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS - Continued**

Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of \$250,000 per occurrence. Beginning January 1, 2024, the City has a retained limit of \$1,000,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Excess Workers' Compensation Program

The City has a retained limit of \$250,000 per occurrence for workers' compensation claims. The Authority's pooled retention is \$1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

The City also participates in the following coverage programs provided by the Authority:

(A) All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is \$90,190,990. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

(B) Earthquake and Flood Insurance. This coverage is part of the Property Protection Program. The City has total insured values of Non Participant scheduled for coverage under this program. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

(C) Pollution Legal Liability Insurance Program. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

(D) Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is \$1,000,000, and the deductible is \$2,500.

(E) Special Event Tenant User Liability Insurance. This coverage protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays the insurance broker and/or carrier. The insurance is facilitated by the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

The City operates a self-insurance program for dental, vision, and retiree supplemental medical insurance costs. The retiree supplemental medical plan, for employees hired prior to July 24, 1990 and who subsequently retire from the City, is only intended to bridge decreases in health coverage benefits as measured between current coverage benefits and the highest level of such benefits as conferred during the employee's tenure. A separate internal service fund has been established to accumulate reserves and pay expenses of the program.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**7) RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS - Continued**

Currently, the various operating funds provide the financial support of these programs. It is, however, hoped that once adequate reserve levels are achieved, the interest earnings will carry the administration costs. Estimated City costs of claims for liability, workers' compensation, dental, vision, and the retiree supplemental medical have been accrued as Claims and Judgments Payable in the accompanying financial statements.

	Beginning Balance	Claims Incurred	Claim Payments and Other Adjustments	Ending Balance
2021-2022 Total	\$ 2,791,689	\$ 1,657,408	\$ -	\$ 4,449,097
2022-2023 Total	\$ 4,449,097	\$ 19,377	\$ (67,927)	\$ 4,400,547
Dental - Vision	47,276	8,797	(46,981)	9,092
Workers' Comp	412,198	829,521	(569,201)	672,518
Liability	3,941,073	7,628,258	(2,733,800)	8,835,531
2023-2024 Total	\$ 4,400,547	\$ 8,466,576	\$ (3,349,982)	\$ 9,517,141

For the past three years, settled claims have not exceeded the amount of insurance coverage. Liabilities for claims payable including workers' compensation are typically liquidated by the internal service funds.

**8) CITY EMPLOYEES RETIREMENT PLAN**

**Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and Local Government resolution. 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: [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Benefits Provided**

The Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan's June 30, 2022 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

The Plans' provisions that are in effect at June 30, 2024, are summarized as follows:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**8) CITY EMPLOYEES RETIREMENT PLAN – Continued**

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	8%	8.00%
Required employer contribution rates	12.60% + \$2,625,961	12.60%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 50	2.7% @ 50
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	9%	14.75%
Required employer contribution rates	21.90% + \$5,907,720	21.90%

(1) - Depending on years of service

**Employees Covered:** At June 30, 2024, the following number of employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries		
currently receiving benefits	317	201
Inactive employees entitled to but not yet		
receiving benefits	241	115
Active employees	147	106

**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. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**8) CITY EMPLOYEES RETIREMENT PLAN - Continued**

**Net Pension Liability:** The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plans are 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:

	All Plans
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	(1)
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)
Post Retirement	(3)

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

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

(3) The lesser contract COLA or 2.3% until Purchasing Power

Protection Allowance floor on purchasing power applies,

2.3% thereafter

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

**Long-term Expected Rate of Return** - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**8) CITY EMPLOYEES RETIREMENT PLAN - Continued**

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

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

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

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**8) CITY EMPLOYEES RETIREMENT PLAN - Continued**

**Changes in Net Pension Liability**

The changes in the Net Pension Liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 138,802,709	\$ 100,766,485	\$ 38,036,224
Changes in the year:			
Service cost	1,776,915	-	1,776,915
Interest on the total pension liability	9,290,688	-	9,290,688
Changes of benefit terms	188,706	-	188,706
Differences between expected and actual experience	(1,558,408)	-	(1,558,408)
Contributions from the employer	-	4,204,411	(4,204,411)
Contributions from employees	-	840,732	(840,732)
Net investment income	-	6,177,834	(6,177,834)
Benefit payments, including refunds	(7,347,665)	(7,347,665)	-
Administrative/other expense	-	(74,099)	74,099
Net changes	2,350,236	3,801,213	(1,450,977)
Balance at June 30, 2023	\$ 141,152,945	\$ 104,567,698	\$ 36,585,247

The changes in the Net Pension Liability for the Safety Plan are as follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 223,734,858	\$ 142,142,721	\$ 81,592,137
Changes in the year:			
Service cost	4,161,065	-	4,161,065
Interest on the total pension liability	15,278,425	-	15,278,425
Changes of benefit terms	103,544	-	103,544
Differences between expected and actual experience	1,116,438	-	1,116,438
Contributions from the employer	-	8,388,840	(8,388,840)
Contributions from employees	-	1,832,292	(1,832,292)
Net investment income	-	8,912,292	(8,912,292)
Benefit payments, including refunds	(11,217,845)	(11,217,845)	-
Administrative/other expense	-	(104,525)	104,525
Net changes	9,441,627	7,811,054	1,630,573
Balance at June 30, 2023	\$ 233,176,485	\$ 149,953,775	\$ 83,222,710

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**8) CITY EMPLOYEES RETIREMENT PLAN – Continued**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:** The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Miscellaneous		Safety
1% Decrease	5.90%		5.90%
Net Pension Liability	\$ 55,439,647	\$	116,619,623
Current Discount Rate	6.90%		6.90%
Net Pension Liability	\$ 36,585,247	\$	83,222,597
1% Increase	7.90%		7.90%
Net Pension Liability	\$ 21,132,541	\$	56,148,450

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

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

For the year ended June 30, 2024, the City recognized pension expense of \$4,674,789 for the Miscellaneous Plan and \$12,649,113 for the Safety Plan. The total pension expense for both plans was \$17,323,902 for the year ended June 30, 2024. At June 30, 2024, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,081,965	\$ -
Differences between actual and expected experience	-	1,055,668
Changes in assumptions	388,906	-
Net differences between projected and actual earnings on plan investments	4,754,645	-
Total	\$ 9,225,516	\$ 1,055,668

\$4,081,965 reported as deferred outflows of resources related to 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 and deferred inflows related to pensions will be recognized as pension expense as follows:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**8) CITY EMPLOYEES RETIREMENT PLAN - Continued**

Miscellaneous	
Year Ending June 30,	
2025	\$ 295,784
2026	305,831
2027	3,348,907
2028	137,361
2029	-
Thereafter	-

At June 30, 2024, the City reported deferred outflows and deferred inflows for the Safety Plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 9,113,184	\$ -
Differences between actual and expected experience	985,880	67,175
Changes in assumptions	4,011,262	-
Net differences between projected and actual earnings on plan investments	6,694,733	-
Total	\$ 20,805,059	\$ 67,175

\$9,113,184 reported as deferred outflows of resources related to 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 and deferred inflows related to pensions will be recognized as pension expense as follows:

Safety	
Year Ending June 30,	
2025	\$ 3,800,727
2026	2,885,752
2027	4,767,897
2028	170,324
2029	-
Thereafter	-

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**9) OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The City of Hemet Retiree Healthcare Plan administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Retiree medical health benefits are offered to eligible retirees through Aetna and Kaiser. Dental and vision benefits are provided by the City and administered by Group Management Services. Eligibility is based on the contract. The City's plan does not issue a publicly available financial report.

**Benefits Provided**

The substantive plan provisions for the City of Hemet's OPEB Plan include lifetime retiree health benefits for employees retiring within 120 days of separation and receiving CalPERS benefits. Eligibility varies by hire date, with full City subsidies for employees hired before July 24, 1990, partial subsidies for those hired between July 24, 1990, and December 31, 1997, and no subsidies for employees hired after January 1, 1998. Spousal and dependent coverage is allowed under certain conditions, and retirees must contribute the portion of the premium not covered by the City. Medicare integration and supplemental benefits are available, with no City-subsidized Medicare Part B reimbursement or life insurance except for one retiree. Dental and vision benefits are self-insured, with rates adjusted annually.

**Employees Covered by Benefit Terms**

At June 30, 2023 (census date), the benefit terms covered the following employees:

Retirees or spouses of retirees currently receiving benefits	221
Active employees	<u>9</u>
Total	<u><u>230</u></u>

**Contributions**

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the fiscal year ended June 30, 2024, the City's average contribution rate was not applicable. The initial contribution of \$750,000 was made November 2016. An annual \$200,000 contribution began in fiscal year 2018 to the OPEB Trust Account, administered by the Public Agency Retirement Systems (PARS). The City pays benefit payments outside of the trust. Employees are not required to contribute to the plan.

**Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

**Actuarial Methods and 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.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**9) OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued**

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, Level % of Pay
Mortality	CalPERS Experience Study dated November 2021
Mortality Improvement	Fully generational with Scale MP-2020
Health Care Trend Rate	7.4 initial, 4.14% ultimate
Inflation Rate	2.30%
Discount Rate	6.58% at June 2024 5.75% at June 2023
Salary Increases	2.80% annually
Dental/Vision Trend	4.00% annually

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.58 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Asset Class	Target Allocation PARS-Balance
Domestic Equity	47.0%
International Developed Equity	7.0%
Emerging Markets Equity	4.0%
REITs	2.0%
Short-term Bonds	6.8%
Core Fixed Income	27.0%
High Yield	1.2%
Cash	5.0%
Total	100.00%

**Change in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023	\$ 48,555,816	\$ 2,520,030	\$ 46,035,786
Changes in the year:			
Service cost	91,721	-	91,721
Interest on the total OPEB liability	2,689,277	-	2,689,277
Employer contributions	-	3,995,310	(3,995,310)
Changes of assumptions	(6,355,940)	-	(6,355,940)
Actual investment income	-	357,500	(357,500)
Differences between expected and actual experience	54,572	-	54,572
Administrative Expense	-	(15,800)	15,800
Benefit payments, including refunds	(3,755,010)	(3,755,010)	-
Net changes	(7,275,380)	582,000	(7,857,380)
Balance at June 30, 2024	\$ 41,280,436	\$ 3,102,030	\$ 38,178,406

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**9) OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued**

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

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB liability (asset)	\$ 41,804,374	\$ 38,178,406	\$ 35,066,560

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 34,768,929	\$ 38,178,406	\$ 42,108,236

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

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

For the year ended June 30, 2024, the City recognized OPEB expense/(credit) of (\$3,172,067). The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Changes of Assumptions	\$ 2,020,999	\$ -
Differences between expected and actual experience	114,263	2,541,076
Net differences between projected and actual earnings on plan investments	-	103,939
Total	\$ 2,135,262	\$ 2,645,015

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as an OPEB expense as follows:

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**9) OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued**

Year Ending June 30,	
2025	\$ 238,608
2026	(154,630)
2027	(552,504)
2028	(41,227)
2029	-
Thereafter	-

**10) FUND BALANCES**

The details of the fund balances as of June 30, 2024 are presented below:

	General Fund	Sewer and Storm Drain	ARPA	Public Safety Grants	Bridges/Streets Traffic Facilities	Other Governmental Funds	Total
Nonspendable:							
Prepaid Items	\$ 30,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,305
Prepaid Items - Measure U	1,969,640	-	-	-	-	-	1,969,640
Library Endowment	-	-	-	-	-	1,000,000	1,000,000
Restricted for:							
Public Access Channel	1,912,985	-	-	-	-	-	1,912,985
Public Safety	-	-	-	-	-	1,881,650	1,881,650
Street Work	-	-	-	-	8,621,530	14,799,479	23,421,009
Lighting and Landscaping	-	-	-	-	-	8,862,765	8,862,765
Housing and Community Development Grants	281,184	-	-	-	-	7,734,199	8,015,383
Sewer Maintenance	-	17,467,320	-	-	-	-	17,467,320
Indian Gaming Capital Projects	-	-	-	-	-	6,411	6,411
Development Impact Fees	-	-	-	-	-	19,507,007	19,507,007
Library Equipment	-	-	-	-	-	51,398	51,398
General Plan	-	-	-	-	-	578,901	578,901
Committed:							
Projects	-	-	6,547,779	-	-	-	6,547,779
Economic Stabilization Reserve	21,873,427	-	-	-	-	-	21,873,427
Measure U - Public Safety Personnel							
Police	11,346,125	-	-	-	-	-	11,346,125
Fire	2,234,525	-	-	-	-	-	2,234,525
Measure U - Economic Stabilization Reserve							
Police	2,355,467	-	-	-	-	-	2,355,467
Fire	974,416	-	-	-	-	-	974,416
Assigned:							
Equipment Replacement	-	-	-	-	-	6,317,133	6,317,133
Capital Replacement	-	-	-	-	-	8,564	8,564
Capital Projects	8,328,282	-	-	-	-	-	8,328,282
Unassigned							
	20,683,905	-	-	(792,105)	-	(393,753)	19,498,047
<b>Total Fund Balances</b>	<b>\$ 71,990,261</b>	<b>\$ 17,467,320</b>	<b>\$ 6,547,779</b>	<b>\$ (792,105)</b>	<b>\$ 8,621,530</b>	<b>\$ 60,353,754</b>	<b>\$ 164,188,539</b>

**11) ENDOWMENTS**

The City received an endowment in 2002 for \$1,000,000. The principal amount of \$1,000,000 is to be held in perpetuity while interest earnings are to be used for the City's library as stated in the resolution accepting the endowment. The endowment activity is accounted for in the permanent fund of the City with the principal amount

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**11) ENDOWMENTS - Continued**

reflected in nonspendable fund balance. In the government-wide financial statements, the principal amount is included in restricted net position as non-expendable. At June 30, 2024, net appreciation on investment of the principal balance amounted to \$51,398, and is reported as restricted net position as expendable. California Senate Bill No. 1329 enacted Uniform Prudent Management of Institutional Funds Act ("UPMIFA") that governing the ability to spend on the net appreciation of the endowment fund. The City also passed resolution No. 3715 to establish policy on the spending of investment income in that available funds may only be used to supplement normal budgeted City funds appropriated by the City for the operation and maintenance of the library and not to substitute for such funds. Available funds may be used for a variety of library purposes that enhances the functioning of the library after specifically approved on a case by case line-item basis by the City Council in advance of the expenditure.

**12) DEFICIT NET POSITIONS AND FUND BALANCES**

In the government-wide financial statements, the governmental activities had a deficit unrestricted net position of \$29,762,117, caused to some extent by the net pension liability of \$114,320,169 and the net OPEB liability of \$35,696,810.

Funds with deficit net positions and fund balances at June 30, 2024 are as follows:

**Fiduciary Funds**

Successor Agency Private Purpose Trust Fund	\$ 3,686,316
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**Other Governmental Funds:**

Local Law Enforcement Block Grant	\$ 90,848
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Active Transportation Grant	649,917
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Miscellaneous Grants	141
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**Internal Service Fund**

Liability Insurance	\$ 8,977,861
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The deficit net position for the Successor Agency Private Purpose Trust Fund will be eliminated through continued repayment of debt through property tax revenue received. Local Law Enforcement Block Grant Special Revenue Fund will eliminate the deficit through a transfer from the General Fund Public Safety program. The deficits in the Active Transportation Grant and Miscellaneous Grants Special Revenue funds will be eliminated when future unavailable revenues are recognized. Internal service funds deficits will be eliminated through cost recovery from the respective funds.

**13) COMMITMENTS AND CONTINGENCIES**

The City has been named as a defendant in certain other claims and litigation matters. In the opinion of City management, the outcome of such litigation is not expected to result in a material adverse effect to the financial condition of the City beyond that accrued in the City's Self-funded Insurance Fund.

**City of Hemet**  
**Notes to Financial Statements**  
Year Ended June 30, 2024

**13) COMMITMENTS AND CONTINGENCIES - Continued**

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

The estimated amount of remaining construction contract obligations at year-end is \$9,390,786.

**14) CHANGES WITHIN THE FINANCIAL REPORTING ENTITY**

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

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Newly major Governmental Fund Public Safety Grants	Other Governmental Funds
Net position or fund balances, beginning of year, as previously reported	\$ -	\$ (68,518)
Change within the reporting entity	(68,518)	68,518
Net position or fund balances, beginning of year, as restated	\$ (68,518)	\$ -

**15) SUBSEQUENT EVENTS**

On March 29, 2024 the City received a termination notification effective June 30, 2024 from the insurance carrier, California Joint Power Insurance Authority (CJPIA) that provide liability, workers' compensation, property and crime insurance due to the City's excessive claims history. With this notification, City staff had to search and secure other insurance coverage. Due to the claims history, finding coverage was extremely challenging because the City was categorized as a high-risk City for liability claims. In the exploration of coverage, the best offer that could be extended came with over a \$4.5 million premium and self-insurance rate (SIR) of \$2 million for non-safety claims per incident and \$6 million for safety claims per incident with an overall limit of \$25 million. While this change was unforeseen, staff have been working diligently and implementing additional measures to reduce potential exposure and mitigate future catastrophic claims. This is a priority to the City to navigate out of this position in the next few fiscal years.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 49,747,700	\$ 46,645,400	\$ 50,693,986	\$ 4,048,586
Licenses and Permits	2,848,400	4,974,000	5,502,913	528,913
Intergovernmental Revenue	10,611,000	11,222,994	12,008,625	785,631
Charges for Services	4,050,900	4,353,400	4,297,910	(55,490)
Fines and Forfeitures	184,100	159,100	172,327	13,227
Investment Income	400,000	648,500	4,706,329	4,057,829
Miscellaneous	78,700	342,430	335,220	(7,210)
<b>Total Revenues</b>	<b>67,920,800</b>	<b>68,345,824</b>	<b>77,717,310</b>	<b>9,371,486</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,302,415	2,141,621	2,024,103	117,518
Public Safety	59,934,429	59,109,978	55,020,040	4,089,938
Community Development	6,856,900	7,930,155	5,689,566	2,240,589
Public Works	-	-	-	-
Parks	1,312,004	1,396,160	1,370,769	25,391
Libraries	1,740,500	1,874,351	1,810,801	63,550
Capital Outlay	4,580,356	1,586,911	1,586,911	-
<b>Total Expenditures</b>	<b>76,726,604</b>	<b>74,039,176</b>	<b>67,502,190</b>	<b>6,536,986</b>
Excess (Deficiency) of Revenues over Expenditures	(8,805,804)	(5,693,352)	10,215,120	15,908,472
<b>OTHER FINANCING SOURCES (USES)</b>				
Software Subscriptions	-	-	352,925	352,925
Transfers In	300,000	300,000	-	(300,000)
Transfers Out	(20,000)	(885,700)	(2,190,638)	(1,304,938)
<b>Total Other Financing Sources (Uses)</b>	<b>280,000</b>	<b>(585,700)</b>	<b>(1,837,713)</b>	<b>(1,252,013)</b>
<b>Net Change in Fund Balances</b>	<b>(8,525,804)</b>	<b>(6,279,052)</b>	<b>8,377,407</b>	<b>14,656,459</b>
Fund Balance, Beginning of Year	63,612,854	63,612,854	63,612,854	
Fund Balance, End of Year	<u>\$ 55,087,050</u>	<u>\$ 57,333,802</u>	<u>\$ 71,990,261</u>	<u>\$ 14,656,459</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Sewer and Storm Drain Special Revenue Fund**  
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 4,177,500	\$ 4,177,500	\$ 4,557,715	\$ 380,215
Investment Income	35,000	35,000	639,106	604,106
Intergovernmental Revenues	-	-	-	-
Total Revenues	<u>4,212,500</u>	<u>4,212,500</u>	<u>5,196,821</u>	<u>984,321</u>
<b>EXPENDITURES</b>				
Current:				
Sanitation	3,407,700	3,385,678	2,989,713	395,965
Capital Outlay	-	1,215,758	1,029,712	186,046
Total Expenditures	<u>3,407,700</u>	<u>4,601,436</u>	<u>4,019,425</u>	<u>186,046</u>
Excess (Deficiency) of Revenues over Expenditures	<u>804,800</u>	<u>(388,936)</u>	<u>1,177,396</u>	<u>1,566,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	804,800	(388,936)	1,177,396	1,566,332
Fund Balance, Beginning of Year	<u>16,289,924</u>	<u>16,289,924</u>	<u>16,289,924</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 17,094,724</u>	<u>\$ 15,900,988</u>	<u>\$ 17,467,320</u>	<u>\$ 1,566,332</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - ARPA Special Revenue Fund**  
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,531,045	\$ 2,217,507	\$ (313,538)
Total Revenues	-	2,531,045	2,217,507	(313,538)
<b>EXPENDITURES</b>				
Current:				
General Government	-	478,147	396,747	81,400
Capital Outlay	-	4,134,224	3,899,602	234,622
Total Expenditures	-	4,612,371	4,296,349	-
Excess (Deficiency) of Revenues over Expenditures	-	(2,081,326)	(2,078,842)	2,484
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(2,081,326)	(2,078,842)	2,484
Fund Balance, Beginning of Year	8,626,621	8,626,621	8,626,621	-
Fund Balance, End of Year	<u>\$ 8,626,621</u>	<u>\$ 6,545,295</u>	<u>\$ 6,547,779</u>	<u>\$ 2,484</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Public Safety Grants Special Revenue Fund**  
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	3,687,600	3,838,448	1,078,566	(2,759,882)
Investment Income	-	-	-	-
Total Revenues	<u>3,687,600</u>	<u>3,838,448</u>	<u>1,078,566</u>	<u>(2,759,882)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	2,173,200	1,835,196	1,802,153	33,043
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,173,200</u>	<u>1,835,196</u>	<u>1,802,153</u>	<u>33,043</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,514,400</u>	<u>2,003,252</u>	<u>(723,587)</u>	<u>(2,726,839)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,514,400	2,003,252	(723,587)	(2,726,839)
Fund Balance, Beginning of Year	<u>(68,518)</u>	<u>(68,518)</u>	<u>(68,518)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,445,882</u>	<u>\$ 1,934,734</u>	<u>\$ (792,105)</u>	<u>\$ (2,726,839)</u>

**City of Hemet**  
**Required Supplementary Information**  
Year Ended June 30, 2024

**Schedule of Changes in the Net Pension  
Liability and Related Ratios  
Agent Multiple-employer Plan - Miscellaneous**

	Measurement Period			
	2023	2022	2021	2020
<b>Total Pension Liability</b>				
Service cost	\$ 1,776,915	\$ 1,739,825	\$ 1,620,902	\$ 1,707,524
Interest on total pension liability	9,290,688	9,137,300	9,086,211	8,871,075
Changes in assumptions	-	4,277,964	-	-
Changes of benefit terms	188,706	-	-	-
Differences between expected and actual experience	(1,558,408)	(2,261,897)	(391,754)	(58,526)
Benefit payments, including refunds	(7,347,665)	(7,258,269)	(7,617,503)	(6,651,779)
Net change in total pension liability	2,350,236	5,634,923	2,697,856	3,868,294
Total pension liability - beginning	138,802,709	133,167,786	130,469,930	126,601,636
Total pension liability - ending (a)	<u>\$ 141,152,945</u>	<u>\$ 138,802,709</u>	<u>\$ 133,167,786</u>	<u>\$ 130,469,930</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 4,204,411	\$ 3,974,114	\$ 3,885,574	\$ 3,788,951
Contributions - employee	840,732	703,332	680,978	724,261
Net investment income	6,177,834	(8,438,624)	21,096,786	4,584,933
Benefit payments	(7,347,665)	(7,258,269)	(7,617,503)	(6,651,779)
Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(74,099)	(69,679)	(93,804)	(129,114)
Net change in plan fiduciary net position	3,801,213	(11,089,126)	17,952,031	2,317,252
Plan fiduciary net position - beginning	100,766,485	111,855,611	93,903,580	91,586,328
Plan fiduciary net position - ending (b)	<u>\$ 104,567,698</u>	<u>\$ 100,766,485</u>	<u>\$ 111,855,611</u>	<u>\$ 93,903,580</u>
Net pension liability - ending (a) - (b)	<u>\$ 36,585,247</u>	<u>\$ 38,036,224</u>	<u>\$ 21,312,175</u>	<u>\$ 36,566,350</u>
Plan fiduciary net position as a percentage of the total pension liability	74.08%	72.60%	84.00%	71.97%
Covered payroll	\$ 9,029,038	\$ 8,647,240	\$ 8,751,743	\$ 9,960,091
Net pension liability as percentage of covered payroll	405.20%	439.87%	243.52%	367.13%

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in Assumptions:** In 2021, the accounting discount rate changed from 7.15 percent to 6.90 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Measurement Period						
	2019	2018	2017	2016	2015	2014
\$	1,890,624	\$ 1,857,379	\$ 1,931,287	\$ 1,729,490	\$ 1,871,677	\$ 1,873,983
	8,592,385	8,241,843	8,110,383	7,937,191	7,613,775	7,253,346
	-	(585,850)	6,866,966	-	(1,903,393)	-
	-	-	-	-	-	-
	827,595	(1,731,724)	(1,473,269)	(192,030)	353,826	-
	(6,218,552)	(5,862,944)	(5,834,147)	(5,132,797)	(4,856,565)	(4,666,256)
	5,092,052	1,918,704	9,601,220	4,341,854	3,079,320	4,461,073
	121,509,584	119,590,880	109,989,660	105,647,806	102,568,486	98,107,413
\$	<u>126,601,636</u>	<u>\$ 121,509,584</u>	<u>\$ 119,590,880</u>	<u>\$ 109,989,660</u>	<u>\$ 105,647,806</u>	<u>\$ 102,568,486</u>
\$	3,789,256	\$ 3,136,888	\$ 2,990,210	\$ 2,647,176	\$ 2,503,520	\$ 2,191,066
	772,222	745,420	743,649	743,644	780,189	871,668
	5,749,884	6,966,209	8,615,176	396,714	1,739,990	11,594,247
	(6,218,552)	(5,862,944)	(5,834,147)	(5,132,797)	(4,856,565)	(4,666,256)
	-	(204)	(38,502)	(382)	(887)	-
	(62,278)	(374,702)	(113,068)	(47,522)	(87,854)	-
	4,030,532	4,610,667	6,363,318	(1,393,167)	78,393	9,990,725
	87,555,796	82,945,129	76,581,811	77,974,978	77,896,585	67,905,860
\$	<u>91,586,328</u>	<u>\$ 87,555,796</u>	<u>\$ 82,945,129</u>	<u>\$ 76,581,811</u>	<u>\$ 77,974,978</u>	<u>\$ 77,896,585</u>
\$	<u>35,015,308</u>	<u>\$ 33,953,788</u>	<u>\$ 36,645,751</u>	<u>\$ 33,407,849</u>	<u>\$ 27,672,828</u>	<u>\$ 24,671,901</u>
	72.34%	72.06%	69.36%	69.63%	73.81%	75.95%
\$	9,693,519	\$ 9,531,865	\$ 9,581,222	\$ 9,353,143	\$ 9,860,790	\$ 9,398,580
	361.22%	356.21%	382.47%	357.18%	280.63%	262.51%

**City of Hemet**  
**Required Supplementary Information**  
Year Ended June 30, 2024

**Schedule of Changes in the Net Pension  
Liability and Related Ratios  
Agent Multiple-employer Plan - Safety**

	Measurement Period			
	2023	2022	2021	2020
<b>Total Pension Liability</b>				
Service cost	\$ 4,161,065	\$ 4,303,472	\$ 3,968,710	\$ 3,877,702
Interest on total pension liability	15,278,425	14,633,003	13,947,881	13,404,657
Changes in assumptions	-	8,468,220	-	-
Changes of benefit terms	103,544	-	-	-
Differences between expected and actual experience	1,116,438	438,599	(250,382)	2,343,095
Benefit payments, including refunds	(11,217,845)	(10,244,764)	(9,742,340)	(9,217,556)
Net change in total pension liability	9,441,627	17,598,530	7,923,869	10,407,898
Total pension liability - beginning	223,734,858	206,136,328	198,212,459	187,804,561
Total pension liability - ending (a)	<u>\$ 233,176,485</u>	<u>\$ 223,734,858</u>	<u>\$ 206,136,328</u>	<u>\$ 198,212,459</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 8,388,840	\$ 7,912,960	\$ 7,489,405	\$ 6,947,064
Contributions - employee	1,832,292	1,712,748	1,689,371	1,607,715
Net investment income	8,912,405	(11,839,228)	28,944,164	6,111,153
Benefit payments	(11,217,845)	(10,244,764)	(9,742,340)	(9,217,556)
Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(104,525)	(96,367)	(126,309)	(170,814)
Net change in plan fiduciary net position	7,811,167	(12,554,651)	28,254,291	5,277,562
Plan fiduciary net position - beginning	142,142,721	154,697,372	126,443,081	121,165,519
Plan fiduciary net position - ending (b)	<u>\$ 149,953,888</u>	<u>\$ 142,142,721</u>	<u>\$ 154,697,372</u>	<u>\$ 126,443,081</u>
Net pension liability - ending (a) - (b)	<u>\$ 83,222,597</u>	<u>\$ 81,592,137</u>	<u>\$ 51,438,956</u>	<u>\$ 71,769,378</u>
Plan fiduciary net position as a percentage of the total pension liability	64.31%	63.53%	75.05%	63.79%
Covered payroll	\$ 12,525,783	\$ 13,164,492	\$ 13,119,703	\$ 12,672,228
Net pension liability as percentage of covered payroll	664.41%	619.79%	392.07%	566.35%

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2021, the accounting discount rate changed from 7.15 percent to 6.90 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Measurement Period					
2019	2018	2017	2016	2015	2014
\$ 3,746,584	\$ 3,255,817	\$ 2,874,210	\$ 2,471,569	\$ 2,394,505	\$ 2,495,555
12,696,170	11,907,636	11,326,420	10,976,376	10,402,942	9,879,182
-	(582,760)	10,043,106	-	(2,726,343)	-
-	-	-	-	-	-
4,092,051	2,318,140	(1,131,468)	1,932,999	1,323,162	-
(8,667,438)	(8,277,450)	(7,718,359)	(7,544,599)	(7,001,597)	(6,313,012)
11,867,367	8,621,383	15,393,909	7,836,345	4,392,669	6,061,725
175,937,194	167,315,811	151,921,902	144,085,557	139,692,888	133,631,163
<u>\$ 187,804,561</u>	<u>\$ 175,937,194</u>	<u>\$ 167,315,811</u>	<u>\$ 151,921,902</u>	<u>\$ 144,085,557</u>	<u>\$ 139,692,888</u>
\$ 6,605,381	\$ 5,494,582	\$ 4,880,193	\$ 4,516,245	\$ 4,085,934	\$ 3,816,628
1,569,835	1,429,167	1,142,393	1,032,806	885,734	896,539
7,562,691	9,055,192	11,060,588	516,112	2,205,144	14,795,183
(8,667,438)	(8,277,450)	(7,718,359)	(7,544,599)	(7,001,597)	(6,313,012)
-	(265)	38,502	382	887	-
(81,214)	(483,180)	(144,246)	(60,481)	(111,835)	-
6,989,255	7,218,046	9,259,071	(1,539,535)	64,267	13,195,338
114,176,264	106,958,218	97,699,147	99,238,682	99,174,415	85,979,077
<u>\$ 121,165,519</u>	<u>\$ 114,176,264</u>	<u>\$ 106,958,218</u>	<u>\$ 97,699,147</u>	<u>\$ 99,238,682</u>	<u>\$ 99,174,415</u>
<u>\$ 66,639,042</u>	<u>\$ 61,760,930</u>	<u>\$ 60,357,593</u>	<u>\$ 54,222,755</u>	<u>\$ 44,846,875</u>	<u>\$ 40,518,473</u>
64.52%	64.90%	63.93%	64.31%	68.87%	70.99%
\$ 11,986,001	\$ 10,732,874	\$ 9,450,596	\$ 9,039,459	\$ 8,826,041	\$ 8,870,562
555.97%	575.44%	638.66%	599.85%	508.12%	456.77%

**City of Hemet**  
**Required Supplementary Information**  
Year Ended June 30, 2024

**Schedule of Contributions – Last 10 Years**  
**Agent Multiple-employer Plan – Miscellaneous Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 4,081,965	\$ (4,081,965)	\$ -	\$ 7,579,180	53.86%
2023	4,205,154	(4,205,154)	-	7,398,429	56.84%
2022	3,969,112	(3,969,112)	-	8,647,240	45.90%
2021	3,887,516	(3,887,516)	-	8,747,448	44.44%
2020	3,789,402	(3,789,402)	-	9,960,091	38.05%
2019	3,789,256	(3,789,256)	-	9,693,519	39.09%
2018	3,136,888	(3,136,888)	-	9,531,865	32.91%
2017	2,990,210	(2,990,210)	-	9,581,222	31.21%
2016	2,647,176	(2,647,176)	-	9,353,153	28.30%
2015	2,503,520	(2,503,520)	-	9,860,790	25.39%

**Schedule of Contributions – Last 10 Years**  
**Agent Multiple-employer Plan – Safety Plan**

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 9,113,184	\$ (9,113,184)	\$ -	\$ 17,228,795	52.90%
2023	8,388,097	(8,388,097)	-	15,152,188	55.36%
2022	7,912,960	(7,912,960)	-	13,164,492	60.11%
2021	7,487,463	(7,487,463)	-	13,119,703	57.07%
2020	6,947,140	(6,947,140)	-	12,672,228	54.82%
2019	6,605,381	(6,605,381)	-	11,986,001	55.11%
2018	5,494,582	(5,494,582)	-	10,732,874	51.19%
2017	4,880,193	(4,880,193)	-	9,450,596	51.64%
2016	4,516,245	(4,516,245)	-	9,039,459	49.96%
2015	4,085,934	(4,085,934)	-	8,826,041	46.29%

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**City of Hemet**  
**Required Supplementary Information**  
Year Ended June 30, 2024

Schedule of Changes in the Net OPEB Liability and Related Ratios  
for the Measurement Periods Ended June 30  
Last 10 Years\*

	Measurement Period		
	2024	2023	2022
<b>Total OPEB Liability</b>			
Service cost	\$ 91,721	\$ 101,332	\$ 237,000
Interest on total OPEB liability	2,689,277	2,879,946	2,903,335
Changes in assumptions	(6,355,940)	-	3,206,347
Differences between expected and actual experience	54,572	(2,466,271)	(2,653,284)
Benefit payments, including refunds	(3,755,010)	(3,834,166)	(4,091,232)
Net change in total OPEB liability	(7,275,380)	(3,319,159)	(397,834)
Total OPEB liability - beginning	48,555,816	51,874,975	52,272,809
Total OPEB liability - ending (a)	<u>\$ 41,280,436</u>	<u>\$ 48,555,816</u>	<u>\$ 51,874,975</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 3,995,310	\$ 4,087,951	\$ 4,386,817
Net Investment Income	357,500	216,126	(319,692)
Benefit payments	(3,755,010)	(3,834,166)	(4,091,232)
Administrative Expense	(15,800)	(32,435)	(108,759)
Net change in plan fiduciary net position	582,000	437,476	(132,866)
Plan fiduciary net position - beginning	2,520,030	2,082,554	2,215,420
Plan fiduciary net position - ending (b)	<u>\$ 3,102,030</u>	<u>\$ 2,520,030</u>	<u>\$ 2,082,554</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 38,178,406</u>	<u>\$ 46,035,786</u>	<u>\$ 49,792,421</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.5%	5.2%	4.0%
Covered - employee payroll	1,122,852	28,788,925	20,422,785
Net OPEB liability as a percentage of covered-employee payroll	3400.13%	159.91%	243.81%

\* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period			
2021	2020	2019	2018
\$ 184,471	\$ 208,241	\$ 359,700	\$ 349,223
2,987,576	3,035,365	2,919,091	2,936,563
3,010,639	-	2,845,604	-
465,835	-	(191,273)	-
(3,984,911)	(3,984,013)	(3,858,552)	(3,293,090)
2,663,610	(740,407)	2,074,570	(7,304)
49,609,199	50,349,606	48,275,036	48,282,340
<u>\$ 52,272,809</u>	<u>\$ 49,609,199</u>	<u>\$ 50,349,606</u>	<u>\$ 48,275,036</u>
\$ 4,253,811	\$ 4,260,842	\$ 4,112,794	\$ 3,540,596
432,284	66,550	64,025	61,075
(3,984,911)	(3,984,013)	(3,858,552)	(3,293,090)
(73,501)	(84,114)	(56,932)	(49,749)
627,683	259,265	261,335	258,832
1,587,737	1,328,472	1,067,137	808,305
<u>\$ 2,215,420</u>	<u>\$ 1,587,737</u>	<u>\$ 1,328,472</u>	<u>\$ 1,067,137</u>
<u>\$ 50,057,389</u>	<u>\$ 48,021,462</u>	<u>\$ 49,021,134</u>	<u>\$ 47,207,899</u>
4.2%	3.2%	2.6%	2.2%
25,724,365	23,502,304	23,892,668	23,441,109
194.59%	204.33%	205.17%	201.39%

**City of Hemet**  
**Required Supplementary Information**  
Year Ended June 30, 2024

**Schedule of Plan Contributions**  
**for the City's OPEB Plan**  
**Last 10 Years\***

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2024	\$ 4,122,191	\$ (3,995,310)	\$ 126,881	\$ 1,122,852	355.82%
2023	4,217,306	(4,087,951)	129,355	28,788,925	14.20%
2022	3,946,000	(4,386,817)	(440,817)	20,422,785	21.48%
2021	3,797,000	(4,260,842)	(463,842)	25,724,365	16.56%
2020	3,797,000	(4,260,842)	(463,842)	23,502,304	18.13%
2019	3,744,000	(4,112,794)	(368,794)	23,892,668	17.21%
2018	-	(3,540,596)	(3,540,596)	23,441,109	15.10%

\* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**City of Hemet**  
**Notes to Required Supplementary Information**  
Year Ended June 30, 2024

**BUDGETS AND BUDGETARY ACCOUNTING**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements: After January 1, department heads prepare estimates for required appropriations for the fiscal year commencing the following July 1. The proposed budget includes estimated expenditures and forecasted revenues for the fiscal year. The data is presented to the City Manager for review. The City Manager submits to the City Council a proposed operating budget for the upcoming fiscal year. The operating budget includes a summary of the proposed expenditures and financial resources of the City, as well as historical data for the preceding two fiscal periods. Public hearings are conducted to obtain taxpayer comments. The City Council is normally expected to adopt the budget prior to the beginning of the next fiscal period through passage of an adopting resolution. This appropriated budget covers substantially all City expenditures. There were no significant non-budgeted financial activities. All appropriated amounts are as originally adopted or as amended by the City Council and not subject to continuing appropriation lapse at year end.

The City Manager is authorized to transfer budgeted amounts between functions, departments and expenditure accounts within funds. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for the General, Special Revenue, Capital Projects, and Debt Service funds. Formal budgetary control is not employed for Debt Service funds because effective budgetary control is alternatively achieved through debt indenture provisions. It is the policy of the City of Hemet to only budget capital expenditure projects from existing capital projects funds fund balances. No annual revenues are budgeted due to their annual volatility. Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are legally adopted for the General, Special Revenue, Capital Projects, and Debt Service fund types.

## **SUPPLEMENTARY INFORMATION**

## City of Hemet Measure U Operating Funds

In November 2016, the citizens of Hemet voted to approve Measure U, a general 1% sales tax measure. While this Measure is considered a General Tax, the City's Council passed a Resolution restricting the use of Measure U revenues to the addition and retention of Public Safety Personnel. Although the funds are housed within the General Fund, by Resolution, they are required to be tracked in separate accounts from General Fund revenues and expenditures. Any Measure U funds not spent at the end of the fiscal year are required to be reserved for future use of the Measure U program. Over the last two fiscal years, Measure U revenues have outpaced original projections. The details of the City's Measure U program for the year ended June 30, 2024 are as follows:

	Police	Fire	Total
Revenues			
Police 2/3, Fire 1/3 overall allocation	\$ 10,764,279	\$ 5,382,139	\$ 16,146,418
Expenditures			
Salary and Fringe Benefits	7,555,485	4,166,288	11,721,773
Operating Supplies and Services	1,926,209	104,334	2,030,543
Internal Service Charges	1,172,600	462,500	1,635,100
Capital Outlay	1,123,040	138,959	1,261,999
<b>Total</b>	<b>11,777,334</b>	<b>4,872,081</b>	<b>16,649,415</b>
Change in Measure U Operating Funds	(1,013,055)	510,058	(502,997)
Beginning Measure U Operating Funds (restated)	14,952,844	4,430,326	19,383,170
Prepaid Measure U Operating Funds	238,197	1,731,443	1,969,640
Committed (20% Reserve)	2,355,467	974,416	3,329,883
Committed Measure U Operating Funds	11,346,125	2,234,525	13,580,650
Ending Measure U Operating Funds	<b>\$ 13,939,789</b>	<b>\$ 4,940,384</b>	<b>\$ 18,880,173</b>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Bridges/Streets Traffic Facilities Capital Projects Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 793,600	\$ 1,179,148	\$ 385,548
Investment Income	65,000	327,696	262,696
Intergovernmental	143,988	865,966	721,978
Total Revenues	<u>1,002,588</u>	<u>2,372,810</u>	<u>1,370,222</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	759,597	564,994	194,603
Capital Outlay	-	-	-
Total Expenditures	<u>759,597</u>	<u>564,994</u>	<u>194,603</u>
Excess (Deficiency) of Revenues over Expenditures	<u>242,991</u>	<u>1,807,816</u>	<u>1,564,825</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	242,991	1,807,816	1,564,825
Fund Balance, Beginning of Year	<u>6,813,714</u>	<u>6,813,714</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 7,056,705</u></u>	<u><u>\$ 8,621,530</u></u>	<u><u>\$ 1,564,825</u></u>

## **City of Hemet Non-major Governmental Funds**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for revenue derived from specific taxes or other dedicated revenue sources (other than for major capital projects) that are restricted by law or administrative action for expenditures for specified purposes.

**Public Safety/Towing** - This fund accounts for the financial transactions involving the use of monies collected for towing service as related to public safety.

**Gas Tax Fund** - Accounts for transactions as prescribed by the State of California statute on California Streets and Highways; including receipts under Streets and Highways Code Section 2105, 2106, 2107, 2107.5 and SB300.

**Measure A** - Accounts for the use of Measure A tax monies for transit purposes.

**Air Pollution Reduction** - Accounts for the financial transactions per Regulation 15 of the South Coast Air Quality Management District.

**Article 3** - Accounts for the use of Article 3 of the Transportation Development Act (TDA) in California focuses on funding for bicycle and pedestrian projects, allocating 2% of Local Transportation Funds (LTF) for projects that enhance facilities for pedestrians and bicyclists.

**Lighting/Landscape Maintenance District** - Accounts for the financial transactions of City-wide lighting and landscaping assessment district established by City Council.

**Post Proposition 218 Lighting District** - Accounts for the financial transactions of lighting districts voted by the citizens of those specified areas.

**Post Proposition 218 Landscape District** - Accounts for financial transactions of landscape districts voted in by the citizens of those specified areas.

**Public Works CFD** - Accounts for financial transactions of lighting, landscape and maintenance of specific areas established by the City Council.

**Asset Seizure** - Accounts for the financial transactions associated with assets seized in narcotics investigations to be used for law enforcement purposes.

**Public Safety CFD** - Accounts for the proceeds from the Public Safety Community Facilities District voted in by the citizens of those specific areas to be used specifically for public safety.

**Citizen Option for Public Safety Programs (COPS)** - Accounts for the financial transactions as prescribed by the State of California Grant under AB 3229.

**Local Law Enforcement Block Grant (LLEBG)** - Accounts for the financial transactions as prescribed by the U.S. Department of Justice Grant for the Local Law Enforcement Block Grant Program.

**Community Development Block Grant** - Accounts for the financial transactions as prescribed by the Federal Department of Housing and Urban Development for Community Development Block Grant Programs.

**General Plan** - Accounts for the financial transactions related to updating and maintaining the City's general plan.

**City of Hemet**  
**Non-Major Governmental Funds - Continued**

**SPECIAL REVENUE FUNDS - Continued**

**HOME Program - Home Investment Partnership Program** - Accounts for the financial transactions of the federally funded HOME program as administered by the State of California's Department of Housing and Community Development.

**CAL HOME Program** - Accounts for the financial transactions of the State funded program to replace and rehabilitate mobile homes.

**2001 - 2008 HOME Program** - Accounts for the financial transactions of the Federally funded HOME program as administered by the State of California Department of Housing and Community Development.

**Neighborhood Stabilization Program Grant** - Accounts for the financial transactions as prescribed by the Federal Department of Housing and Urban Development for Neighborhood Stabilization Program Grants.

**Housing Authority** - This fund accounts for the revenue received from the City's affordable housing programs which facilitate housing development and affordable housing opportunities.

**Indian Gaming Grants** - This fund accounts for the financial transactions of Indian Gaming Grants received by the City to be spent on specific programs or departments.

**Active Transportation Grants** - This fund accounts for the financial transactions of Active Transportation Grant received by the City to be spent on specific programs or departments.

**Miscellaneous Grants** - This fund accounts for various grants restricted for specific purposes.

**CAPITAL PROJECTS FUNDS**

**Public Meeting Facilities** - Accounts for the financial transactions for the public meeting facilities identified in the development impact fee report and funded through developer contributions.

**General Facilities** - Accounts for the financial transactions for general facilities identified in the development impact fee report and funded through developer contributions.

**Flood Control** - Accounts for the financial transactions for flood control improvements identified in the development impact fee report and funded through developer contributions.

**Law Enforcement Facilities** - Accounts for the financial transactions for the purchase of equipment identified in the development impact fee report and funded through developer contributions.

**Fire Facilities** - Accounts for the financial transactions for the purchase of equipment identified in the development impact fee report and funded through developer contributions.

**Park Development** - Accounts for the financial transactions for park acquisitions and development identified in the development impact fee report and funded through park dedication fees and state grants.

**Valley Wide DVL Park** - Accounts for the financial transactions for development identified in the development impact fee report and funded through developer contributions.

**City of Hemet**  
**Non-Major Governmental Funds - Continued**

**CAPITAL PROJECTS FUNDS - Continued**

**Library Facilities** - Accounts for the financial transactions for expansion of library facilities identified in the development impact fee report and funded through developer contributions.

**Equipment Replacement** - Accounts for accumulation of reserves for future replacement of rolling stock vehicles from other funds.

**General Capital** - Accounts for the financial transactions for the addition of new (non-replacement) equipment.

**PERMANENT FUNDS**

**LaSalle Library Endowment** - Accounts for an endowment given to the City of Hemet for the benefit of the Library. Only interest earned on the principal amount of \$1,000,000 can be used for non-operating costs of the Library.

**City of Hemet**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2024

	Special Revenue				
	Public Safety/Towing	Gas Tax	Measure A	Article 3	Air Pollution Reduction
<b>ASSETS</b>					
Cash and Investments	\$ 225,317	\$ 7,646,638	\$ 6,661,448	\$ -	\$ 574,068
Receivables:					
Accounts	-	-	-	-	30,251
Interest	-	-	-	-	-
Due from Other Governments	-	617,204	834,608	-	-
Notes	-	-	-	-	-
Allowance for Forgivable Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Fiduciary Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 225,317</b>	<b>\$ 8,263,842</b>	<b>\$ 7,496,056</b>	<b>\$ -</b>	<b>\$ 604,319</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 60	\$ 1,469,202	\$ 88,065	\$ -	\$ -
Accrued Salaries and Benefits	740	7,471	-	-	-
Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>800</b>	<b>1,476,673</b>	<b>88,065</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Grants	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	224,517	6,787,169	7,407,991	-	604,319
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>224,517</b>	<b>6,787,169</b>	<b>7,407,991</b>	<b>-</b>	<b>604,319</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>	<b>\$ 225,317</b>	<b>\$ 8,263,842</b>	<b>\$ 7,496,056</b>	<b>\$ -</b>	<b>\$ 604,319</b>

Special Revenue					
Lighting and Landscaping Maintenance	Post Prop 218 Lighting	Post Prop 218 Landscaping	Public Works CFD	Asset Seizure	Public Safety CFD
\$ 2,941,392	\$ 1,739,330	\$ 3,889,849	\$ 668,519	\$ 258,638	\$ 866,870
9,175	7,068	-	-	-	-
-	-	-	-	-	-
61,378	7,044	27,486	1,431	-	11,058
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,011,945</u>	<u>\$ 1,753,442</u>	<u>\$ 3,917,335</u>	<u>\$ 669,950</u>	<u>\$ 258,638</u>	<u>\$ 877,928</u>
\$ 84,720	\$ 15,278	\$ 62,681	\$ 2,921	\$ -	\$ 1,542
4,395	1,173	9,353	204	-	7,006
-	-	198,409	110,773	163,323	9,654
-	-	-	-	-	-
-	-	-	-	-	-
<u>89,115</u>	<u>16,451</u>	<u>270,443</u>	<u>113,898</u>	<u>163,323</u>	<u>18,202</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,922,830	1,736,991	3,646,892	556,052	95,315	859,726
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,922,830</u>	<u>1,736,991</u>	<u>3,646,892</u>	<u>556,052</u>	<u>95,315</u>	<u>859,726</u>
<u>\$ 3,011,945</u>	<u>\$ 1,753,442</u>	<u>\$ 3,917,335</u>	<u>\$ 669,950</u>	<u>\$ 258,638</u>	<u>\$ 877,928</u>

Continued

**City of Hemet**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2024

	Special Revenue				
	COPS AB 3229	Local Law Enforcement Block Grant	Community Development Block Grant	General Plan	HOME Program
<b>ASSETS</b>					
Cash and Investments	\$ 725,734	\$ -	\$ 48,106	\$ 578,901	\$ 735,006
Receivables:					
Accounts	-	-	-	-	82
Interest	-	-	-	-	-
Due from Other Governments	-	-	275,302	-	-
Notes	-	-	-	-	286,673
Allowance for Forgivable Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Fiduciary Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 725,734</b>	<b>\$ -</b>	<b>\$ 323,408</b>	<b>\$ 578,901</b>	<b>\$ 1,021,761</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 23,642	\$ -	\$ 26,807	\$ -	\$ -
Accrued Salaries and Benefits	-	-	669	-	-
Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	90,848	295,932	-	-
<b>Total Liabilities</b>	<b>23,642</b>	<b>90,848</b>	<b>323,408</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Grants	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	702,092	-	-	578,901	1,021,761
Assigned	-	-	-	-	-
Unassigned	-	(90,848)	-	-	-
<b>Total Fund Balances</b>	<b>702,092</b>	<b>(90,848)</b>	<b>-</b>	<b>578,901</b>	<b>1,021,761</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>	<b>\$ 725,734</b>	<b>\$ -</b>	<b>\$ 323,408</b>	<b>\$ 578,901</b>	<b>\$ 1,021,761</b>

Special Revenue							Capital Projects
CalHome Grant	2001 - 2008 Home Grant	NSP Program	Housing Authority	Indian Gaming Grants	Active Transportation Grant	Miscellaneous Grants	Public Meeting Facilities
\$ 215,138	\$ 1,036,048	\$ 70,865	\$ 251,735	\$ 6,411	\$ -	\$ 711,677	\$ 232,104
-	-	-	3,500	-	-	-	-
-	636,113	-	959,696	-	-	-	-
-	-	-	-	-	337,157	302,763	-
323,006	3,976,151	123,874	2,917,106	-	-	-	-
-	(4,236,113)	-	(1,635,367)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	593,919	1,482,500	-	-	-	-
<u>\$ 538,144</u>	<u>\$ 1,412,199</u>	<u>\$ 788,658</u>	<u>\$ 3,979,170</u>	<u>\$ 6,411</u>	<u>\$ 337,157</u>	<u>\$ 1,014,440</u>	<u>\$ 232,104</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141	\$ 2,800	\$ -
-	-	-	-	-	-	1,592	-
-	-	-	5,733	-	-	-	-
-	-	-	-	-	-	1,010,049	-
-	-	-	-	-	-	-	-
-	-	-	5,733	-	141	1,014,441	-
-	-	-	-	-	337,157	302,763	-
-	-	-	-	-	337,157	302,763	-
-	-	-	-	-	-	-	-
538,144	1,412,199	788,658	3,973,437	6,411	-	-	232,104
-	-	-	-	-	-	-	-
-	-	-	-	-	(141)	(302,764)	-
<u>538,144</u>	<u>1,412,199</u>	<u>788,658</u>	<u>3,973,437</u>	<u>6,411</u>	<u>(141)</u>	<u>(302,764)</u>	<u>232,104</u>
<u>\$ 538,144</u>	<u>\$ 1,412,199</u>	<u>\$ 788,658</u>	<u>\$ 3,979,170</u>	<u>\$ 6,411</u>	<u>\$ 337,157</u>	<u>\$ 1,014,440</u>	<u>\$ 232,104</u>

Continued

**City of Hemet**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2024

	Capital Projects				
	General Facilities	Flood Control	Law Enforcement Facilities	Fire Facilities	Park Development
<b>ASSETS</b>					
Cash and Investments	\$ 1,763,679	\$ 6,534,436	\$ 864,916	\$ 4,932,914	\$ 3,323,158
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Notes	-	-	-	-	-
Allowance for Forgivable Notes	-	-	-	-	-
Due from Other Funds	-	354,137	-	-	-
Due from Fiduciary Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 1,763,679</u>	<u>\$ 6,888,573</u>	<u>\$ 864,916</u>	<u>\$ 4,932,914</u>	<u>\$ 3,323,158</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,250	\$ 24,226	\$ -	\$ -	\$ 12,306
Accrued Salaries and Benefits	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	354,137	-
<b>Total Liabilities</b>	<u>2,250</u>	<u>24,226</u>	<u>-</u>	<u>354,137</u>	<u>12,306</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Grants	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	1,761,429	6,864,347	864,916	4,578,777	3,310,852
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>1,761,429</u>	<u>6,864,347</u>	<u>864,916</u>	<u>4,578,777</u>	<u>3,310,852</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>	<u>\$ 1,763,679</u>	<u>\$ 6,888,573</u>	<u>\$ 864,916</u>	<u>\$ 4,932,914</u>	<u>\$ 3,323,158</u>

Capital Projects				Permanent Fund	
Valley Wide DVL Park	Library Facilities	Equipment Replacement	General Capital	LaSalle Library Endowment	Totals
\$ 548,630	\$ 1,349,301	\$ 6,317,133	\$ 8,564	\$ 1,040,213	\$ 56,766,738
-	-	-	-	-	50,076
-	-	-	-	12,008	1,607,817
-	-	-	-	-	2,475,431
-	-	-	-	-	7,626,810
-	-	-	-	-	(5,871,480)
-	-	-	-	-	354,137
-	-	-	-	-	-
-	-	-	-	-	2,076,419
<u>\$ 548,630</u>	<u>\$ 1,349,301</u>	<u>\$ 6,317,133</u>	<u>\$ 8,564</u>	<u>\$ 1,052,221</u>	<u>\$ 65,085,948</u>
\$ -	\$ 3,349	\$ -	\$ -	\$ 823	\$ 1,820,813
-	-	-	-	-	32,603
-	-	-	-	-	487,892
-	-	-	-	-	1,010,049
-	-	-	-	-	740,917
-	3,349	-	-	823	4,092,274
-	-	-	-	-	639,920
-	-	-	-	-	639,920
-	-	-	-	1,000,000	1,000,000
548,630	1,345,952	-	-	51,398	53,421,810
-	-	6,317,133	8,564	-	6,325,697
-	-	-	-	-	(393,753)
<u>548,630</u>	<u>1,345,952</u>	<u>6,317,133</u>	<u>8,564</u>	<u>1,051,398</u>	<u>60,353,754</u>
<u>\$ 548,630</u>	<u>\$ 1,349,301</u>	<u>\$ 6,317,133</u>	<u>\$ 8,564</u>	<u>\$ 1,052,221</u>	<u>\$ 65,085,948</u>

**City of Hemet**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
Year Ended June 30, 2024

	Special Revenue				
	Public Safety/Towing	Gas Tax	Measure A	Article 3	Air Pollution Reduction
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 2,800,611	\$ -	\$ -
Intergovernmental Revenue	-	4,779,756	-	168,248	120,950
Charges for Services	62,074	-	-	-	-
Investment Income	7,268	320,801	209,585	-	20,320
Miscellaneous	-	-	-	35,637	-
<b>Total Revenues</b>	<b>69,342</b>	<b>5,100,557</b>	<b>3,010,196</b>	<b>203,885</b>	<b>141,270</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	40,095	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	1,818,669	14,000	-	-
Libraries	-	-	-	-	-
Capital Outlay	-	4,382,120	322,572	-	48,701
<b>Total Expenditures</b>	<b>40,095</b>	<b>6,200,789</b>	<b>336,572</b>	<b>-</b>	<b>48,701</b>
Excess (Deficiency) of Revenues Over Expenditures	29,247	(1,100,232)	2,673,624	203,885	92,569
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	20,000	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>29,247</b>	<b>(1,080,232)</b>	<b>2,673,624</b>	<b>203,885</b>	<b>92,569</b>
Fund Balances, Beginning, as previously reported	195,270	7,867,401	4,734,367	(203,885)	511,750
Change within financial reporting entity (non-major to major)	-	-	-	-	-
Fund Balances, Beginning, as adjusted	195,270	7,867,401	4,734,367	(203,885)	511,750
<b>Fund Balances, End of Year</b>	<b>\$ 224,517</b>	<b>\$ 6,787,169</b>	<b>\$ 7,407,991</b>	<b>\$ -</b>	<b>\$ 604,319</b>

Special Revenue

Lighting and Landscaping Maintenance	Post Prop 218 Lighting	Post Prop 218 Landscaping	Public Works CFD	Asset Seizure	Formerly Non-major Public Safety Grants	Public Safety CFD
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,364	-	-
1,838,637	404,920	2,053,028	424,502	-	-	1,226,261
83,288	59,449	110,314	12,392	9,199	-	9,935
62,013	7,068	-	-	-	-	-
<u>1,983,938</u>	<u>471,437</u>	<u>2,163,342</u>	<u>436,894</u>	<u>12,563</u>	<u>-</u>	<u>1,236,196</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	983,325
-	-	-	-	-	-	-
1,578,343	328,626	1,634,015	61,236	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,578,343</u>	<u>328,626</u>	<u>1,634,015</u>	<u>61,236</u>	<u>-</u>	<u>-</u>	<u>983,325</u>
<u>405,595</u>	<u>142,811</u>	<u>529,327</u>	<u>375,658</u>	<u>12,563</u>	<u>-</u>	<u>252,871</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>405,595</u>	<u>142,811</u>	<u>529,327</u>	<u>375,658</u>	<u>12,563</u>	<u>-</u>	<u>252,871</u>
2,517,235	1,594,180	3,117,565	180,394	82,752	(68,518)	606,855
-	-	-	-	-	68,518	-
<u>2,517,235</u>	<u>1,594,180</u>	<u>3,117,565</u>	<u>180,394</u>	<u>82,752</u>	<u>-</u>	<u>606,855</u>
<u>\$ 2,922,830</u>	<u>\$ 1,736,991</u>	<u>\$ 3,646,892</u>	<u>\$ 556,052</u>	<u>\$ 95,315</u>	<u>\$ -</u>	<u>\$ 859,726</u>

Continued

**City of Hemet**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
Year Ended June 30, 2024

	Special Revenue				
	COPS AB 3229	Local Law Enforcement Block Grant	Community Development Block Grant	General Plan	HOME Program
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	259,099	-	1,331,391	-	-
Charges for Services	-	-	-	122,682	-
Investment Income	-	-	(3,209)	19,521	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>259,099</b>	<b>-</b>	<b>1,328,182</b>	<b>142,203</b>	<b>-</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	711,211	-	-
Public Works	-	-	-	-	-
Libraries	-	-	-	-	-
Capital Outlay	134,347	-	620,180	-	-
<b>Total Expenditures</b>	<b>134,347</b>	<b>-</b>	<b>1,331,391</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures	124,752	-	(3,209)	142,203	-
<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 Change in Fund Balances</b>	<b>124,752</b>	<b>-</b>	<b>(3,209)</b>	<b>142,203</b>	<b>-</b>
Fund Balances, Beginning, as previously reported	577,340	(90,848)	3,209	436,698	1,021,761
Change within financial reporting entity (non-major to major)	-	-	-	-	-
Fund Balances, Beginning, as adjusted	577,340	(90,848)	3,209	436,698	1,021,761
Fund Balances, End of Year	<u>\$ 702,092</u>	<u>\$ (90,848)</u>	<u>\$ -</u>	<u>\$ 578,901</u>	<u>\$ 1,021,761</u>

Special Revenue							Capital Projects
CalHome Grant	2001 - 2008 Home Grant	NSP Program	Housing Authority	Indian Gaming Grants	Active Transportation Grant	Miscellaneous Grants	Public Meeting Facilities
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,950,000	-	-
-	-	-	-	-	-	-	-
-	-	-	9,361	-	-	-	8,631
-	-	263	-	-	-	-	-
-	-	263	9,361	-	1,950,000	-	8,631
-	-	-	-	-	-	77,263	-
6,190	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,597,381	225,501	-
6,190	-	-	-	-	1,597,381	302,764	-
(6,190)	-	263	9,361	-	352,619	(302,764)	8,631
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(6,190)	-	263	9,361	-	352,619	(302,764)	8,631
544,334	1,412,199	788,395	3,964,076	6,411	(352,760)	-	223,473
-	-	-	-	-	-	-	-
544,334	1,412,199	788,395	3,964,076	6,411	(352,760)	-	223,473
\$ 538,144	\$ 1,412,199	\$ 788,658	\$ 3,973,437	\$ 6,411	\$ (141)	\$ (302,764)	\$ 232,104

Continued

**City of Hemet**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
Year Ended June 30, 2024

	Capital Projects				
	General Facilities	Flood Control	Law Enforcement Facilities	Fire Facilities	Park Development
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-	-	-
Charges for Services	318,403	741,923	196,452	233,008	724,874
Investment Income	60,594	230,612	28,894	179,565	114,270
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>378,997</b>	<b>972,535</b>	<b>225,346</b>	<b>412,573</b>	<b>839,144</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	36,650	-	-	-	-
Libraries	-	-	-	-	-
Capital Outlay	-	25,626	-	-	134,581
<b>Total Expenditures</b>	<b>36,650</b>	<b>25,626</b>	<b>-</b>	<b>-</b>	<b>134,581</b>
Excess (Deficiency) of Revenues Over Expenditures	342,347	946,909	225,346	412,573	704,563
<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 Change in Fund Balances</b>	<b>342,347</b>	<b>946,909</b>	<b>225,346</b>	<b>412,573</b>	<b>704,563</b>
Fund Balances, Beginning, as previously reported	1,419,082	5,917,438	639,570	4,166,204	2,606,289
Change within financial reporting entity (non-major to major)	-	-	-	-	-
Fund Balances, Beginning, as adjusted	1,419,082	5,917,438	639,570	4,166,204	2,606,289
Fund Balances, End of Year	<b>\$ 1,761,429</b>	<b>\$ 6,864,347</b>	<b>\$ 864,916</b>	<b>\$ 4,578,777</b>	<b>\$ 3,310,852</b>

Capital Projects				Permanent Fund	
Valley Wide DVL Park	Library Facilities	Equipment Replacement	General Capital	LaSalle Library Endowment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800,611
-	-	-	-	-	8,612,808
114,130	296,411	825,300	-	-	9,582,605
18,519	47,026	201,552	-	43,185	1,801,072
-	-	94,659	-	-	199,640
<u>132,649</u>	<u>343,437</u>	<u>1,121,511</u>	<u>-</u>	<u>43,185</u>	<u>22,996,736</u>
-	-	-	-	-	77,263
-	-	-	-	-	1,023,420
-	-	-	-	-	717,401
-	-	-	-	-	5,471,539
-	123,635	-	-	9,525	133,160
-	-	727,578	-	-	8,218,587
<u>-</u>	<u>123,635</u>	<u>727,578</u>	<u>-</u>	<u>9,525</u>	<u>15,641,370</u>
<u>132,649</u>	<u>219,802</u>	<u>393,933</u>	<u>-</u>	<u>33,660</u>	<u>7,355,366</u>
-	-	865,700	-	-	885,700
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>865,700</u>	<u>-</u>	<u>-</u>	<u>885,700</u>
<u>132,649</u>	<u>219,802</u>	<u>1,259,633</u>	<u>-</u>	<u>33,660</u>	<u>8,241,066</u>
415,981	1,126,150	5,057,500	8,564	1,017,738	52,044,170
-	-	-	-	-	68,518
<u>415,981</u>	<u>1,126,150</u>	<u>5,057,500</u>	<u>8,564</u>	<u>1,017,738</u>	<u>52,112,688</u>
<u>\$ 548,630</u>	<u>\$ 1,345,952</u>	<u>\$ 6,317,133</u>	<u>\$ 8,564</u>	<u>\$ 1,051,398</u>	<u>\$ 60,353,754</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Public Safety Towing Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 70,000	\$ 62,074	\$ (7,926)
Investment Income	-	7,268	7,268
Miscellaneous	-	-	-
Total Revenues	<u>70,000</u>	<u>69,342</u>	<u>(658)</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	70,000	40,095	29,905
Capital Outlay	-	-	-
Total Expenditures	<u>70,000</u>	<u>40,095</u>	<u>29,905</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>29,247</u>	<u>29,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	29,247	29,247
Fund Balance, Beginning of Year	<u>195,270</u>	<u>195,270</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 195,270</u></u>	<u><u>\$ 224,517</u></u>	<u><u>\$ 29,247</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Gas Tax Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Licenses and Permits	\$ -	\$ -	\$ -
Intergovernmental Revenue	5,075,170	4,779,756	(295,414)
Investment Income	15,000	320,801	305,801
Miscellaneous	<u>198,968</u>	<u>-</u>	<u>(198,968)</u>
Total Revenues	<u>5,289,138</u>	<u>5,100,557</u>	<u>(188,581)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	2,353,892	1,818,669	535,223
Capital Outlay	<u>4,672,617</u>	<u>4,382,120</u>	<u>290,497</u>
Total Expenditures	<u>7,026,509</u>	<u>6,200,789</u>	<u>825,720</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,737,371)</u>	<u>(1,100,232)</u>	<u>637,139</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	20,000	20,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balances	(1,717,371)	(1,080,232)	637,139
Fund Balances, Beginning of Year	<u>7,867,401</u>	<u>7,867,401</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,150,030</u></u>	<u><u>\$ 6,787,169</u></u>	<u><u>\$ 637,139</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure A Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,791,000	\$ 2,800,611	\$ 9,611
Intergovernmental Revenue	-	0	-
Investment Income	30,000	209,585	179,585
Charges for Services	-	-	-
	<u>2,821,000</u>	<u>3,010,196</u>	<u>189,196</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	14,000	14,000	-
Capital Outlay	920,232	322,572	597,660
	<u>934,232</u>	<u>336,572</u>	<u>597,660</u>
Excess (Deficiency) of Revenues Over Expenditures	1,886,768	2,673,624	786,856
Fund Balance, Beginning of Year	<u>4,734,367</u>	<u>4,734,367</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,621,135</u></u>	<u><u>\$ 7,407,991</u></u>	<u><u>\$ 786,856</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Article 3 Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenue	\$ -	\$ 168,248	\$ 168,248
Miscellaneous	-	35,637	35,637
Total Revenues	<u>-</u>	<u>203,885</u>	<u>203,885</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	<u>44,315</u>	<u>-</u>	<u>44,315</u>
Total Expenditures	<u>44,315</u>	<u>-</u>	<u>44,315</u>
Excess (Deficiency) of Revenues Over Expenditures	(44,315)	203,885	248,200
Fund Balance, Beginning of Year	<u>(203,885)</u>	<u>(203,885)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (248,200)</u>	<u>\$ -</u>	<u>\$ 248,200</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Air Pollution Reduction Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenue	\$ 112,000	\$ 120,950	\$ 8,950
Investment Income	1,000	20,320	19,320
Charges for Services	-	-	-
Total Revenues	<u>113,000</u>	<u>141,270</u>	<u>28,270</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	51,000	48,701	2,299
Total Expenditures	<u>51,000</u>	<u>48,701</u>	<u>2,299</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>62,000</u>	<u>92,569</u>	<u>30,569</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	62,000	92,569	30,569
Fund Balance, Beginning of Year	<u>511,750</u>	<u>511,750</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 573,750</u>	<u>\$ 604,319</u>	<u>\$ 30,569</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Lighting/Landscaping Maintenance Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	1,747,839	1,838,637	90,798
Investment Income	-	83,288	83,288
Miscellaneous	50,000	62,013	12,013
Total Revenues	<u>1,797,839</u>	<u>1,983,938</u>	<u>186,099</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	1,799,034	1,578,343	220,691
Capital Outlay	-	-	-
Total Expenditures	<u>1,799,034</u>	<u>1,578,343</u>	<u>220,691</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,195)</u>	<u>405,595</u>	<u>406,790</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,195)	405,595	406,790
Fund Balance, Beginning of Year	<u>2,517,235</u>	<u>2,517,235</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,516,040</u></u>	<u><u>\$ 2,922,830</u></u>	<u><u>\$ 406,790</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Post Prop 218 Lighting Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	408,172	404,920	(3,252)
Investment Income	-	59,449	59,449
Miscellaneous	-	7,068	7,068
Total Revenues	<u>408,172</u>	<u>471,437</u>	<u>63,265</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	532,449	328,626	203,823
Capital Outlay	-	-	-
Total Expenditures	<u>532,449</u>	<u>328,626</u>	<u>203,823</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(124,277)</u>	<u>142,811</u>	<u>267,088</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(124,277)	142,811	267,088
Fund Balance, Beginning of Year	<u>1,594,180</u>	<u>1,594,180</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,469,903</u></u>	<u><u>\$ 1,736,991</u></u>	<u><u>\$ 267,088</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Post Prop 218 Landscape Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	2,069,770	2,053,028	(16,742)
Investment Income	-	110,314	110,314
Miscellaneous	-	-	-
Total Revenues	<u>2,069,770</u>	<u>2,163,342</u>	<u>93,572</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	1,927,806	1,634,015	293,791
Capital Outlay	-	-	-
Total Expenditures	<u>1,927,806</u>	<u>1,634,015</u>	<u>293,791</u>
Excess (Deficiency) of Revenues over Expenditures	<u>141,964</u>	<u>529,327</u>	<u>387,363</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	141,964	529,327	387,363
Fund Balance, Beginning of Year	<u>3,117,565</u>	<u>3,117,565</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,259,529</u></u>	<u><u>\$ 3,646,892</u></u>	<u><u>\$ 387,363</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Public Works CFD Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ -	\$ 424,502	\$ 424,502
Investment Income	-	12,392	12,392
Total Revenues	<u>-</u>	<u>436,894</u>	<u>436,894</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	28,000	61,236	(33,236)
Capital Outlay	-	-	-
Total Expenditures	<u>28,000</u>	<u>61,236</u>	<u>(33,236)</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,000)	375,658	403,658
Fund Balance, Beginning of Year	<u>180,394</u>	<u>180,394</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 152,394</u>	<u>\$ 556,052</u>	<u>\$ 403,658</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Asset Seizure Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	1,000	3,364	2,364
Investment Income	1,000	9,199	8,199
Miscellaneous	-	-	-
Total Revenues	<u>2,000</u>	<u>12,563</u>	<u>10,563</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,000</u>	<u>12,563</u>	<u>10,563</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,000	12,563	10,563
Fund Balance, Beginning of Year	<u>82,752</u>	<u>82,752</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 84,752</u></u>	<u><u>\$ 95,315</u></u>	<u><u>\$ 10,563</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Public Safety CFD Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenue	\$ -	\$ -	\$ -
Charges for Services	987,500	1,226,261	238,761
Investment Income	-	9,935	9,935
Total Revenues	<u>987,500</u>	<u>1,236,196</u>	<u>248,696</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	987,500	983,325	(4,175)
Capital Outlay	-	-	-
Total Expenditures	<u>987,500</u>	<u>983,325</u>	<u>4,175</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>252,871</u>	<u>252,871</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	252,871	252,871
Fund Balance, Beginning of Year	<u>606,855</u>	<u>606,855</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 606,855</u></u>	<u><u>\$ 859,726</u></u>	<u><u>\$ 252,871</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - COPS/AB 3229 Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	138,457	259,099	120,642
Investment Income	130,000	-	(130,000)
Total Revenues	268,457	259,099	(9,358)
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Capital Outlay	133,513	134,347	(834)
Total Expenditures	133,513	134,347	(834)
Excess (Deficiency) of Revenues over Expenditures	134,944	124,752	(10,192)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	134,944	124,752	(10,192)
Fund Balance, Beginning of Year	577,340	577,340	-
Fund Balance, End of Year	\$ 712,284	\$ 702,092	\$ (10,192)

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Law Enforcement Block Grant Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>(90,848)</u>	<u>(90,848)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (90,848)</u></u>	<u><u>\$ (90,848)</u></u>	<u><u>\$ -</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Block Grant Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	1,070,015	1,331,391	261,376
Investment Income	-	(3,209)	(3,209)
Total Revenues	<u>1,070,015</u>	<u>1,328,182</u>	<u>258,167</u>
<b>EXPENDITURES</b>			
Current:			
General Governmental	-	-	-
Community Development	702,596	711,211	(8,615)
Capital Outlay	628,795	620,180	8,615
Total Expenditures	<u>1,331,391</u>	<u>1,331,391</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(261,376)</u>	<u>(3,209)</u>	<u>258,167</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(261,376)	(3,209)	258,167
Fund Balance, Beginning of Year	<u>3,209</u>	<u>3,209</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (258,167)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 258,167</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Plan Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	86,900	122,682	35,782
Investment Income	<u>1,200</u>	<u>19,521</u>	<u>18,321</u>
Total Revenues	<u>88,100</u>	<u>142,203</u>	<u>54,103</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>88,100</u>	<u>142,203</u>	<u>54,103</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	88,100	142,203	54,103
Fund Balance, Beginning of Year	<u>436,698</u>	<u>436,698</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 524,798</u></u>	<u><u>\$ 578,901</u></u>	<u><u>\$ 54,103</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - HOME Program Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment Income	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,000	-	(1,000)
Fund Balance, Beginning of Year	<u>1,021,761</u>	<u>1,021,761</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,022,761</u></u>	<u><u>\$ 1,021,761</u></u>	<u><u>\$ (1,000)</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CalHome Grant Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment Income	\$ 1,600	\$ -	\$ (1,600)
Intergovernmental Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,600</u>	<u>-</u>	<u>(1,600)</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	-	6,190	(6,190)
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>6,190</u>	<u>(6,190)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,600</u>	<u>(6,190)</u>	<u>(7,790)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,600	(6,190)	(7,790)
Fund Balance, Beginning of Year	<u>544,334</u>	<u>544,334</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 545,934</u></u>	<u><u>\$ 538,144</u></u>	<u><u>\$ (7,790)</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - 2001- 2008 Home Grant Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	11,000	-	(11,000)
Miscellaneous	-	-	-
	-	-	-
Total Revenues	11,000	-	(11,000)
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
Public Works	-	-	-
Capital Outlay	-	-	-
	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	11,000	-	(11,000)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	11,000	-	(11,000)
Fund Balance, Beginning of Year	1,412,199	1,412,199	-
Fund Balance, End of Year	\$ 1,423,199	\$ 1,412,199	\$ (11,000)

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Neighborhood Stabilization Program Grant Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	-	-	-
Miscellaneous	-	263	263
Total Revenues	-	263	263
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Community Development	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	263	263
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	263	263
Fund Balance, Beginning of Year	788,395	788,395	-
Fund Balance, End of Year	<u>\$ 788,395</u>	<u>\$ 788,658</u>	<u>\$ 263</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Housing Authority Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	1,500	9,361	7,861
Total Revenues	1,500	9,361	7,861
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	1,500	9,361	7,861
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	1,500	9,361	7,861
Fund Balance, Beginning of Year	3,964,076	3,964,076	-
Fund Balance, End of Year	\$ 3,965,576	\$ 3,973,437	\$ 7,861

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Indian Gaming Grant Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	6,411	6,411	-
Fund Balance, End of Year	\$ 6,411	\$ 6,411	\$ -

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Active Transportation Grant Special Revenue Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	<u>\$ 1,317,063</u>	<u>\$ 1,950,000</u>	<u>\$ 632,937</u>
Total Revenues	<u>1,317,063</u>	<u>1,950,000</u>	<u>632,937</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	<u>1,332,121</u>	<u>1,597,381</u>	<u>265,260</u>
Total Expenditures	<u>1,332,121</u>	<u>1,597,381</u>	<u>(265,260)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,058)</u>	<u>352,619</u>	<u>367,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(15,058)	352,619	367,677
Fund Balance, Beginning of Year	<u>(352,760)</u>	<u>(352,760)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (367,818)</u>	<u>\$ (141)</u>	<u>\$ 367,677</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Miscellaneous Grants Special Revenue Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 1,317,063	\$ -	\$ (1,317,063)
Total Revenues	<u>1,317,063</u>	<u>-</u>	<u>(1,317,063)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	77,262	77,263	1
Capital Outlay	223,303	225,501	2,198
Total Expenditures	<u>300,565</u>	<u>302,764</u>	<u>(2,199)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,016,498</u>	<u>(302,764)</u>	<u>(1,319,262)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,016,498	(302,764)	(1,319,262)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ 1,016,498</u>	<u>\$ (302,764)</u>	<u>\$ (1,319,262)</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Public Meeting Facilities Capital Projects Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	3,000	8,631	5,631
Total Revenues	<u>3,000</u>	<u>8,631</u>	<u>5,631</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Libraries	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,000</u>	<u>8,631</u>	<u>5,631</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,000	8,631	5,631
Fund Balance, Beginning of Year	<u>223,473</u>	<u>223,473</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 226,473</u></u>	<u><u>\$ 232,104</u></u>	<u><u>\$ 5,631</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Facilities Capital Projects Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	226,200	318,403	92,203
Investment Income	8,000	60,594	52,594
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>234,200</u>	<u>378,997</u>	<u>144,797</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	36,650	36,650	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>36,650</u>	<u>36,650</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>197,550</u>	<u>342,347</u>	<u>144,797</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	197,550	342,347	144,797
Fund Balance, Beginning of Year	<u>1,419,082</u>	<u>1,419,082</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,616,632</u></u>	<u><u>\$ 1,761,429</u></u>	<u><u>\$ 144,797</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Flood Control Capital Projects Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	499,100	741,923	242,823
Investment Income	45,000	230,612	185,612
Miscellaneous	-	-	-
Total Revenues	<u>544,100</u>	<u>972,535</u>	<u>428,435</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	<u>25,626</u>	<u>25,626</u>	<u>-</u>
Total Expenditures	<u>25,626</u>	<u>25,626</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>518,474</u>	<u>946,909</u>	<u>428,435</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	518,474	946,909	428,435
Fund Balance, Beginning of Year	<u>5,917,438</u>	<u>5,917,438</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,435,912</u></u>	<u><u>\$ 6,864,347</u></u>	<u><u>\$ 428,435</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Law Enforcement Facilities Capital Projects Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	139,800	196,452	56,652
Investment Income	1,100	28,894	27,794
	<u>140,900</u>	<u>225,346</u>	<u>84,446</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>140,900</u>	<u>225,346</u>	<u>84,446</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	140,900	225,346	84,446
Fund Balance, Beginning of Year	<u>639,570</u>	<u>639,570</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 780,470</u></u>	<u><u>\$ 864,916</u></u>	<u><u>\$ 84,446</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Facilities Capital Projects Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	166,000	233,008	67,008
Investment Income	50,000	179,565	129,565
Total Revenues	<u>216,000</u>	<u>412,573</u>	<u>196,573</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>216,000</u>	<u>412,573</u>	<u>196,573</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	216,000	412,573	196,573
Fund Balance, Beginning of Year	<u>4,166,204</u>	<u>4,166,204</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 4,382,204</u></u>	<u><u>\$ 4,578,777</u></u>	<u><u>\$ 196,573</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Park Development Capital Projects Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	229,800	724,874	495,074
Investment Income	23,000	114,270	91,270
Total Revenues	<u>252,800</u>	<u>839,144</u>	<u>586,344</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	174,863	134,581	40,282
Total Expenditures	<u>174,863</u>	<u>134,581</u>	<u>40,282</u>
Excess (Deficiency) of Revenues over Expenditures	<u>77,937</u>	<u>704,563</u>	<u>626,626</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	77,937	704,563	626,626
Fund Balance, Beginning of Year	<u>2,606,289</u>	<u>2,606,289</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,684,226</u></u>	<u><u>\$ 3,310,852</u></u>	<u><u>\$ 626,626</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Valley Wide DVL Park Capital Projects Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	70,900	114,130	43,230
Investment Income	1,500	18,519	17,019
	<u>72,400</u>	<u>132,649</u>	<u>60,249</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>72,400</u>	<u>132,649</u>	<u>60,249</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	72,400	132,649	60,249
Fund Balance, Beginning of Year	<u>415,981</u>	<u>415,981</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 488,381</u>	<u>\$ 548,630</u>	<u>\$ 60,249</u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Library Facilities Capital Projects Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	296,411	296,411
Investment Income	8,500	47,026	38,526
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>8,500</u>	<u>343,437</u>	<u>334,937</u>
<b>EXPENDITURES</b>			
Current:			
Libraries	178,100	123,635	54,465
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>178,100</u>	<u>123,635</u>	<u>54,465</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(169,600)</u>	<u>219,802</u>	<u>389,402</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(169,600)	219,802	389,402
Fund Balance, Beginning of Year	<u>1,126,150</u>	<u>1,126,150</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 956,550</u></u>	<u><u>\$ 1,345,952</u></u>	<u><u>\$ 389,402</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Equipment Replacement Capital Projects Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	825,300	825,300	-
Investment Income	10,000	201,552	191,552
Miscellaneous	-	94,659	94,659
	<u>835,300</u>	<u>1,121,511</u>	<u>286,211</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	740,103	727,578	12,525
	<u>740,103</u>	<u>727,578</u>	<u>12,525</u>
Total Expenditures	<u>740,103</u>	<u>727,578</u>	<u>12,525</u>
Excess (Deficiency) of Revenues over Expenditures	<u>95,197</u>	<u>393,933</u>	<u>298,736</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	865,700	865,700	-
Transfers Out	-	-	-
	<u>865,700</u>	<u>865,700</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>865,700</u>	<u>865,700</u>	<u>-</u>
Net Change in Fund Balances	960,897	1,259,633	298,736
Fund Balance, Beginning of Year	<u>5,057,500</u>	<u>5,057,500</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,018,397</u></u>	<u><u>\$ 6,317,133</u></u>	<u><u>\$ 298,736</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Capital Capital Projects Fund**  
Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General Governmental	-	-	-
Public Works	-	-	-
Capital Outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>8,564</u>	<u>8,564</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 8,564</u></u>	<u><u>\$ 8,564</u></u>	<u><u>\$ -</u></u>

**City of Hemet**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - LaSalle Library Endowment Permanent Fund**  
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	-	43,185	43,185
	-	43,185	43,185
Total Revenues	-	43,185	43,185
<b>EXPENDITURES</b>			
Current:			
General Governmental	-	-	-
Libraries	14,000	9,525	4,475
Capital Outlay	-	-	-
	-	-	-
Total Expenditures	14,000	9,525	4,475
Excess (Deficiency) of Revenues over Expenditures	(14,000)	33,660	47,660
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(14,000)	33,660	47,660
Fund Balance, Beginning of Year	1,017,738	1,017,738	-
Fund Balance, End of Year	\$ 1,003,738	\$ 1,051,398	\$ 47,660

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## **City of Hemet Internal Service Funds**

### **INTERNAL SERVICE FUNDS**

**Administrative Services** - Accounts for the central administrative services funded by interdepartmental allocation.

**Workers' Compensation** - Accounts for the financial transactions of a self-insured workers' compensation program

**Medical Insurance** - Accounts for the financial transactions of a self-insured employer active employee medical, dental and vision insurance program.

**Liability Insurance** - Accounts for the financial transactions of an external liability program.

**OPEB** - Accounts for financial transactions of a self-insured employer retiree medical, dental and vision insurance program.

**City of Hemet**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
June 30, 2024

	Admin. Services	Workers' Compensation Admin	Medical Insurance Admin
<b>ASSETS</b>			
Current:			
Cash and Investments	\$ 5,906,746	\$ 2,490,654	\$ 8,254
Accounts Receivable	937	229,865	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Prepaid Assets	391,980	-	-
Inventory	138,850	-	-
Total Current Assets	6,438,513	2,720,519	8,254
Noncurrent Assets:			
Construction in Progress	-	-	-
Capital Assets	4,412,107	-	-
Less Accumulated Depreciation	(3,520,790)	-	-
Total Noncurrent Assets	891,317	-	-
Total Assets	7,329,830	2,720,519	8,254
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	343,881	21,198	2,136
Accrued Salaries and Benefits	38,200	1,003	-
Due to Other Funds	-	-	-
Unearned Revenue	88,000	-	-
Current Portion of Long-term Liabilities:			
Claims Payable	-	201,800	5,670
Total Current Liabilities	470,081	224,001	7,806
Noncurrent Liabilities:			
Claims Payable	-	470,718	-
Total Noncurrent Liabilities	-	470,718	-
Total Liabilities	470,081	694,719	7,806
<b>NET POSITION</b>			
Net Investment in Capital Assets	891,317	-	-
Unrestricted	5,968,432	2,025,800	448
Total Net Position	\$ 6,859,749	\$ 2,025,800	\$ 448

Liability Insurance	OPEB	Total
\$ 125,000	\$ 2,440,902	\$ 10,971,556
-	-	230,802
-	-	-
-	-	-
-	-	391,980
-	-	138,850
<u>125,000</u>	<u>2,440,902</u>	<u>11,733,188</u>
-	-	-
-	-	4,412,107
-	-	(3,520,790)
-	-	891,317
<u>125,000</u>	<u>2,440,902</u>	<u>12,624,505</u>
267,005	12,329	646,549
325	-	39,528
-	-	-
-	101	88,101
<u>2,650,700</u>	<u>3,422</u>	<u>2,861,592</u>
<u>2,918,030</u>	<u>15,852</u>	<u>3,635,770</u>
6,184,831	-	6,655,549
6,184,831	-	6,655,549
<u>9,102,861</u>	<u>15,852</u>	<u>10,291,319</u>
-	-	891,317
(8,977,861)	2,425,050	1,441,869
<u>\$ (8,977,861)</u>	<u>\$ 2,425,050</u>	<u>\$ 2,333,186</u>

**City of Hemet**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
Year Ended June 30, 2024

	Admin. Services	Workers' Compensation Admin	Medical Insurance Admin
<b>OPERATING REVENUE</b>			
Charges for Services	\$ 6,701,920	\$ 1,657,200	\$ 334,185
Miscellaneous	88,902	229,865	-
Total Operating Revenue	<u>6,790,822</u>	<u>1,887,065</u>	<u>334,185</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	2,141,872	160,263	-
Parts and Supplies	390,318	-	-
Maintenance	1,665,402	-	-
Utilities	1,010,027	-	-
Contracts, Rents and Leases	500,841	56,133	14,252
Insurance	155,200	1,315,539	-
Claims and Judgments	769,536	290,409	317,009
General Office	-	-	-
Depreciation	152,708	-	-
Total Operating Expenses	<u>6,785,904</u>	<u>1,822,344</u>	<u>331,261</u>
Operating Income (Loss)	<u>4,918</u>	<u>64,721</u>	<u>2,924</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Disposal of Capital Assets	-	-	-
Total Nonoperating Revenue (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers and Capital Contributions	4,918	64,721	2,924
Capital Contributions	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Change in Net Position	4,918	64,721	2,924
Net Position, Beginning	<u>6,854,831</u>	<u>1,961,079</u>	<u>(2,476)</u>
Net Position, Ending	<u>\$ 6,859,749</u>	<u>\$ 2,025,800</u>	<u>\$ 448</u>

Liability Insurance	OPEB	Total
\$ 2,243,700	\$ 5,088,000	\$ 16,025,005
550	-	319,317
<u>2,244,250</u>	<u>5,088,000</u>	<u>16,344,322</u>
114,144	13,449	2,429,728
-	-	390,318
-	-	1,665,402
-	-	1,010,027
42,717	-	613,943
3,430,564	4,519,569	9,420,872
4,912,117	-	6,289,071
-	-	-
-	-	152,708
<u>8,499,542</u>	<u>4,533,018</u>	<u>21,972,069</u>
<u>(6,255,292)</u>	<u>554,982</u>	<u>(5,627,747)</u>
-	-	-
-	-	-
(6,255,292)	554,982	(5,627,747)
-	-	-
1,304,938	-	1,304,938
-	-	-
(4,950,354)	554,982	(4,322,809)
<u>(4,027,507)</u>	<u>1,870,068</u>	<u>6,655,995</u>
<u>\$ (8,977,861)</u>	<u>\$ 2,425,050</u>	<u>\$ 2,333,186</u>

**City of Hemet**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
Year Ended June 30, 2024

	Admin. Services	Workers' Compensation Admin	Medical Insurance Admin
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from User Departments	\$ 6,878,339	\$ 1,657,200	\$ 334,185
Cash Paid to Suppliers for Goods and Services	(3,550,087)	(1,387,643)	(22,053)
Cash Paid to Employees for Services	(2,117,201)	(160,718)	-
Cash Payments for Insurance and Claims	(769,536)	(30,089)	(347,026)
Net Cash From Operating Activities	<u>441,515</u>	<u>78,750</u>	<u>(34,894)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Paid From Other Funds	134,366	-	-
Cash Paid (to) Other Funds	-	-	-
Net Cash From Noncapital and Related Financing Activities	<u>134,366</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(33,702)	-	-
Net Cash From Capital and Related Financing Activities	<u>(33,702)</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	542,179	78,750	(34,894)
Cash and Cash Equivalents, Beginning of the Year	<u>5,364,567</u>	<u>2,411,904</u>	<u>43,148</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 5,906,746</u>	<u>\$ 2,490,654</u>	<u>\$ 8,254</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>			
Operating Income (Loss)	\$ 4,918	\$ 64,721	\$ 2,924
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	152,708	-	-
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(483)	(229,865)	-
(Increase) Decrease in Prepaid Assets	130,681	-	-
(Increase) Decrease in Inventory	30,260	-	-
Increase (Decrease) in Accounts Payable	10,760	(15,971)	(7,801)
Increase (Decrease) in Accrued Salaries and Benefits	24,671	(455)	-
Increase (Decrease) in Unearned Revenue	88,000	-	-
Increase (Decrease) in Claims Payable	-	260,320	(30,017)
<b>Net Cash from Operating Activities</b>	<u>\$ 441,515</u>	<u>\$ 78,750</u>	<u>\$ (34,894)</u>

Liability Insurance	OPEB	Total
\$ 2,244,250	\$ 5,088,000	\$ 16,201,974
(3,257,704)	(4,497,126)	(12,714,613)
(114,459)	(13,784)	(2,406,162)
(17,659)	(8,167)	(1,172,477)
<u>(1,145,572)</u>	<u>568,923</u>	<u>(91,278)</u>
1,304,938	101	1,439,405
(134,366)	-	(134,366)
<u>1,170,572</u>	<u>101</u>	<u>1,305,039</u>
-	-	(33,702)
-	-	(33,702)
25,000	569,024	1,180,059
100,000	1,871,878	9,791,497
<u>\$ 125,000</u>	<u>\$ 2,440,902</u>	<u>\$ 10,971,556</u>
\$ (6,255,292)	\$ 554,982	\$ (5,627,747)
-	-	152,708
-	-	(230,348)
-	20,048	150,729
-	-	30,260
215,577	2,395	204,960
(315)	(335)	23,566
-	-	88,000
4,894,458	(8,167)	5,116,594
<u>\$ (1,145,572)</u>	<u>\$ 568,923</u>	<u>\$ (91,278)</u>

## City of Hemet Custodial Funds

### **CUSTODIAL FUNDS**

**McSweeny** - Accounts for the McSweeny development projects administered by the City on behalf of the McSweeny developers.

**Pass Thru Fees** - Accounts for the developer fees collected by the City on behalf of the County of Riverside. Those fees are remitted periodically to the County.

**Heartland 1999 - 1 CFD 2006 Refunding Series** - Accounts for the financial transacting of a special tax bond issue which is financing the off-site improvements of a housing community and a golf course.

**City of Hemet**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
June 30, 2024

	<u>McSweeny</u>	<u>Pass Thru Fees</u>	<u>Heartland CFD 2006</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 148,446	\$ -	\$ 148,446
Accounts Receivables	-	-	12,308	12,308
Due from Other Funds	-	-	-	-
Cash and Investments with Fiscal Agent	-	-	1,163,994	1,163,994
	<u>-</u>	<u>-</u>	<u>1,163,994</u>	<u>1,163,994</u>
Total Assets	<u>-</u>	<u>148,446</u>	<u>1,176,302</u>	<u>1,324,748</u>
<b>LIABILITIES</b>				
Accounts Payable	162,201	184	1,344	163,729
Due to City of Hemet	466,411	-	445,002	911,413
Deposits	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>628,612</u>	<u>184</u>	<u>446,346</u>	<u>1,075,142</u>
<b>NET POSITION</b>				
Held for the Benefit of Other Organizations	<u>(628,612)</u>	<u>148,262</u>	<u>729,956</u>	<u>249,606</u>
Total Net Position	<u>\$ (628,612)</u>	<u>\$ 148,262</u>	<u>\$ 729,956</u>	<u>\$ 249,606</u>

**City of Hemet**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
Year Ended June 30, 2024

	<u>McSweeney</u>	<u>Pass Thru Fees</u>	<u>Heartland CFD 2006</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>				
Contributions:				
Taxes and assessments collected for others	\$ -	\$ 1,613,959	\$ 771,332	\$ 2,385,291
Developer Contributions	75,876	-	-	75,876
Investment Earnings:				
Interest Income	4,489	-	47,516	52,005
Total Additions	<u>80,365</u>	<u>1,613,959</u>	<u>818,848</u>	<u>2,513,172</u>
<b>DEDUCTIONS</b>				
Payments on behalf of Others	918,552	-	-	918,552
Payments to Other Agencies for Service Charges Collected	<u>-</u>	<u>1,565,301</u>	<u>757,891</u>	<u>2,323,192</u>
Total Deductions	<u>918,552</u>	<u>1,565,301</u>	<u>757,891</u>	<u>3,241,744</u>
Net Increase (decrease) in fiduciary net position	(838,187)	48,658	60,957	(728,572)
Net Position, beginning of the year	<u>209,575</u>	<u>99,604</u>	<u>668,999</u>	<u>978,178</u>
Net Position, end of the year	<u><u>\$ (628,612)</u></u>	<u><u>\$ 148,262</u></u>	<u><u>\$ 729,956</u></u>	<u><u>\$ 249,606</u></u>

## **STATISTICAL SECTION**

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**City of Hemet (unaudited)**  
**Description of Statistical Section Contents**  
June 30, 2024

This part of the City of Hemet'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 say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	148
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	158
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	163
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	168
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	170

City of Hemet  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net Investment in Capital Assets	\$ 324,343	\$ 321,098	\$ 315,946	\$ 312,748	\$ 309,342
Restricted	39,006	43,671	48,220	55,279	64,207
Unrestricted	<u>(53,711)</u>	<u>(45,551)</u>	<u>(58,471)</u>	<u>(95,864)</u>	<u>(99,715)</u>
Total governmental activities net position	<u>\$ 309,638</u>	<u>\$ 319,218</u>	<u>\$ 305,695</u>	<u>\$ 272,163</u>	<u>\$ 273,834</u>
Business-type activities					
Net Investment in Capital Assets	\$ 3,740	\$ 3,522	\$ 3,898	\$ 4,174	\$ 3,893
Restricted	-	-	-	-	-
Unrestricted	<u>3,606</u>	<u>6,550</u>	<u>7,068</u>	<u>(845)</u>	<u>1,868</u>
Total business-type activities net position	<u>\$ 7,346</u>	<u>\$ 10,072</u>	<u>\$ 10,966</u>	<u>\$ 3,329</u>	<u>\$ 5,761</u>
Primary government					
Net Investment in Capital Assets	\$ 328,083	\$ 324,620	\$ 319,844	\$ 316,922	\$ 313,235
Restricted	39,006	43,671	48,220	55,279	64,207
Unrestricted	<u>(50,105)</u>	<u>(39,001)</u>	<u>(51,403)</u>	<u>(96,709)</u>	<u>(97,847)</u>
Total primary government net position	<u>\$ 316,984</u>	<u>\$ 329,290</u>	<u>\$ 316,661</u>	<u>\$ 275,492</u>	<u>\$ 279,595</u>

Source: City of Hemet

City of Hemet  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities					
Net Investment in Capital Assets	\$ 308,639	\$ 303,775	\$ 302,783	\$ 308,207	\$ 314,486
Restricted	67,601	\$ 53,804	\$ 60,649	\$ 62,663	\$ 69,728
Unrestricted	<u>(105,649)</u>	<u>\$ (78,520)</u>	<u>\$ (54,833)</u>	<u>\$ (37,757)</u>	<u>\$ (29,072)</u>
Total governmental activities net position	<u>\$ 270,591</u>	<u>\$ 279,059</u>	<u>\$ 308,599</u>	<u>\$ 333,113</u>	<u>\$ 355,142</u>
Business-type activities					
Net Investment in Capital Assets	\$ 4,532	\$ 3,973	\$ 3,146	\$ 2,599	\$ 2,265
Restricted	-	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>14,760</u>	<u>\$ 19,623</u>	<u>\$ 20,282</u>	<u>\$ 24,877</u>	<u>\$ 29,207</u>
Total business-type activities net position	<u>\$ 19,292</u>	<u>\$ 23,596</u>	<u>\$ 23,428</u>	<u>\$ 27,476</u>	<u>\$ 31,472</u>
Primary government					
Net Investment in Capital Assets	\$ 313,171	\$ 307,748	\$ 305,929	\$ 310,806	\$ 316,751
Restricted	67,601	53,804	60,649	62,663	69,728
Unrestricted	<u>(90,889)</u>	<u>(58,897)</u>	<u>(34,551)</u>	<u>(12,880)</u>	<u>135</u>
Total primary government net position	<u>\$ 289,883</u>	<u>\$ 302,655</u>	<u>\$ 332,027</u>	<u>\$ 360,589</u>	<u>\$ 386,614</u>

Source: City of Hemet

City of Hemet  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 3,053	\$ 1,142	\$ 2,777	\$ 3,511	\$ 6,181
Public Safety	28,947	21,566	34,746	43,067	40,916
Community development	5,325	3,952	4,874	5,729	5,535
Public Works	12,139	11,652	11,696	13,766	11,962
Sanitation	2,201	2,070	2,048	2,248	2,167
Parks	843	1,015	1,176	1,407	1,205
Libraries	1,855	1,788	2,085	2,125	2,026
Interest and related charges on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>54,363</u>	<u>43,186</u>	<u>59,402</u>	<u>71,853</u>	<u>69,992</u>
Business-type activities:					
Refuse	-	-	-	-	-
Water	7,919	7,643	9,966	12,052	9,261
Total business-type activities expenses	<u>7,919</u>	<u>7,643</u>	<u>9,966</u>	<u>12,052</u>	<u>9,261</u>
Total primary government expenses	<u>\$ 62,282</u>	<u>\$ 50,829</u>	<u>\$ 69,368</u>	<u>\$ 83,905</u>	<u>\$ 79,253</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 600	\$ 586	\$ 602	\$ 759	\$ 793
Public safety	681	760	1,207	1,289	1,049
Community development	3,197	2,674	2,261	2,824	2,824
Public Works	2,577	2,724	3,542	3,912	3,944
Sanitation	2,876	3,412	3,918	4,003	3,969
Other activities	44	2,764	58	159	141
Operating grants and contributions	2,742	3,349	2,559	2,719	2,455
Capital grants and contributions	7,211	7,658	6,220	6,503	7,962
Total government activities program revenues	<u>19,928</u>	<u>23,928</u>	<u>20,367</u>	<u>22,168</u>	<u>23,137</u>
Business-type activities					
Charges for services:					
Water	7,090	10,306	11,460	10,602	11,445
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>7,090</u>	<u>10,306</u>	<u>11,460</u>	<u>10,602</u>	<u>11,445</u>
Total primary government program revenues	<u>\$ 27,018</u>	<u>\$ 34,234</u>	<u>\$ 31,827</u>	<u>\$ 32,770</u>	<u>\$ 34,582</u>

City of Hemet  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,142	\$ 1,964	\$ 2,343	\$ 3,633	\$ 5,369
Public Safety	48,122	46,711	42,656	55,036	62,053
Community development	5,056	5,420	6,065	6,708	5,812
Public Works	12,526	10,728	9,011	13,442	10,712
Sanitation	1,838	2,437	2,846	2,925	2,712
Parks	1,433	1,052	1,513	1,020	1,244
Libraries	1,884	1,892	1,487	1,993	2,075
Interest and related charges on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>75,001</u>	<u>70,204</u>	<u>65,921</u>	<u>84,756</u>	<u>89,977</u>
Business-type activities:					
Refuse	-	-	-	-	-
Water	9,845	10,222	9,687	10,395	11,858
Total business-type activities expenses	<u>9,845</u>	<u>10,222</u>	<u>9,687</u>	<u>10,395</u>	<u>11,858</u>
Total primary government expenses	<u>\$ 84,846</u>	<u>\$ 80,426</u>	<u>\$ 75,608</u>	<u>\$ 95,151</u>	<u>\$ 101,835</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 510	\$ 2,589	\$ 2,539	\$ 3,157	\$ 3,111
Public safety	1,134	1,892	4,876	17,039	5,430
Community development	2,482	251	244	288	267
Public Works	4,531	6,926	10,159	10,047	11,444
Sanitation	4,372	4,339	4,131	5,069	5,660
Other activities	28	2	12	16	18
Operating grants and contributions	2,005	4,039	3,136	2,821	4,119
Capital grants and contributions	7,890	7,758	12,105	11,567	16,140
Total governmental activities program revenues	<u>22,952</u>	<u>27,796</u>	<u>37,202</u>	<u>50,004</u>	<u>46,189</u>
Business-type activities					
Charges for services:					
Water	11,993	12,114	14,073	14,017	14,380
Operating grants and contributions	10,416	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>22,409</u>	<u>12,114</u>	<u>14,073</u>	<u>14,017</u>	<u>14,380</u>
Total primary government program revenues	<u>\$ 45,361</u>	<u>\$ 39,910</u>	<u>\$ 51,275</u>	<u>\$ 64,021</u>	<u>\$ 60,569</u>

City of Hemet  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net (expense)/revenue					
Governmental activities	\$ (34,972)	\$ (30,431)	\$ (39,034)	\$ (49,685)	\$ (46,855)
Business-type activities	(107)	2,410	1,495	(1,450)	2,185
Total primary government net expense	<u>\$ (35,079)</u>	<u>\$ (28,021)</u>	<u>\$ (37,539)</u>	<u>\$ (51,135)</u>	<u>\$ (44,670)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	6,207	6,208	6,485	7,123	7,718
Transient occupancy taxes	643	854	963	1,026	975
Sales taxes*	11,043	12,275	14,175	23,446	24,986
Motor vehicle in lieu taxes	4,996	5,715	6,061	6,393	6,786
Franchise and other taxes	4,875	5,053	4,964	5,048	5,117
Investment income	565	1,415	194	403	2,425
Miscellaneous	184	765	439	649	357
Gain on Sale of Capital Assets	-	-	-	-	-
Transfers	(187)	205	350	138	163
Total governmental activities	<u>28,327</u>	<u>32,490</u>	<u>33,631</u>	<u>44,226</u>	<u>48,527</u>
Business-type activities					
Investment income	71	166	(25)	21	350
Gain (loss) on sale/disposal of assets	-	-	-	-	-
Miscellaneous	176	84	45	81	60
Transfers	187	(205)	(350)	(138)	(163)
Total business-type activities	<u>434</u>	<u>45</u>	<u>(330)</u>	<u>(36)</u>	<u>247</u>
Total primary government	<u>\$ 28,760</u>	<u>\$ 32,535</u>	<u>\$ 33,301</u>	<u>\$ 44,190</u>	<u>\$ 48,774</u>
<b>Change in Net Position</b>					
Governmental activities	\$ (6,646)	\$ 2,059	\$ (5,403)	\$ (5,459)	\$ 1,672
Business-type activities	327	2,455	1,165	(1,487)	2,432
Total primary government	<u>\$ (6,319)</u>	<u>\$ 4,514</u>	<u>\$ (4,238)</u>	<u>\$ (6,946)</u>	<u>\$ 4,104</u>

\*Sales taxes are one of the highest revenue generating items for the City. This includes, Sales and Use Tax (including Mea

City of Hemet  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	2020	2021	2022	2023	2024
Net (expense)/revenue					
Governmental activities	\$ (51,151)	\$ (42,408)	\$ (28,719)	\$ (34,762)	\$ (43,789)
Business-type activities	12,563	1,892	4,386	3,622	2,522
Total primary government net expense	<u>\$ (38,588)</u>	<u>\$ (40,516)</u>	<u>\$ (24,333)</u>	<u>\$ (31,140)</u>	<u>\$ (41,267)</u>

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes					
Property taxes	7,919	8,028	8,676	9,389	10,276
Transient occupancy taxes	770	891	1,039	942	953
Sales taxes*	25,352	32,268	35,066	34,056	33,143
Motor vehicle in lieu taxes	7,073	7,394	7,758	8,547	9,427
Franchise and other taxes	5,173	5,491	5,848	5,599	6,323
Investment income	957	303	(441)	271	4,970
Miscellaneous	223	42	254	279	437
Gain on Sale of Capital Assets	-	-	-	-	290
Transfers	243	248	27	151	-
Total governmental activities	<u>47,710</u>	<u>54,665</u>	<u>58,227</u>	<u>59,234</u>	<u>65,819</u>
Business-type activities					
Investment income	226	(2)	(494)	578	1,474
Gain (loss) on sale/disposal of assets	-	-	-	-	-
Miscellaneous	16	-	-	-	-
Transfers	(243)	(248)	(27)	(151)	-
Total business-type activities	<u>(1)</u>	<u>(250)</u>	<u>(521)</u>	<u>427</u>	<u>1,474</u>
Total primary government	<u>\$ 47,709</u>	<u>\$ 54,415</u>	<u>\$ 57,706</u>	<u>\$ 59,661</u>	<u>\$ 67,293</u>

**Change in Net Position**

Governmental activities	\$ (3,441)	\$ 12,259	\$ 29,508	\$ 24,473	\$ 22,029
Business-type activities	12,562	1,641	3,864	4,048	3,996
Total primary government	<u>\$ 9,121</u>	<u>\$ 13,900</u>	<u>\$ 33,372</u>	<u>\$ 28,521</u>	<u>\$ 26,025</u>

\*Sales taxes are one of the highest revenue generatisure U) and Measure A.

City of Hemet  
Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	13	7	7	4	8
Restricted	1,075	1,253	2,469	1,253	12,805
Committed	7,288	7,727	8,295	9,303	8,214
Assigned	314	215	215	215	134
Unassigned	8,226	6,084	1,882	5,920	1,086
Total general fund	<u>\$ 16,916</u>	<u>\$ 15,287</u>	<u>\$ 12,868</u>	<u>\$ 16,695</u>	<u>\$ 22,247</u>
All other governmental funds					
Nonspendable	1,000	1,000	1,000	1,000	1,000
Restricted	36,931	41,418	43,536	46,330	50,374
Committed	-	-	-	-	-
Assigned	4,759	6,586	6,350	4,081	4,056
Unassigned, reported in:					
Special revenue funds	(276)	(297)	(81)	(180)	(191)
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 42,414</u>	<u>\$ 48,707</u>	<u>\$ 50,805</u>	<u>\$ 51,231</u>	<u>\$ 55,239</u>

Source: City of Hemet

City of Hemet  
Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund					
Nonspendable	660	665	2,114	2,137	2,000
Restricted	1,316	1,499	1,926	1,524	2,194
Committed	20,921	23,776	26,387	26,632	38,784
Assigned	890	1,945	1,749	3,106	8,328
Unassigned	2,926	11,710	21,884	30,214	20,684
Total general fund	<u>\$ 26,713</u>	<u>\$ 39,595</u>	<u>\$ 54,060</u>	<u>\$ 63,613</u>	<u>\$ 71,990</u>
All other governmental funds					
Nonspendable	1,000	1,000	1,000	1,000	1,000
Restricted	51,884	57,161	66,894	69,796	53,422
Committed	-	-	-	5,861	-
Assigned	3,776	3,906	4,250	7,833	6,326
Unassigned, reported in:					
Special revenue funds	(264)	(102)	(91)	(716)	(394)
Capital projects funds	-	-	-		
Total all other governmental funds	<u>\$ 56,396</u>	<u>\$ 61,965</u>	<u>\$ 72,053</u>	<u>\$ 83,774</u>	<u>\$ 60,354</u>

Source: City of Hemet

City of Hemet  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>					
Taxes	\$ 30,083	\$ 31,725	\$ 34,284	\$ 44,799	\$ 47,526
Licenses and permits	2,119	1,974	1,679	1,784	1,968
Intergovernmental revenues	6,638	6,712	5,677	5,792	5,854
Charges for services	8,966	9,988	10,393	11,307	11,152
Fines and forfeitures	379	412	443	491	446
Investment income	558	1,430	197	402	2,425
Other contributions	-	-	-	-	-
Miscellaneous	646	3,823	679	1,261	2,204
Total revenues	<u>49,389</u>	<u>56,064</u>	<u>53,352</u>	<u>65,836</u>	<u>71,575</u>
<b>Expenditures</b>					
General government	2,812	2,307	2,103	2,195	5,148
Public safety	28,017	30,339	32,497	38,450	35,908
Community development	5,248	4,793	4,844	4,856	5,057
Public works	5,562	5,738	5,488	8,804	6,076
Sanitation	2,162	2,035	1,999	2,193	2,104
Parks	850	1,120	1,205	1,248	1,153
Libraries	1,419	1,506	1,642	1,600	1,486
Capital outlay	4,776	3,772	2,457	2,193	4,002
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
SERAF Obligation	-	-	-	-	-
Fiscal-administrative charges	-	-	-	-	-
Total expenditures	<u>50,846</u>	<u>51,611</u>	<u>52,235</u>	<u>61,539</u>	<u>60,934</u>
Excess (deficiency) of revenues over expenditures	<u>(1,457)</u>	<u>4,453</u>	<u>1,117</u>	<u>4,297</u>	<u>10,641</u>
<b>Other financing sources (uses)</b>					
Proceeds from Sale of Assets	-	-	-	-	-
Transfers in	1,231	713	325	467	183
Transfers out	(1,231)	(490)	(1,086)	(513)	(1,264)
Issuance of debt	8	11	-	-	-
Total other financing sources (uses)	<u>8</u>	<u>234</u>	<u>(761)</u>	<u>(46)</u>	<u>(1,081)</u>
Net change in fund balances	<u>\$ (1,449)</u>	<u>\$ 4,687</u>	<u>\$ 356</u>	<u>\$ 4,251</u>	<u>\$ 9,560</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Hemet

City of Hemet  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (amounts expressed in thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenues</b>					
Taxes	\$ 48,194	\$ 46,678	\$ 53,402	\$ 52,888	\$ 53,495
Licenses and permits	5,371	2,104	4,287	4,433	5,503
Intergovernmental revenues	5,495	10,157	17,994	30,313	24,783
Charges for services	7,248	3,234	19,740	18,383	19,617
Fines and forfeitures	336	234	199	276	172
Investment income	1,815	299	(1,335)	1,276	7,474
Other contributions	-	-	-	-	-
Miscellaneous	1,960	8	1,150	350	535
Total revenues	<u>70,419</u>	<u>62,714</u>	<u>95,437</u>	<u>107,919</u>	<u>111,580</u>
<b>Expenditures</b>					
General government	2,235	2,390	5,150	3,720	2,498
Public safety	40,448	42,039	44,467	50,580	57,844
Community development	4,593	5,420	6,065	6,708	6,407
Public works	5,795	5,125	5,167	5,866	6,037
Sanitation	1,879	2,437	2,846	2,925	2,990
Parks	1,295	1,052	1,513	1,020	1,371
Libraries	1,540	1,587	1,181	1,687	1,944
Capital outlay	7,508	4,127	4,977	14,760	14,735
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
SERAF Obligation	-	-	-	-	-
Fiscal-administrative charges	-	-	-	-	-
Total expenditures	<u>65,293</u>	<u>64,177</u>	<u>71,366</u>	<u>87,266</u>	<u>93,826</u>
Excess (deficiency) of revenues over expenditures	<u>5,126</u>	<u>(1,463)</u>	<u>24,071</u>	<u>20,654</u>	<u>17,755</u>
<b>Other financing sources (uses)</b>					
Proceeds from Sale of Assets	-	-	-	468	353
Transfers in	1,876	27	538	171	886
Transfers out	(1,379)	(2)	(55)	(20)	(2,191)
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>497</u>	<u>25</u>	<u>483</u>	<u>619</u>	<u>(952)</u>
Net change in fund balances	<u>\$ 5,623</u>	<u>\$ (1,438)</u>	<u>\$ 24,554</u>	<u>\$ 21,273</u>	<u>\$ 16,801</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Hemet

City of Hemet  
Own Source Revenue  
Governmental Activities Property Tax Revenue  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

Fiscal Year	Property Tax
2015	5,381
2016	5,916
2017	6,136
2018	6,804
2019	7,392
2020	7,592
2021	7,650
2022	7,943
2023	8,579
2024	9,833

City of Hemet  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	City				Redevelopment				Highest Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2015	4,706,629,409	160,264,993	(145,097,337)	4,721,797,065	1,402,028,714	66,989,353	N/A**	N/A**	0.24552
2016	4,989,091,509	157,483,240	(153,462,996)	4,993,111,753	1,472,420,756	64,336,968	N/A**	N/A**	0.24552
2017	5,294,563,351	166,151,715	(159,158,493)	5,301,556,573	1,554,120,090	66,302,157	N/A**	N/A**	0.24552
2018	5,738,442,456	173,750,554	(152,501,372)	5,759,691,638	1,632,333,531	67,103,391	N/A**	N/A**	0.24552
2019	5,891,505,336	190,128,633	(164,926,297)	5,916,707,672	1,709,804,561	78,020,649	N/A**	N/A**	0.24552
2020	6,150,877,556	190,147,395	(169,524,075)	6,171,500,876	1,794,064,122	76,990,710	N/A**	N/A**	0.24552
2021	6,451,235,055	187,135,933	(178,728,139)	6,459,668,559	1,856,098,890	77,009,200	N/A**	N/A**	0.24552
2022	6,748,837,124	185,630,583	(185,385,214)	6,748,412,303	1,924,292,110	78,939,139	N/A**	N/A**	0.24552
2023	7,460,126,502	185,696,825	(196,544,968)	7,448,557,204	2,080,173,341	77,763,054	N/A**	N/A**	0.24552
2024	8,191,982,684	208,152,931	(192,338,295)	8,207,459,940	2,349,320,193	81,991,732	N/A**	N/A**	0.24552

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

\*\*The State of California dissolved all Redevelopment Agencies effective 02/01/2012. All activity for the wind down of the Agencies was moved to a Successor Agency.

Source: Riverside County Auditor-Controller

City of Hemet  
Property Tax Rates  
Direct and Overlapping Governments  
Per \$100 of Assessed Value  
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Direct Rates:										
City of Hemet Basic Area	0.24552	0.24552	0.24552	0.24552	0.24552	0.24552	0.24552	0.24552	0.24547	0.37274
Overlapping Rates:										
Hemet Unified School	0.30653	0.30653	0.30653	0.30653	0.30653	0.30653	0.30653	0.30653	0.30650	0.30650
County General	0.25433	0.25433	0.25433	0.25433	0.25433	0.25433	0.25433	0.25433	0.25437	0.12710
Eastern Municipal Water District	0.04435	0.04435	0.04435	0.04435	0.04435	0.04435	0.04435	0.04435	0.04440	0.04440
Flood control Zone 4	0.03923	0.03923	0.03923	0.03923	0.03923	0.03923	0.03923	0.03923	0.03920	0.03920
Riv. Co. Office of Education	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03641	0.03640	0.03640
Mt. San Jacinto Junior College	0.03527	0.03527	0.03527	0.03527	0.03527	0.03527	0.03527	0.03527	0.03530	0.03530
Eastern Municipal Water Improvement Dist 17	0.01665	0.01665	0.01665	0.01665	0.01665	0.01665	0.01665	0.01665	0.01665	0.01665
Valley Wide Recreation & Park District	0.01455	0.01455	0.01455	0.01455	0.01455	0.01455	0.01455	0.01455	0.01455	0.01455
San Jacinto Valley Cemetery	0.00458	0.00458	0.00458	0.00458	0.00458	0.00458	0.00458	0.00458	0.00458	0.00458
Flood Control Administration	0.00238	0.00238	0.00238	0.00238	0.00238	0.00238	0.00238	0.00238	0.00238	0.00238
San Jacinto Basin Resource Conservation	0.00020	0.00020	0.00020	0.00020	0.00020	0.00020	0.00020	0.00020	0.00020	0.00020
Proposition 13 Rate	1.00000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Bond issues:										
Hemet Unified School District Debt Sv	0.11991	0.13729	0.12409	0.11019	0.10173	0.11571	0.11876	0.12323	0.12000	0.12000
Metropolitan Water District Debt Sv	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.00350	0.00350
<b>Total Rate</b>	<b>1.12341</b>	<b>1.14079</b>	<b>1.12759</b>	<b>1.11369</b>	<b>1.10523</b>	<b>1.11921</b>	<b>1.12226</b>	<b>1.12673</b>	<b>1.12350</b>	<b>1.12350</b>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Hemet Unified School District Debt Service and Metropolitan Water District Debt Service. Ratios for tax rate area 006-001, excluding Redevelopment factors

*the average tax rate in City of Hemet Basic Area is approximately .17 prior to the ERAF shifts*

Source: HDL, Coren & Cone  
Riverside County Auditor-Controller

City of Hemet  
Principal Property Taxpayers  
Current Fiscal Year and Nine Years Ago

Taxpayer	2024			2015		
	Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Assessed Value	Rank	Percent of Total City Taxable Assessed Value
TIG Devonshire LLC	\$ 55,858,371	1	0.68%	-		-
Physicians for Healthy Hospitals Inc	51,030,176	2	0.62%	-		-
Freedom Properties Hemet	48,441,877	3	0.59%	-		-
Granite Village West LP	48,372,617	4	0.59%	-		-
Walmart Real Estate Business Trust	37,782,948	5	0.46%	-		-
FFLP CC	34,935,465	6	0.43%	-		-
551 N Santa Fe St LLC	31,535,352	7	0.38%	-		-
Providence Hemet Apts	30,487,372	8	0.37%	-		-
CBYW Hemet ILF PROPCO LP	28,969,985	9	0.35%	-		-
Spectrum Pacific West	6,957,053	10	0.08%	-		-
PHH Real Estate	-		-	43,339,152	1	0.92%
Freedom Properties Hemet	-		-	40,547,024	2	0.86%
MCS Hemet Valley Center	-		-	33,442,153	3	0.71%
Grainite Village West LP	-		-	33,380,409	4	0.71%
FFLP CC	-		-	29,645,940	5	0.63%
Walmart Real Estate Business Trust	-		-	26,439,448	6	0.56%
James J. Femino	-		-	28,853,774	7	0.61%
Merrill Gardens	-		-	26,201,775	8	0.55%
Time Warner Cable	-		-	6,151,199	9	0.13%
Essex JMS Acquisition	-		-	17,823,668	10	0.38%
	<u>\$ 374,371,216</u>		<u>4.6%</u>	<u>\$ 285,824,542</u>		<u>6.1%</u>

Source: HDL, Coren & Cone

City of Hemet  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(amounts expressed in thousands)

Fiscal Year	City Tax Levy	Redevelopment Tax Increment	Successor Agency Tax Increment	Collected within the Fiscal Year of the Levy			Collection of Delinquent taxes	Total Collections to Date Including Delinquencies	
				City Amount	Redevelopment Amount *	Percentage of Levy		Amount	Percentage of Levy
2015	4,722	-	10,589	4,709	-	99.71%	240	4,949	104.79%
2016	4,965	-	10,714	4,960	-	99.89%	280	5,240	105.53%
2017	5,240	-	10,652	5,285	-	100.86%	214	5,499	104.95%
2018	5,514	-	10,683	5,552	-	100.68%	255	5,806	105.30%
2019	5,809	-	10,667	5,896	-	101.50%	193	6,088	104.81%
2020	6,146	-	10,675	6,083	-	98.98%	164	6,247	101.65%
2021	6,373	-	10,671	6,430	-	100.89%	169	6,599	103.54%
2022	6,648	-	10,673	6,734	-	101.29%	224	6,957	104.65%
2023	7,339	-	10,672	7,228	-	98.49%	71	7,299	99.46%
2024	7,960	-	10,673	8,017	-	100.72%	170	8,188	102.86%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increments. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

\* The Redevelopment amount is Gross Tax Increment received which includes pass through amounts to other agencies. approximately 43% of the Redevelopment amount collected is available for the Redevelopment Agency

\*\*The State of California dissolved all Redevelopment Agencies effective 02/01/2012. All activity for the wind down of the Agencies was moved to a Successor Agency. Since Successor Agency increment is only enough to cover annual costs of the wind down process, these amounts are excluded from the collection data.

Source: Riverside County Auditor Controller  
HDL, Coren & Cone

City of Hemet  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	1999 TAB	2002 TAB	Notes Payable	SBITA Payable	Water Revenue Bonds	Capital Leases	Certificates of Participation			
2015	-	*	*	-	-	-	-	-	-	0.00%	-
2016	-	*	*	-	-	-	-	-	-	0.00%	-
2017	-	*	*	-	-	-	-	-	-	0.00%	-
2018	-	*	*	-	-	-	-	-	-	0.00%	-
2019	-	*	*	-	-	-	-	-	-	0.00%	-
2020	-	*	*	-	-	-	-	-	-	0.00%	-
2021	-	*	*	-	-	-	-	-	-	0.00%	-
2022	-	*	*	-	-	-	-	-	-	0.00%	-
2023	-	*	*	-	438,618	-	-	-	-	0.00%	-
2024	-	*	*	-	150,797	-	-	-	-	0.00%	-

NOTE:

\* 1999 and 2002 Tax Allocation Bonds are no longer reported as part of the primary government.

Sources: City of Hemet Financial Statements  
State of California Franchise Tax Board  
State Department of Finance

City of Hemet  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Population	General Obligation Bonds	Tax Allocation Bonds	Total	Percentage of Assessed Value *	Per Capita
2015	82,253	-	**	-	0.00%	-
2016	80,070	-	**	-	0.00%	-
2017	81,868	-	**	-	0.00%	-
2018	83,166	-	**	-	0.00%	-
2019	84,754	-	**	-	0.00%	-
2020	85,175	-	**	-	0.00%	-
2021	84,525	-	**	-	0.00%	-
2022	89,646	-	**	-	0.00%	-
2023	89,918	-	**	-	0.00%	-
2024	89,663	-	**	-	0.00%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

\* Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

\*\* 1999 and 2002 Tax Allocation Bonds are no longer reported as part of the primary government.

City of Hemet  
Direct and Overlapping Governmental Activities Debt  
as of June 30, 2024

2023-2024 Assessed Valuation: \$ 8,208,819,936

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2024	% Applicable (1)	City's Share of Debt 6/30/24
Metropolitan Water District	\$18,210,000	0.21%	\$ 38,605
Eastern Municipal Water District, I.D. No. 24	30	51908.00%	\$ 15,572
Eastern Municipal Water District, I.D. No. U12	175,000	1.86%	\$ 3,253
Eastern Municipal Water District, I.D. No. U18	105,000	100.000%	\$ 105,000
Eastern Municipal Water District, I.D. No. U21	80,000	12.79%	\$ 10,230
Mt. San Jacinto Community College District	242,210,000	6.31%	\$ 15,288,295
Hemet Unified School District	244,140,000	50.16%	\$ 122,465,507
San Jacinto Unified School District	72,650,000	6.30%	\$ 4,573,318
Hemet Unified School District Community Facilities District No. 2004-1	2,335,000	100.000%	\$ 2,335,000
Hemet Unified School District Community Facilities District No. 2005-2, 3 & 4	15,760,000	100.000%	\$ 15,760,000
Hemet Unified School District Community Facilities District No. 2020-3	3,065,000	100.000%	\$ 3,065,000
Hemet Unified School District Community Facilities District No. 2020-4	3,355,000	100.000%	\$ 3,355,000
Hemet Unified School District Community Facilities District No. 2021-1	5,605,000	100.000%	\$ 5,605,000
Hemet Unified School District Community Facilities District No. 2021-7	7,240,000	100.000%	\$ 7,240,000
San Jacinto Unified School District Community Facilities District No. 2005-4	6,775,000	29.185%	\$ 1,977,284
Eastern Municipal Water District Community Facilities District No. 2001-02	2,445,000	100.000%	\$ 2,445,000
Eastern Municipal Water District Community Facilities District No. 2004-27	5,000,000	100.000%	\$ 5,000,000
Eastern Municipal Water District Community Facilities District No. 2005-38	1,810,000	100.000%	\$ 1,810,000
Eastern Municipal Water District Community Facilities District No. 2006-56	3,320,000	100.000%	\$ 3,320,000
Eastern Municipal Water District Community Facilities District No. 2003-20	597,006	100.000%	\$ 597,006
City of Hemet Community Facilities District No. 1999-1	4,855,000	100.000%	\$ 4,855,000
California Statewide Communities Development Authority			\$ -
Community Facilities District No 2018-2 I.A. No. 1	16,415,000	100.000%	\$ 16,415,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 216,279,071</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Riverside County General Fund Obligations	\$652,187,035	2.069%	\$ 13,493,750
Riverside County Pension Obligations	670,785,000	2.069%	13,878,542
Riverside County Flood Control District, Zone No. 4	2,755,000	10.246%	282,277
Hemet Unified School District Certificates of Participation	33,320,000	50.162%	16,713,978
San Jacinto Unified School District Certificates of Participation	37,665,000	6.295%	2,371,012
<b>City of Hemet</b>	<b>0</b>	<b>100.000%</b>	<b>0</b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 46,739,559</b>
Less: Riverside County Administrative Center Authority (100% self-supporting from tax increment revenues)			-
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 46,739,559</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>			
Hemet Redevelopment Agency Tax Allocation Bonds	6,175,000	100.000%	6,175,000
Riverside County Project Areas Tax Allocation Bonds	307,770,065	0.435-4.736%	3,109,136
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>			<b>9,284,136</b>
<b>DIRECT DEBT</b>			
SOFTWARE SUBSCRIPTION LIABILITY	150,797	100.000%	150,797
			150,797
<b>TOTAL DIRECT DEBT</b>			<b>150,797</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>272,302,765</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>272,302,765</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$ 272,453,562 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$ 272,453,562</b>

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

**Ratios to 2022-23 Assessed Valuations:**

Total Overlapping Tax and Assessment Debt	2.63%
<b>Total Direct Debt</b>	<b>0.00%</b>
Gross Combined Total Debt	3.32%
Net Combined Total Debt	3.32%

**Ratios to Redevelopment Successor Agencies Incremental Valuation (\$2,197,289,533):**

Total Overlapping Tax Increment Debt	0.42%
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Source: California Municipal Statistics, Inc.

City of Hemet  
Legal Debt Margin Information  
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 171,057,453	\$ 181,336,069	\$ 192,577,682	\$ 203,270,441	\$ 214,746,714	\$ 224,300,756	\$ 235,219,009	\$ 246,129,447	\$ 272,384,308	\$ 299,985,540
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 171,057,453</u>	<u>\$ 181,336,069</u>	<u>\$ 192,577,682</u>	<u>\$ 203,270,441</u>	<u>\$ 214,746,714</u>	<u>\$ 224,300,756</u>	<u>\$ 235,219,009</u>	<u>\$ 246,129,447</u>	<u>\$ 272,384,308</u>	<u>\$ 299,985,540</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2024:

Assessed Value	\$ 7,999,614,389
Debt limit (3.75% of assessed value)	<u>\$ 299,985,540</u>
Debt applicable to limit:	
General obligation bonds	
Legal debt margin	<u>\$ 299,985,540</u>

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). Although the statutory debt limit has not been amended by the State since this change, the percentage presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: Riverside County Assessor's Office

City of Hemet  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(in thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds*				Water Revenue Bonds					
	Net Tax Increment	Debt Service		Coverage	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest					Principal	Interest	
2015	992	465	619	0.92	-	-	-	-	-	-
2016	956	580	359	1.02	-	-	-	-	-	-
2017	1,693	470	411	1.92	-	-	-	-	-	-
2018	935	485	394	1.06	-	-	-	-	-	-
2019	905	505	375	1.03	-	-	-	-	-	-
2020	899	530	365	1.00	-	-	-	-	-	-
2021	962	545	330	1.10	-	-	-	-	-	-
2022	829	575	302	0.95	-	-	-	-	-	-
2023	2	610	272	0.00	-	-	-	-	-	-
2024	850	635	241	0.97	Water Revenue Bond paid off in Fiscal year ending 6/30/2009					

\* 1999 and 2002 Tax Allocation Bonds are no longer reported as part of the primary government.

Source: City of Hemet Financial Statements

City of Hemet  
Demographic and Economic Statistics  
Last Ten Years

Calendar Year	Population (1)	Personal Income (2) (in thousands) Local Area Zip Codes	Per Capita Personal Income Local Area Zip Codes	Unemployment Rate (3)
2015	82,253	1,484,696 (4)	18,050	9.70%
2016	80,070	1,777,480 (4)	22,199	8.70% (3)
2017	81,868	1,855,529 (4)	22,665	7.80% (3)
2018	83,166	2,022,498 (4)	24,319	5.60% (3)
2019	84,754	2,125,464 (4)	25,078	5.10% (3)
2020	85,175	2,211,416 (4)	25,963	13.60% (3)
2021	84,525	2,479,382 (4)	29,333	10.40% (3)
2022	89,646	1,213,852 (4)	13,541	5.70% (3)
2023	89,918	- *	- *	6.70% (3)
2024	89,663	- *	- *	7.10% (3)

\* 2023 & 2024 Personal Income Data is not yet available as of October 24, 2024.

- Sources:
- 1 State Department of Finance (data shown is for City of Hemet)
  - 2 Franchise Tax Board Adjusted Gross Income for zip codes 92543, 92544, 92545
  - 3 California Labor Market Info, State and Local Info (data shown is for City of Hemet)
  - 4 Franchise Tax Board Information is based upon calendar year. This statistical information became available beginning in 2005.

City of Hemet  
Principal Employers  
2024

Employer	Number of Employees	Percent of Total Employment
Hemet Unified School District	3,393	12.03%
Physicians For Healthy Hospitals	1,077 *	3.82%
County of Riverside (Various service centers)	708	2.51%
Walmart Supercenter	400 *	1.42%
Stater Bros	344	1.22%
City of Hemet	339	1.20%
Forest River, Inc.	251	0.89%
Tim Moran Ford, Toyota, Hyundai & Inland Chevrolet	236	0.84%
Village Healthcare Retirement	215	0.76%
Home Depot	195	0.69%
Manorcare Health Services	188 *	0.67%
Winco Foods	175	0.62%
McCrometer, Inc.	162	0.57%
Lowe's	160	0.57%
Target	140 *	0.50%
In-n-Out	110	0.39%

\* Number of Employees for Employers are estimates from prior years  
Current year data not available.

Source: City of Hemet Telephone Survey  
California Labor Market Info, Data Library

Numbers are approximate per their Human Resources Department

City of Hemet  
Full-time and Part-time City Employees  
by Function  
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	31	33	30	30	24	30	34	33	38	35
Community Development (Building, Planning, Engineering)	28	27	28	30	22	20	21	19	16	10
Library	12	12	13	12	12	9	9	9	10	10
Police										
Sworn	70	63	75	90	70	70	71	68	78	77
Non-sworn	29	29	35	41	35	33	31	33	39	43
Fire										
Firefighters and Officers	39	39	42	58	49	49	47	54	55	53
Civilians	2	2	3	3	3	2	2	2	4	2
Public Works										
Water	18	21	20	19	14	15	15	16	18	18
Sewer/Storm Drain/Street Sweeping	4	4	8	9	6	10	16	14	18	17
Refuse	0	0	0	0	0	0	0	0	0	0
Streets, Parks, LLMD	31	31	31	29	28	16	15	15	14	19
Facility & Equipment Maintenance	11	10	11	12	10	9	7	9	10	10
Clean City Youth	0	0	0	0	0	0	0	0	0	0
Administration	5	5	4	6	6	4	5	5	5	8
<b>TOTAL</b>	<b>280</b>	<b>276</b>	<b>300</b>	<b>339</b>	<b>279</b>	<b>267</b>	<b>273</b>	<b>277</b>	<b>305</b>	<b>302</b>

Source: City of Hemet Payroll Process  
Report - Active Employees

City of Hemet  
Operating Indicators  
by Function  
Last Ten Fiscal Years

Function:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police</b>										
Calls for Service (1)	25,000	52,346 *	79,101 *	81,566	82,298	82,027	78,286	75,202	71,602	72,841
Arrests (1)	2,109	3,433 *	2,593 *	3,339	4,357	2,637	3,077	2,944	2,733	2,864
Sworn Officer's per 1000 population****	0.84	0.86 *	0.95 *	1.03	1.06	1.06	0.88	0.90	0.91	0.91
<b>Fire</b>										
Calls for Service (1)	15,693	12,672 *	17,946 *	16,918	17,976	17,656	17,666	18,251	18,850	19,751
Fire/Explosion (included in total above)	286	255 *	761 *	333	557	596	517	516	528	601
Medical Aid (included in total above)	15,407	10,816 *	13,867 *	13,958	14,659	14,317	14,159	15,501	16,877	15,557
<b>Community Development</b>										
Permits: New Single Family + Mobile set up	120	80	2	62	55	97	246	641	368	387
Conditional Use Permits applied/approved	9/11	13/6 *	6/6 *	6/5	13/11	8/4	14/7	11/12	8/1	5/2
Site Development Reviews applied/approved	5/4	7/4 *	3/3 *	7/10	6/3	11/6	23/11	22/4	12/9	7/3
<b>Library</b>										
Number of items checked out	451,956	430,614 *	680,326 *	447,775	532,834	481,709	99,018	84,020	99,320	117,622
Number of Cardholders	138,244	110,629 *	149,965 *	152,164	153,527	145,736	116,189	107,579	110,737	114,730
Total items in collection	94,434	98,114 *	101,451 *	90,082	105,498	519,774	790,591	678,238	701,856	105,633
<b>Public Works</b>										
Trees trimmed	1,000	1,800	1,750	1,750 *	1,600	1,595	1,649	1,358	1,818	1,181
Poured Sidewalk (sq ft)	100,000	12,000	38,050	55,000 *	26,283	72,150	17,000	17,400	26,526	3,200
Asphalt remove and replace (sq ft)	1,000,000	158,000	N/A	N/A	80,882 *	1,265,000	695,246	421,075	740,800	208,958
Striping painted (linear ft)	N/A	850,000	N/A	N/A	-	-	558,876	202,000	550,000	338,000
Equipment CHP 90 day inspections/maint	112	124	124	128	112	124	281	242	254	213
Equipment light duty preventative maint	864	766	811	897	774	714	918	1,389	1,432	1,343
Buildings maintained (sq ft)	285,907	285,907	285,907	285,907	285,907	285,907	285,907	285,907	285,907	285,907
Miscellaneous service requests	2,789	3,893 *	1,290 *	1,318	1,459	1,600	1,536	1,500	1,553	1,540
<b>Water</b>										
Number of active accounts	7,761	9,304	9,317	9,226	9,171	9,171	9,815	9,760	9,362	9,528
Water introduced into the System (acre ft)	5,262	3,539	3,784	3,847	3,512	3,195 ***	3,374 ***	3,030 ***	2,744 ***	3,611
1 acre foot=325.851 gallons										

\* These numbers are estimated from historical data. Data was not available.

\*\* These numbers are estimated. The estimates for FY13/14 are due to a change in software used to track Service Orders in various Public Works departments. In Fiscal Year 09/10, the City contracted with YMCA and most currently Valley Wide Recreation to run the Simpson Center and all services associated with it.

\*\*\*Water introduced into the System for calendar year is through October.

\*\*\*\*Sworn Police personnel updated 5/13/2024 to reflect historical budgeted positions.

N/A is data that was not available

Source: Various departments within City of Hemet

City of Hemet  
Capital Asset Statistics  
by Function  
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	5	5	5	5	5	5	5	5	5
Recreation and Culture:										
Number of parks	12	12	12	12	12	12	12	12	12	12
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	111,149	88,756	80,115	80,115	80,115	85,438	92,037	97,396	100,439	100,439
Public Works:										
Area of City (square miles)	28	28	28	28	28	28	29	29	29	29
Miles of Streets	360	360	360	360	360	360	360	360	360	360
Number of Street lights	3,600	3,600	5,479	5,479	5,479	4,249	4,249	4,249	4,311	4,311
Number of water accounts	7,760	9,304	9,317	9,226	9,171	9,171	9,815	9,760	9,362	9,528
Miles of water mains	120	120	130	130	130	132	132	132	132	132
Number of vehicles (city wide)	314	320	314	337	351	354	347	338	326	315

N/A = not available  
Source: Various City Departments

City of Hemet  
Water, Refuse and Sewer Rates  
Last Ten Years

Effective	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024
	Bimonthly	Monthly								
<b>Water</b>										
Low Water Usage Rates										
0-1000 CF	\$ 56.00	N/A								
Normal Water Usage Rates										
Base Water Rates										
5/8" Meter	42.28	24.95	26.25	27.55	30.15	30.15	30.15	30.15	30.15	30.15
3/4" Meter	45.58	27.26	28.87	30.49	33.81	33.81	33.81	33.81	33.81	33.81
1" Meter	54.58	32.83	34.86	36.93	41.16	41.16	41.16	41.16	41.16	41.16
2" Meter	141.50	81.02	85.25	89.47	97.91	97.91	97.91	97.91	97.91	97.91
Consumption Water Rates per 100 CF										
0-600 CF	2.30	6.25	4.41	4.54	4.79	4.79	4.79	4.79	4.79	4.79
'601-1200 CF	2.50	6.25	4.41	4.54	4.79	4.79	4.79	4.79	4.79	4.79
'1201-over CF	2.88	6.25	4.41	4.54	4.79	4.79	4.79	4.79	4.79	4.79
<b>Sewer</b>										
City sewer and storm drain	15.04	10.30	10.80	11.30	11.30	11.30	11.30	11.30	11.30	11.30

The City of Hemet has a Franchise Agreement in place with CR&R for Refuse services. The City stopped providing Refuse services on 11/30/2011.

Source: City of Hemet Water Department

City of Hemet  
 Water Sold by Type of Customer  
 Last Ten Years  
 (in 100 Cubid Feet)

Type of Customer	Calendar Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>	<u>2024</u>
Single Family Residential	639,159	734,462	619,717	631,454	617,295	566,067	587,959	541,157	505,783	657,884
Multi-Family Residential	436,877	428,529	458,262	467,488	450,826	404,052	419,053	408,380	389,479	483,472
Commercial/Institutional	351,109	375,643	529,217	397,603	342,816	303,233	339,598	332,316	287,904	407,975
Landscape Irrigation	<u>114,399</u>	<u>109,508</u>	<u>82,723</u>	<u>116,710</u>	<u>118,988</u>	<u>118,251</u>	<u>123,084</u>	<u>127,815</u>	<u>93,497</u>	<u>130,847</u>
Total	<u>1,541,545</u>	<u>1,648,142</u>	<u>1,689,919</u>	<u>1,613,256</u>	<u>1,529,926</u>	<u>1,391,602</u>	<u>1,469,694</u>	<u>1,409,668</u>	<u>1,276,663</u>	<u>1,680,179</u>

Source: City of Hemet Water Department  
 \*data provided is through October