



CALIFORNIA CITIES FOR SELF RELIANCE JOINT POWERS AUTHORITY
REGULAR SCHEDULED MEETING

THIS MEETING WILL BE CONDUCTED IN PERSON, TELEPHONICALLY AND ELECTRONICALLY AT THE FOLLOWING:

**CITY OF COMPTON
CITY HALL
205 SOUTH WILLOWBROOK AVENUE
COMPTON, CA 90220**

TELECONFERENCE PHONE NUMBER: (669) 900-6833, 6476620089#

ELECTRONICALLY AT ZOOM MEETING ID: 647 662 0089

WEDNESDAY, NOVEMBER 13, 2024

11:00 A.M.

A G E N D A

1. CALL TO ORDER & ROLL CALL

Board Members: Francis De Leon Sanchez, Vice Chair - *Bell Gardens*
Hugo Argumedo, Secretary – *Commerce*
Emma Sharif, Chair – *Compton*
Martin Fuentes, Treasurer – *Cudahy*
Victor Farfan, Member – *Hawaiian Gardens*

2. APPROVAL OF AGENDA

3. PUBLIC PARTICIPATION

Public participation is now open. The members of the audience now have the right to speak on agenda items and any item under the jurisdiction of the Authority. This period will be limited to thirty minutes, with no more than three minutes for each speaker. Anyone desiring to speak during the public comment period must submit an email request juan@sixheron.com, or to the Authority Secretary via Zoom prior to the close of public participation. Due to policy and Brown Act requirements, action will not be taken on any issues not on the Agenda.

Please state your name and address clearly.

4. NEW BUSINESS – OPEN SESSION

4-1. Consideration and possible action to approve the Minutes of October 9, 2024 Regular Meeting of the Board.

4-2. Consideration and possible action to receive and file Financial Summary and Warrant Register dated November 13, 2024.

4-3. Status update & report from California Advocacy, LLC with respect to legislative matters.

4-4. Consideration and possible action on legislative & regulatory matters.

4-5. Consideration and possible action to receive and file California Cities for Self-Reliance Joint Powers Authority Audited Financial Statements (As of and for the Year Ended June 30, 2024) Report.

4-6. Discussion and possible direction regarding remote meeting participation by board members of the JPA.

4-7. Discussion and possible direction regarding addition of member cities and related review of JPA bylaws.

4-8. Discussion and possible direction on creation of an Ad Hoc Committee on JPA Membership Expansion.

5. OTHER MATTERS AND REPORTS

5-1. General Counsel's Report

Pursuant to Government Code § 54954.2 (a)(3) – A report to the Board of Directors and the public on General Counsel's activities, including compliance efforts,

approval of contracts as to form, receipt of notices, and requests to place matters on subsequent agendas (excluding any matters qualifying for closed session consideration).

5-2. Executive Director Report/Summary

6. OTHER MATTERS AND REPORTS

6-1. None

7. FUTURE AGENDA ITEMS

8. CHAIRMAN AND BOARD MEMBER REPORTS

This is the time and place for the Chairman and Board Members to report on any other items of interest. Upon request by an individual Board Member, the Authority may choose to take action on any of the subject matters listed below.

Member Farfan (Hawaiian Gardens)

Treasurer Fuentes (Cudahy)

Secretary Argumedo (Commerce)

Vice Chair De Leon Sanchez (Bell Gardens)

Chair Sharif (Compton)

9. ADJOURNMENT

The next regular meeting of the California Cities for Self-Reliance Joint Powers Authority will be held December 11, 2024 in the City of Cudahy.



**CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY
REGULAR SCHEDULED MEETING**

**CITY OF COMMERCE
ADMINISTRATION CONFERENCE ROOM
2535 COMMERCE WAY
COMMERCE, CA 90040**

TELECONFERENCE PHONE NUMBER: (669) 900-6833, 6476620089#

ELECTRONICALLY AT ZOOM MEETING ID: 647 662 0089

WEDNESDAY, OCTOBER 9, 2024

11:19 AM

MINUTES

1. CALL TO ORDER & ROLL CALL

Chair Sharif called the meeting to order at 11:19 am and performed a roll call. Quorum was established under the following participation:

- Victor Farfan, *Member – Hawaiian Gardens*
- Emma Sharif, *Chair – Compton*
- Martin Fuentes, *Treasurer – Cudahy (ABSENT)*
- Marco Barcena, *Alternate Member – Bell Gardens*
- Hugo Argumedo, *Secretary – Commerce*

2. APPROVAL OF AGENDA

Member Farfan moved and Secretary Argumedo seconded to approve the agenda as posted and presented.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes

Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

3. PUBLIC PARTICIPATION

The following individuals were present during the meeting: Stephanie Arechiga, Gary Townsend, Gisselle Delgado, John Griffo, Juan Garza. Mayra Garza & Marvin Pineda participated via Zoom.

No comments were provided by members of the public.

4. NEW BUSINESS – OPEN SESSION

4-1. Consideration and possible action to approve the Minutes of the September 11, 2024 Regular Meeting of the Board.

Secretary Argumedo moved and Member Farfan seconded to approve the Minutes.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes
Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

4-2. Consideration and possible action to approve the Minutes of the September 18, 2024 Special Meeting of the Board.

Secretary Argumedo moved and Member Farfan seconded to approve the Minutes.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes
Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

4-3. Consideration and possible action to receive and file Financial Summary and Warrant Register dated October 9, 2024.

Member Farfan moved and Secretary Argumedo seconded to receive and file the Financial Summary and Warrant Register.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes
Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

4-4. Status update & report from California Advocacy, LLC with respect to legislative matters.

Mr. Pineda reported on Governor Newsom signed SB 549 (Newman) into law. Mr. Griffo provided related comments from a cardroom perspective.

Mr. Pineda also reported on Attorney General Bonta's recently-released economic impact report as part of his efforts to consider new regulations for various games played in our cardrooms. It is anticipated that any new related regulations could take until 2027 for implementation, not including anticipated legal challenges. Staff will review and monitor, and report at a later point in time.

Finally, a 2026 ballot initiative on gaming is anticipated.

Member Farfan moved and Secretary Argumedo seconded to receive and file the report.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes
Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

4-5. Consideration and possible action on legislative & regulatory matters.

None.

4-6. Discussion and possible direction regarding addition of member cities and possible amendment of bylaws.

Ms. Arechiga provided background on recent board member requests for consideration and development of potential JPA membership expansion guidelines.

After discussion, direction to staff included continuing this matter for continued conversation and consideration, inclusion of an agenda item at the next regular meeting of the board for potential creation of an Ad Hoc Committee to work on this matter, and presentation of the JPA's current bylaws at the next regular meeting of the board for consideration and evaluation to harmonize the bylaws with JPA expansion considerations.

Secretary Argumedo moved and Member Farfan seconded to continue discussion and evaluation of this subject matter to the next regular meeting of the board.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes
Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

5. OTHER MATTERS AND REPORTS

5-1. Report of General Counsel

No action.

5-2. Executive Director Report/Summary

Executive Director Garza reported on:

- 1) SB 549 (Newman) – Post-Engagement Efforts (New York Times)
- 2) Holiday Party

Member Farfan moved and Secretary Argumedo seconded to receive and file the report.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes

Compton	Yes
Cudahy	Absent
Hawaiian Gardens	Yes

6. OTHER MATTERS AND REPORTS

6-1. None

7. FUTURE AGENDA ITEMS

None.

8. CHAIRMAN AND BOARD MEMBER REPORTS

This is the time and place for the Chairman and Board Members to report on any other items of interest. Upon request by an individual Board Member, the Authority may choose to take action on any of the subject matters listed below.

Member Farfan (Hawaiian Gardens)

Secretary Argumedo (Commerce)

Alternate Member Barcena (Bell Gardens)

Chair Sharif (Compton)

9. ADJOURNMENT (12:15 PM)

At 12:15 pm, Chair Sharif adjourned the meeting to the next regular meeting of the board of the California Cities for Self-Reliance Joint Powers Authority to be held on November 13, 2024 in the City of Compton.

Emma Sharif, Chair

ATTEST:

Hugo Argumedo, Secretary



**CALIFORNIA CITIES FOR SELF-RELIANCE
JOINT POWERS AUTHORITY**

**WARRANT REPORT AND FINANCIAL
SUMMARY – OCTOBER 2024**

WEDNESDAY, NOVEMBER 13, 2024.

BALANCE SHEET

11/13/2024 JPA MEETING

Page: 1

11/7/2024

3:58 pm

City of Hawaiian Gardens

As of: 10/31/2024

Balances

Fund: 50 - CA CITIES FOR SELF RELIANCE

Assets

1000.0000 CASH

255,507.89

Total Assets

255,507.89

Liabilities

2100.0000 ACCOUNTS PAYABLE

15,888.63

Total Liabilities

15,888.63

Reserves/Balances

2900.0000 FUND BALANCE-UNASSIGNED

117,659.69

2920.0000 CHANGE IN FUND BALANCE

121,959.57

Total Reserves/Balances

239,619.26

Total Liabilities & Balances

255,507.89

Edit List of Invoices - Summary

11/13/2024 JPA MEETING

Date: 11/07/2024

Time: 3:33 pm

Page: 1

City of Hawaiian Gardens

Ref. No.	Vendor Name	Invoice No.	Posting Date	PONumber	Invoice Date	Invoice Description	Invoice Amount
179924	HUGO ARGUMEDO	2024-10-09	10/09/2024		10/09/2024	10.09.24 MTG STIPEND	250.00
						Vendor Total:	250.00
179925	MARCO BARCENA	2024-10-09	10/09/2024		10/09/2024	10.09.24 MTG STIPEND	250.00
						Vendor Total:	250.00
179926	VICTOR FARFAN	2024-10-09	10/09/2024		10/09/2024	10.09.24 MTG STIPEND	250.00
						Vendor Total:	250.00
179928	JUAN GARZA	2024-10-31	10/31/2024		10/31/2024	OCT 2024 SALARY	6,744.00
						Vendor Total:	6,744.00
179929	OLIVAREZ MADRUGA LAW	26233	10/31/2024		10/31/2024	OCT 2024 SVCS - GENERAL	320.00
179930	OLIVAREZ MADRUGA LAW	26234	10/31/2024		10/31/2024	OCT 2024 SVCS - BOARD MEETIN	1,158.63
						Vendor Total:	1,478.63
179931	EVELYN PINEDA	2024-10-28	10/28/2024		10/28/2024	OCT 2024 SVCS	6,666.00
						Vendor Total:	6,666.00
179927	EMMA SHARIF	2024-10-09	10/09/2024		10/09/2024	10.09.24 MTG STIPEND	250.00
						Vendor Total:	250.00
Grand Total:							15,888.63
Less Credit Memos:							0.00
Net Total:							15,888.63
Less Hand Check Total:							0.00
Outstanding Invoice Total:							15,888.63
Total Invoices: 8							

REVENUE/EXPENDITURE REPORT
11/13/2024 JPA MEETING

City of Hawaiian Gardens

For the Period: 7/1/2024 to 10/31/2024 Original Bud. Amended Bud. YTD Actual CURR MTH Encumb. YTD UnencBal % Bud
Fund Type: SR SPECIAL REVENUE FUNDS

Fund: 50 - CA CITIES FOR SELF RELIANCE

Revenues								
Function:								
Dept: 0000 ASSETS								
Acct Class: REV REVENUE								
3742.0050	JPA MEMBERSHIP FUNDING	157,500.00	157,500.00	157,500.00	35,000.00	0.00	0.00	100.0
3742.0052	CASINO DONATIONS	70,000.00	70,000.00	35,000.00	17,500.00	0.00	35,000.00	50.0

REVENUE		227,500.00	227,500.00	192,500.00	52,500.00	0.00	35,000.00	84.6
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ASSETS		227,500.00	227,500.00	192,500.00	52,500.00	0.00	35,000.00	84.6
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Function:		227,500.00	227,500.00	192,500.00	52,500.00	0.00	35,000.00	84.6
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Revenues		227,500.00	227,500.00	192,500.00	52,500.00	0.00	35,000.00	84.6
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Expenditures

Function:								
Dept: 4908 JOINT POWERS AUTHORITY								
Acct Class: OPER OPERATING COSTS								
4200.0050	CONTRACT SVC-EX DIR JPA	80,925.00	80,925.00	26,976.00	6,744.00	0.00	53,949.00	33.3
4200.0052	COMMUNICATIONS	14,400.00	14,400.00	0.00	0.00	0.00	14,400.00	0.0
4202.0000	AUDIT SERVICES	6,500.00	6,500.00	0.00	0.00	0.00	6,500.00	0.0
4210.0000	TRAVEL & MEETINGS	0.00	0.00	1,117.48	0.00	0.00	-1,117.48	0.0
4211.0000	MEETING STIPENDS	17,250.00	17,250.00	5,000.00	1,000.00	0.00	12,250.00	29.0
4213.0000	OTHER OPERATING COSTS	9,000.00	9,000.00	0.00	0.00	0.00	9,000.00	0.0
4250.0001	LEGISLATIVE ADVOCATE/JPA	80,000.00	80,000.00	26,664.00	6,666.00	0.00	53,336.00	33.3
4252.0000	SPECIAL COUNSEL - CONTRACT	19,425.00	19,425.00	10,782.95	1,478.63	0.00	8,642.05	55.5

OPERATING COSTS		227,500.00	227,500.00	70,540.43	15,888.63	0.00	156,959.57	31.0
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JOINT POWERS AUTHORITY		227,500.00	227,500.00	70,540.43	15,888.63	0.00	156,959.57	31.0
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Function:		227,500.00	227,500.00	70,540.43	15,888.63	0.00	156,959.57	31.0
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Expenditures		227,500.00	227,500.00	70,540.43	15,888.63	0.00	156,959.57	31.0
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Net Effect for CA CITIES FOR SELF RELIANCE		0.00	0.00	121,959.57	36,611.37	0.00	-121,959.57	0.0
Change in Fund Balance:				121,959.57				

Net Effect for SPECIAL REVENUE FUNDS		0.00	0.00	121,959.57	36,611.37	0.00	-121,959.57	
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Grand Total Net Effect:		0.00	0.00	121,959.57	36,611.37	0.00	-121,959.57	
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ITEM 4-3

11079th Street, Suite 420,

Sacramento, CA 95814

Phone:(916) 869-3685

www.CaliforniaAdvocacy.com



November 13, 02024

California Update: Agenda

1. California Attorney General – Cardroom Regulations
2. Trial Ballot Initiative 2026



California Cities for Self-Reliance Joint Powers Authority Audited Financial Statements
As of and for the Year Ended June 30, 2024 with Independent Auditor's Report

**California Cities for Self-Reliance Joint Powers Authority
Audited Financial Statements**

*As of and for the Year Ended June 30, 2024
with Independent Auditor's Report*

California Cities for Self-Reliance Joint Powers Authority

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To the Board of Directors of
California Cities for Self-Reliance Joint Powers Authority

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of California Cities for Self-Reliance Joint Powers Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of California Cities for Self-Reliance Joint Powers Authority as of June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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 opinion. 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors of
California Cities for Self-Reliance Joint Powers Authority

In performing an audit in accordance with GAAS, 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 Authority'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 Authority'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.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California

October 25, 2024

California Cities for Self-Reliance Joint Powers Authority
Statements of Net Position
June 30, 2024

ASSETS	
Current assets:	
Cash	\$ 133,785
Total current assets	<u>133,785</u>
Total assets	<u>133,785</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	<u>16,125</u>
Total current liabilities	<u>16,125</u>
Total liabilities	<u>16,125</u>
 NET POSITION	
Unrestricted	<u>117,660</u>
Total net position	<u>\$ 117,660</u>

See accompanying notes to the basic financial statements.

California Cities for Self-Reliance Joint Powers Authority
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	Total
OPERATING REVENUES:	
Membership dues and contributions	\$ 227,500
Total operating revenues	227,500
OPERATING EXPENSES:	
Consulting	80,928
Board stipends	12,000
Legal fees	17,792
Finance and audit services	20,200
Legislative lobbying	79,992
Operation expenses	120
Total operating expenses	211,032
Change in net position	16,468
Net position, beginning of year	101,192
Net position, end of year	\$ 117,660

See accompanying notes to the basic financial statements.

California Cities for Self-Reliance Joint Powers Authority
Statement of Cash Flows
For the Year Ended June 30, 2023

	Total
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from membership dues and contributions	\$ 227,500
Cash paid to suppliers for goods and services	<u>(209,727)</u>
Net cash provided (used by) operating activities	<u>17,773</u>
Net increase (decrease) in cash	17,773
Cash, beginning of year	<u>116,012</u>
Cash, end of year	<u><u>\$ 133,785</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:	
Operating income (loss)	\$ 16,468
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in operating assets and liabilities:	
Increase (decrease) in accounts payable	<u>1,305</u>
Total adjustments	<u>1,305</u>
Net cash provided (used) by operating activities	<u><u>\$ 17,773</u></u>

See accompanying notes to the basic financial statements.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Year ended June 30, 2024

NOTE 1 ORGANIZATION AND ACTIVITIES

The California Cities for Self-Reliance Joint Powers Authority (the Authority) was created in July 2001 pursuant to the California Government Code. The Authority was created to promote and protect the card club gaming economy of the State of California and its member cities in order to enhance the economic climate and improve the quality of life for the residents in the Southern California region. On August 19, 2015, the agreement was amended to extend the Authority's initial term to July 10, 2017. Thereafter, the initial term shall be extended for successive terms of two (2) years each ("extended term") unless any member gives written notice of non-renewal to each of the other members six (6) months prior to the expiration of the initial term or any extended term. In the event a member gives notice of non-renewal, the term will renew for a successive term of two (2) years, but the member giving such notice shall cease to be a member of the Authority. Any member shall have the ability to withdraw from the Authority by giving each member thirty (30) days written notice of its intention to withdraw.

The Authority is governed by a Board of Directors composed of five appointed directors: one by the City of Bell Gardens, one by the City of Commerce, one by the City of Compton, one by the City of Hawaiian Gardens, and one by the City of Cudahy. The Authority is legally separate and fiscally independent from each of the member entities. This means it can incur debt, set and modify its own budget and fees, enter into contracts, and sue and be sued in its own name. However, the Authority does not have the power to issue bonds or other forms of indebtedness authorized by law.

The Authority's organizational documents consist of a joint powers agreement and a set of by-laws. Among other things, these organizational documents establish a governing board to conduct the affairs of the Authority. The legislative body of each member agency selects one of its members to be the agency's representative to the Authority's governing board, and another of its members to be the agency's alternative representative.

In August and September of 2019, there were some changes to the organization and membership in the Authority. The City of Inglewood and the City of Gardena withdrew from the Authority. These withdrawals were the result of their respective City Council decisions that they no longer wished to participate in the Authority. The remaining five (5) member Cities of Bell Gardens, Commerce, Compton, Cudahy, and Hawaiian Gardens made appropriate changes to the Authority's by-laws and agreements.

The accompanying financial statements reflect the financial activities of the Authority. The Authority has no component units.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Year ended June 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applied to governmental agencies and have been consistently applied in the preparation of the financial statements.

Basis of Accounting and Measurement Focus

The Authority is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting. Under this basis of accounting and measurement focus, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Authority's financial statements are presented in accordance with the provisions of GASB Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* as amended by GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants. Statement Nos. 34 and 63 established standards for external financial reporting for all state and local governmental entities. It requires the classification of net position into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - This component of net position consists of resources that do not meet the definition of "restricted" or "net investment in capital assets".

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Year ended June 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Membership dues

The Authority receives membership dues from the member cities on an annual basis and recognizes membership dues revenue when earned.

Contributions

The Authority receives contributions from its member cities. Contributions primarily include unconditional promises to give cash or other assets. Contributions, whether restricted or unrestricted, are recognized as revenue when they are received. Unconditional promises to give are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions expire, whichever occurs first.

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of cash or other assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. The Authority did not receive restricted contributions during the year ended June 30, 2024.

Stewardship and Accountability

The Authority operates on a reimbursement basis. Each month, the Authority reports all expenses incurred to the member cities to obtain reimbursement. The member cities reimburse the Authority on a monthly basis.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months from the date of acquisition. At June 30, 2024, cash and cash equivalents comprise of bank deposits.

Dues Receivable

Dues receivable relate to membership dues and expense reimbursement from member cities and are expected to be fully collectible.

Accounts Payable

Accounts payable are recognized in the period in which the goods or services are received or when a legally enforceable claim against the Authority is established or when the corresponding assets or expenses are recognized. These are measured at fair value, normally equal to their nominal amount.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Year ended June 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Special Assessment Revenues

Unearned special assessment revenues comprised of amounts collected from each member city for public relations services and lobbying services. Any unused amount would be refunded to the member city.

NOTE 3 CASH AND CASH EQUIVALENTS

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2024, the Authority's funds consist of deposits with financial institutions not exposed to interest rate risk.

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. As of June 30, 2024, the Authority's funds consist of deposits with financial institutions that are not rated.

Concentration of Credit Risk

Financial instruments, which potentially expose the Authority to concentration of credit risk, consist primarily of cash and cash equivalents. The Authority places its cash and cash equivalents with major financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times during the year ended June 30, 2024, balances on deposit in financial institutions exceeded Federal Deposit Insurance Corporation (FDIC) insured limits of \$250,000. The Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in regard to cash.

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 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. As of June 30, 2024, none of the Authority's deposits or investments were exposed to custodial credit risk.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Year ended June 30, 2024

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Fair Value Measurement

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the Authority categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2024, the Authority's funds which consist of deposits with financial institutions are not subject to fair value measurement.

NOTE 4 SUBSEQUENT EVENTS

The Authority has evaluated subsequent events for recognition or disclosure through October 25, 2024, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in the financial statements.



TO: Honorable Chair and Members of the Governing Board
FROM: Stephanie Arechiga, General Counsel
SUBJECT: **Discussion and Possible Direction Regarding Addition of Member Cities and Related Review of Joint Powers Authority Bylaws**
DATE: November 13, 2024

RECOMMENDATION

The Members of the Authority are recommended to discuss and provide direction regarding the addition of member cities to the Authority as well as provide potential edits for the Authority's Bylaws.

BACKGROUND/JUSTIFICATION OF RECOMMENDED ACTION

The Authority has previously requested a review of the Authority's Bylaws to outline and address the potential for inviting additional member cities. This discussion will allow the Authority to provide clear direction as to what the roles of the new member cities will be, how each new member city will benefit from joining, the role the current cities will continue to play, etc.

It is expected that this discussion will be held over a series of meetings, there is also a potential ad hoc committee creation that would take place under Agenda Item No. 4-8 should the Authority choose to do so.

FISCAL IMPACT

There is currently no fiscal impact on the Authority's budget with regard to the discussion of additional member cities.

RECOMMENDATION

Accordingly, it is recommended that the Authority discuss and provide direction regarding the addition of member cities to the Authority as well as provide potential edits for the Authority's Bylaws.

ATTACHMENT

None.



TO: Honorable Chair and Members of the Governing Board

FROM: Juan Garza, Executive Director

SUBJECT: **Executive Director Report/Summary**

DATE: November 13, 2024

- 1) November 5, 2024 Election Results - Impacts on JPA Membership Interests
- 2) 2025 Legislative Calendar Year
- 3) Holiday Party