



City of Wildomar, CA

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022



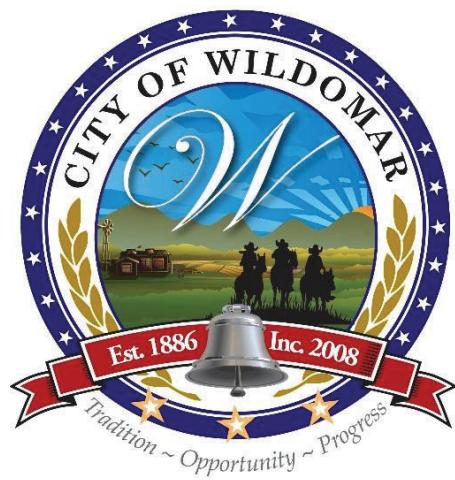
City of Wildomar, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

Prepared By:

**The City of Wildomar
Finance Department**



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City of Wildomar

Annual Comprehensive Financial Report For the Year Ended June 30, 2022

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City of Wildomar

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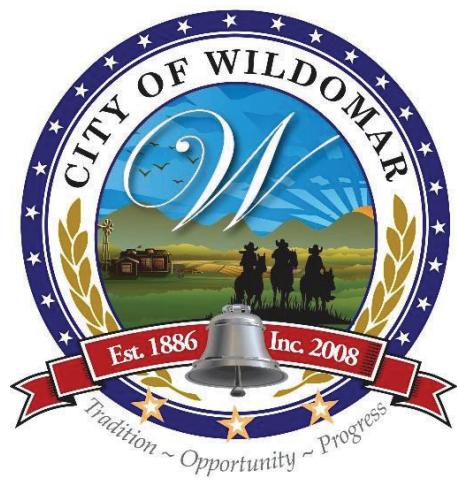
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INTRODUCTORY SECTION



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Letter of Transmittal

September 28th, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Wildomar:

On behalf of the Management Team and City Staff, we are privileged to submit the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The information found in this report is provided by the Administrative Services Department to the City Council and the public to assist those interested in the City's fiscal condition.

State law and the City's Municipal Code require that an annual financial report be prepared. The submitted report fulfills that obligation. This report consists of management representations concerning the finances of the City of Wildomar in its fourteenth year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report.

To provide a reasonable basis for making these representations, the management of the City of Wildomar continues to establish a comprehensive internal control framework. This framework is designed to protect the government's assets from loss, theft, or misuse. Simultaneously, it empowers City staff to prepare the City of Wildomar's financial statements in accordance with generally accepted accounting principles (GAAP) and the financial reporting requirements outlined by the Governmental Accounting Standards Board (GASB). Recognizing that the cost of internal controls should not outweigh their benefits, the City of Wildomar's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance regarding the accuracy of the financial statements. As responsible management, we affirm that, to the best of our knowledge and belief, this financial report is complete and dependable in all material aspects.

The financial statements of the City of Wildomar underwent an independent audit conducted by Rogers, Anderson, Malody, and Scott, LLP., a certified public accounting firm. The primary objective of this independent audit was to offer reasonable assurance regarding the accuracy of the City of Wildomar's financial statements for the fiscal year ending on June 30, 2022, with the aim of detecting any significant misstatements. This comprehensive audit involved a thorough examination of pertinent evidence that supports the figures and disclosures in the financial statements, an evaluation of the accounting

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principles applied and managerial assumptions, as well as an assessment of the overall presentation of the financial statements.

The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative of introductions, 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 of Wildomar's MD&A can be found immediately following the report of the independent auditors, in the financial section of this report.

Profile of the Government

The area of Wildomar, located in southwestern Riverside County, was incorporated as a city on July 1st, 2008. The City is approximately 70 miles north of San Diego and 60 miles southeast of Los Angeles. Its boundaries encompass 24 square miles, providing a "Community Ranch" lifestyle for its 36,632 residents.

The City Council is composed of 5 Council Members, who are elected by district without party affiliation. Every year, the Council Members choose a Mayor and Mayor Pro Tem from among themselves. Biennial elections occur in November during even-numbered years. The terms of office span 4 years but overlap, ensuring that the City maintains a consistent pool of knowledge in its governance and legislative affairs.

The Council is responsible for adopting ordinances, resolutions, and regulations governing the City and for the appointment of the City Manager, City Attorney, and members of various statutory and advisory boards. As Chief Administrative Officer, the City Manager has the responsibility of administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the Council.

The Wildomar Cemetery District (District) was consolidated into the City of Wildomar as a subsidiary district on November 9, 2011. As a result, the structure of the District is a separate legal entity and the City Council of the City of Wildomar oversees the operations of the District with the City Council acting as the Board of Trustees.

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This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Wildomar's City Council is financially accountable. The City provides the full range of municipal services normally associated with a municipality including general administration, police and fire protection, the construction and maintenance of streets, and related infrastructure, recreational activities, and economic development.

The operations of the Wildomar Cemetery District are discretely presented in the financial statements. A component unit financial statement may be obtained from the City.

The Budget Process

The City Council adopted a Biennial budget for Fiscal Years 2021/22 and 2022/23 at a Public Hearing held on June 9th, 2021. Since that adoption date, several changes have occurred through the FY 2021/22 Quarterly Budget Reviews.

The biennial budget serves as the foundation for the City of Wildomar's financial planning and control. The development of the budget is completed as two separate projects: the development of the governmental activities program budget, and the development of the capital improvement program focusing on longer term capital projects.

Each department within the City of Wildomar is mandated to submit appropriation requests for all governmental activities to the City Manager no later than the conclusion of April. Subsequently, the City Manager, in collaboration with the Administrative Services Department, utilizes these requests as the initial foundation for crafting a proposed budget for the governmental activities.

In March, a budget workshop is convened to gather input from the public. Subsequently, in May, the City Manager presents the proposed budget encompassing all governmental activities to the City Council for their review and feedback during a Council meeting. Typically, the governmental activities budget is officially adopted during the Council meeting held in June.

Factors Affecting Financial Condition

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

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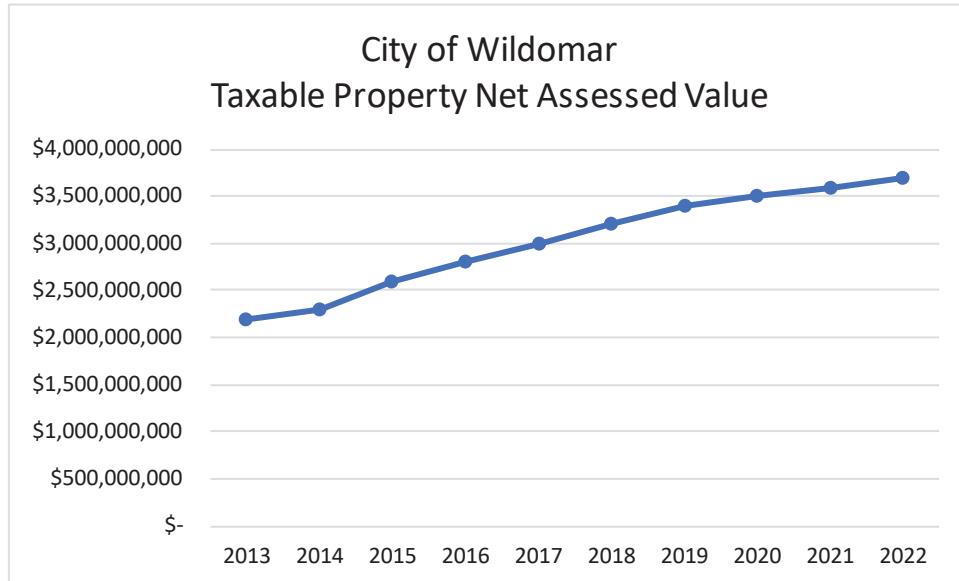
Local Economy

The City of Wildomar, now in its fourteenth year since incorporation, is enjoying steady and sustained growth. The city boasts a median age of 35 and a per capita personal income of \$31,395, marking a notable 14.9% increase compared to the fiscal year 2020-21, despite the pandemic's local and regional impact.

Property valuations have also seen a positive uptick, rising by 5.4% compared to the fiscal year 2020-21. Additionally, the City has received its fifth annual installment of SB 130 Funds, which were authorized by Governor Brown on May 12, 2017. These funds serve as a replacement for the Motor Vehicle License Fee payments, which the State had previously redirected in 2012, following the provisions of SB 89 in 2011.

The charts below and on the next page illustrate the trends for the last ten years in taxable property net assessed value, property tax revenue and sales tax revenue.

Chart 1.



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Chart 2.

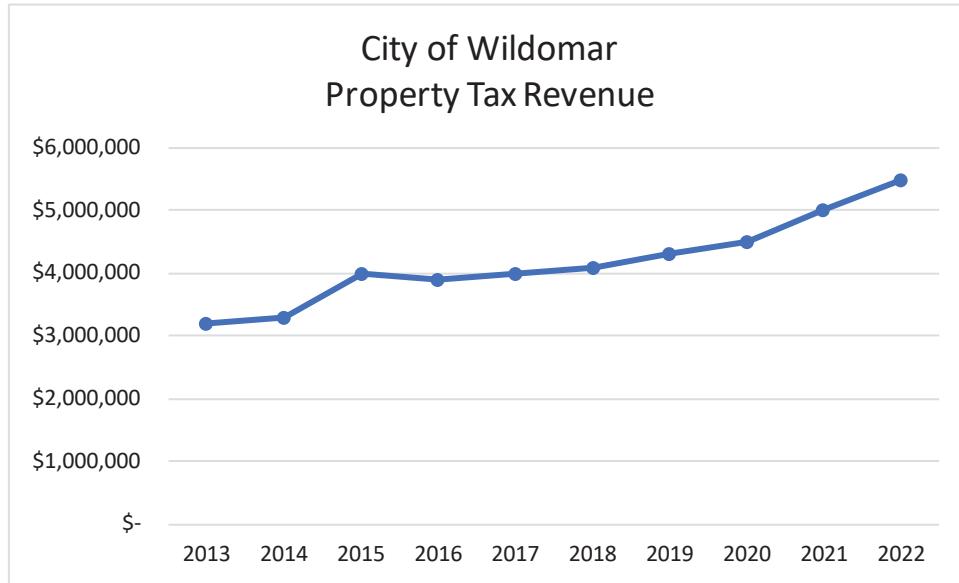
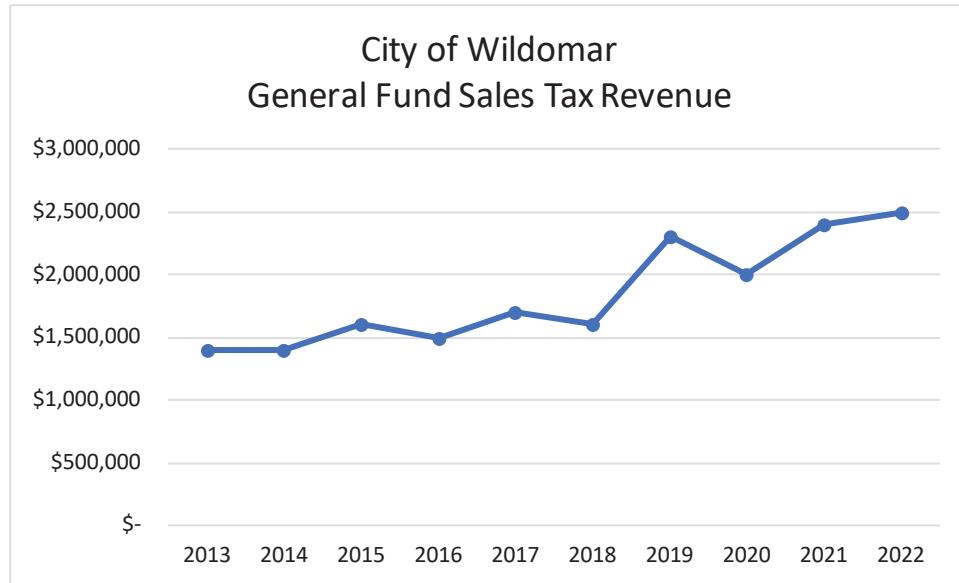


Chart 3.



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Coronavirus (COVID-19) Pandemic

In March 2020, the State of California and Riverside County issued "Safer at Home" orders to address the growing spread of the Coronavirus Disease 2019 (COVID-19) virus. This order applied to everyone in non-essential job classifications. It was anticipated that some of the local revenue streams, particularly sales tax, would be negatively impacted by this order.

On March 27, 2020, the City Manager, acting in the capacity of the City's Director of Emergency Services, issued Director of Emergency Services Order No. E-2020-01 ("Order"). This action was taken in accordance with Wildomar Municipal Code ("WMC") section 2.32.060 and Section 4 of Resolution No. 2020-19, which declared a local emergency in response to the COVID-19 pandemic. These provisions granted the Director of Emergency Services the authority to establish rules and regulations addressing matters reasonably connected to safeguarding life and property during the emergency. Subsequently, these regulations were formally ratified by the City Council during its meeting on April 8, 2020. The Order had the effect of temporarily suspending the enforcement of specific provisions of the WMC and either reducing or entirely suspending certain fee requirements.

To assist in recovering from the pandemic, the City received \$459,103 in CARES Act Funding from the Federal Government via the State of California. The funds were fully utilized in FY2020-21, prior to this audit year.

In June 2021 the City was notified that it would be receiving \$8,905,968 in American Rescue Plan Act (ARPA) funding. Payments are structured to be received in two installments. The initial payment of \$4,452,984 was received in July 2021, followed by the second payment of an equal amount in July 2022. Eligible expenses became applicable starting from March 2021. All allocated funding must be encumbered by December 2024, and all expenditures should be finalized by December 2026.

The utilization of ARPA funding must adhere to the guidelines outlined in the U.S. Treasury's Final Rule, published in January 2022. This rule encompasses a \$10 million allowance for revenue loss, permitting the City to use ARPA funds to reimburse up to \$10 million in government service expenses. Additionally, the funding can be allocated for addressing public health and economic impacts, providing premium pay to essential workers, and supporting improvements in water, sewer, and broadband infrastructure. As of the time of this report, City staff are actively engaged in researching the most effective strategies for appropriating these funds. Their recommendations will be presented to the City Council during the regular budget meetings for consideration.

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Financial Reserves

The fiscal year 2021-22 marked the first year of the City's fifth two-year budget program. As the fiscal year concluded, the General Fund witnessed revenues totaling \$17,208,757 and net transfers in of \$319,839. These figures surpassed expenditures of \$16,144,725, resulting in a net change in fund balance amounting to \$1,383,871. Consequently, the ending fund balance reached \$3,828,664, equivalent to 23.7% of general fund expenditures. This higher fund balance can be attributed to several factors, including increased sales and property tax revenues, as well as heightened activity in licensing and permitting. Furthermore, the implementation of GASB 87: Leases led to the recording of a lease acquisition worth \$1,334,287, contributing significantly to the growth of the net fund balance.

The General Fund's actual revenues exceeded the adjusted budget by a net total of \$1.49 million. This surplus can be primarily attributed to a combination of the following factors:

- Taxes were \$0.67 million higher than budget due to the final amounts received for fiscal year 2021-22 being higher than projections.
- Lease Acquisition Inflows related to compliance with GASB 87: Leases were \$1.33 million over budget due to FY2022 being the first year of implementation.

The General Fund's actual expenditures were \$0.53 million less than the adjusted budget, and this reduction can be attributed to several primary sources:

- Police Services were \$0.32 million less than budgeted due to changes in general service levels and increased enhanced services allocated to Measure AA funding.
- Capital Outlays related to compliance with GASB 87: Leases were \$1.33 million over budget due to FY2022 being the first year of implementation.
- Public Works department expenditures were \$0.58 million less than budgeted due to increased capital project activity under special revenue funds.

Long-term financial planning and initiatives

On November 6, 2018, the voters of Wildomar approved Measure AA, which introduced a local sales tax. Starting from April 1, 2019, Measure AA instituted a 1.0% transactions tax on the gross receipts of any retailer stemming from the sale of tangible property within the city's boundaries. Additionally, a 1.0% excise tax was imposed on

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the storage, use, or other consumption of tangible personal property purchased from any retailer within the city limits of Wildomar. During the fiscal year 2021-22, this tax generated revenue totaling \$5.68 million. The generated revenues are allocated to support various improvements, including those related to public safety services, road infrastructure, homeless outreach, and other enhanced services aimed at enhancing the quality of life in Wildomar.

The City Council of Wildomar approved an ordinance on May 28, 2020, which allowed for the operation of cannabis businesses within the city. This ordinance led to the addition of Chapters 5.76 and 17.315 to the Wildomar Municipal Code, outlining regulations pertaining to cannabis businesses. The ordinance officially came into effect in July 2020. These cannabis businesses will provide sales tax revenue, regulatory revenue fees, and public benefit fees to the City's finances. As of now, two cannabis businesses have already commenced operations within the City. Additionally, there is anticipation that at least one more cannabis business will initiate operations before the conclusion of the 2022-23 fiscal year.

In FY 2022-23, the City will be exploring long-term options to procure a City Hall. Options may include purchasing the current building or partnering with developers to construct a new structure.

The City will continue its focus on controlled and fiscally balanced growth. The City believes that with the appropriate policies in place, as approved and revisited each quarter as part of the budget program, the City's long term financial goals will be met. The City has taken many steps to control expenditure growth and these steps will continue to be reviewed.

Relevant financial policies

The City adheres to a set of financial policies while constantly improving and incorporating new relevant policies as it develops its formal financial system. Upon its initial incorporation, the City adopted all Riverside County's policies/codes. As the City develops its own unique needs, it will continue to create and tailor these former County policies to directly address the City's goals.

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Current Year Initiatives

In April 2017, the City adopted the following Vision Statement:

"The City of Wildomar will be a Safe and Active Community with Responsible Growth and Quality Infrastructure While Keeping a Hometown Feel."

In fiscal year 2022-23, the City will look to continue to meet the goals of the Vision Statement through the following initiatives:

- Provide quality service and information to the residents and businesses in the City of Wildomar as we navigate through the effects of the COVID-19 pandemic.
- Utilize our Measure AA revenue to continue to keep residents and businesses safe through our enhanced law enforcement services, Fire Medic Squad, street repairs, and homelessness services.
- Maintain City infrastructure and road improvements.
- Identify sustained funding sources to address homelessness in Wildomar.
- Ensure that new Cannabis establishments in the City provide safe reliable services to our community.

Concluding remarks

The City, in its fourteenth year of operation, has achieved a great deal in transitioning from the County support services and establishing its own culture and approach to local governance.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wildomar for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2021. To receive a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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In closing, I'd like to state that the preparation of this report would not have been possible without the efficient and dedicated service of the entire city staff. I would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Recognition is also extended to Rogers, Anderson, Malody, and Scott LLP's audit management team, for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards. Credit also must be given to the Mayor and City Council for their support in striving to have the highest standards of professionalism in the management of the City of Wildomar's finances.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel York".

Daniel York
City Manager

A handwritten signature in blue ink, appearing to read "Heidi Schrader".

Heidi Schrader
Administrative Services Director

City of Wildomar

Miscellaneous Statistics **As of June 30, 2022**



FISCAL YEAR 2021-2022 **STAFF DIRECTORY**

CITY COUNCIL & CEMETERY DISTRICT TRUSTEES

Mayor/Chair – District 3
Mayor Pro Tem/Vice Chair – District 4
Council Member/Trustee – District 5
Council Member/Trustee – District 1
Council Member/Trustee – District 2

*Joseph Morabito
Bridgette Moore
Ashlee DePhillippo
Carlos Marquez
Dustin Nigg*

EXECUTIVE MANAGEMENT

City Manager/General Manager
City Attorney
City Clerk
Administrative Services Director/City Treasurer
Public Works Director
Community Development Director
Economic Development Director
Chief of Police
Fire Chief
Community Services Director

*Dan York
Thomas Jex
Janet Morales
Heidi Schrader
Jason Farag
Matt Bassi
Kimberly Davidson
James Rayls
Lonny Olson
Daniel Torres*

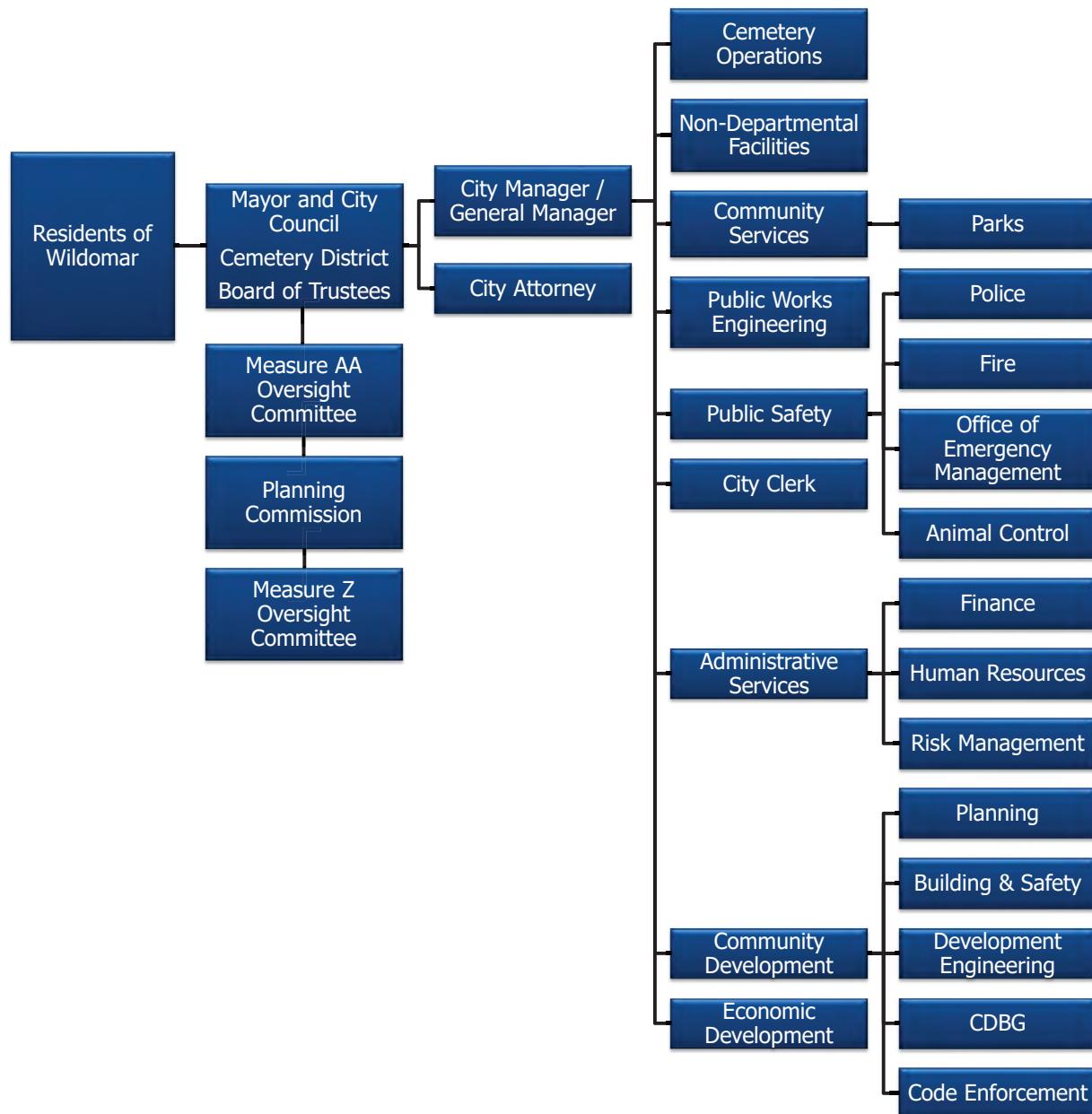
CITY OF WILDOMAR ACFR TEAM

Administrative Services Director
Finance Manager
Accountant I
Project Accountant

*Heidi Schrader
Adam Jantz
Nicholas Neidiffer
Kayla Snipes*

City of Wildomar - Organization Chart

The Organization chart presents the departments of the City, which are comprised of both City employed staff and contract staff. The staffing levels in each department above represent the City's positions. The remaining staff are contracted with various agencies or through municipal service firms.





Government Finance Officers Association

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Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wildomar
California**

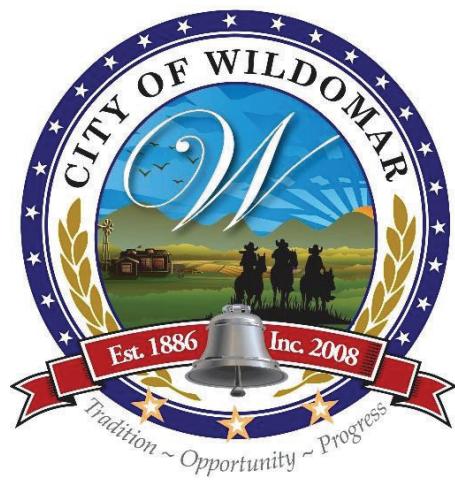
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Monell

Executive Director/CEO

FINANCIAL SECTION



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Independent Auditor's Report

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Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

City Council
City of Wildomar
Wildomar, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Wildomar (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City'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 respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position 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 (GAAS) 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.

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Responsibilities of Management for the Financial Statements

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

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

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 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.

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 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 required supplementary information, such as management's discussion and analysis and budgetary comparison 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information [Included in the Annual Report]

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 3, 2023

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

As management of the City of Wildomar, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for its fourteenth fiscal year of operation, which ended on June 30, 2022. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through ix of this report, and with the City's financial statements which follow this discussion.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between revenues and expenses are considered the City's operating results. The City's net position, as measured in the Statement of Net Position, is considered one way to measure the City's financial health, or financial position. Increases or decreases in the City's net position, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for residents, not to generate profits as in private industry.

- The assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2022, by \$62.86 million (net position).
- The City of Wildomar's net position increased by \$11.9 million in fiscal year 2021-22 over the previous fiscal year. The increase is primarily attributed to the following asset, liability, and deferred inflow changes:
 - Assets - An increase of \$11.8 million in cash and investments mostly due to increases in the City's Measure AA sales tax revenues and the receipt of American Rescue Plan Monies (ARPA) monies.
 - Assets – An increase of \$0.64 million in Grant Receivables related to capital projects that were worked on in fiscal year 2021-22.
 - Assets – An increase of \$0.34 million in Due from Other Government related to an increase in taxes received during the 60-day period following the fiscal year.
 - Assets – An increase of \$4.9 million in Capital Assets related to construction of capital projects and Right-of-Way purchases.
 - Liabilities – An increase of \$1.26 million in Accounts Payable related to the timing of invoices submitted and the increase in capital projects being worked on.
 - Liabilities – Deposits payables increased by \$1.02 million related to additional deposits made for developer projects.
 - Liabilities – Increased by \$4.01 million due to the receipt of American Rescue Plan Act (ARPA) monies which are classified as unearned revenue until the City utilizes them for allowable expenses.
- The City of Wildomar's total net position increased by \$11.09 million. The changes in net position are as follows:
 - The Net Investment in Capital Assets increased by \$4.05 million due to projects being completed in the fiscal year.
 - The Restricted Net Position increased by \$2.46 million related to projects in Community Developments, Public Works, and Capital Projects.
 - The Unrestricted Net Position increased by \$4.57 million.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

- The revenues in the Statement of Activities increased a net \$166,769. The increases are as follows:
 - A net increase in general revenues of \$2.45 million, related to the additional \$2.09 million received in General and Measure AA sales tax revenues sales taxes, an additional \$0.22 million in property taxes, and an additional \$0.16 million in SB130 Vehicle License Replacement fees.
 - Program revenues decreased \$2.28 million due to the completion of capital project phases by Public Works in FY 2021-22.
- The expenses in the Statement of Activities increased a net \$0.1 million. This is related to the following:
 - A decrease of \$3.2 million due to a decrease in Public Works Capital Projects in fiscal year 2021-22.
 - An increase of \$0.27 million in community development activities due to increased developer project work in fiscal year 2021-22.
 - An increase of \$0.5 million in general government activities due to increased general government staff and expenses.
 - An increase in public safety of \$2.14 million due to increased rates for safety personnel and additional staffing for fire services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Wildomar's basic financial statements. These basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

This report also contains the required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

As previously discussed, government-wide financial statements detail all capital assets, including infrastructure, depreciation, and long-term debt. Specifically, these statements are designed to provide an expansive overview of the City's finances. To adequately present this data in a comprehensible format, the government-wide financial statements are divided into two subcategories: the Statement of Net Position and the Statement of Activities. These statements provide both long and short-term information regarding the City's financial condition.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

The City's statements provide a manageable yet comprehensive view of the City's economic position, while still accounting for all revenue and expenses during the specified fiscal year. To accomplish this, government-wide financial statements are reported utilizing both the flow of economic resources (cost of services) measurement focus and the accrual method of accounting. The flow of economic resources measurement focus allows the City to provide financial transparency insofar as all assets and liabilities are listed on the Statement of Net Position. The added use of the accrual basis of accounting allows the City a 'real-time' advantage as revenues are recognized when earned and expenses are recognized when incurred.

The Statement of Net Position outlines the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. While fluctuations are expected, over time the City's net position could be used to gauge the City's financial standing and whether it is improving or deteriorating.

The *Statement of Activities* demonstrates how the City's net position evolves during the current fiscal year. Specifically, this statement provides a comparative analysis between direct expenses and program revenues for each functional activity of the City. Net position changes are recorded in real time when triggered by underlying events without respect to the timing of the related cash flows. Because of this, it is expected that revenue and expenses for some items (such as uncollected taxes and earned but unused vacation leave) will result in recorded cash flows in future fiscal periods.

Combined, the *Statements* reveal functions of the City that can be divided into two categories:

- 1) Governmental activities, and
- 2) Business-type activities.

Governmental activities are chiefly supported by:

- 1) Taxes derived from such sources as sales tax, property tax, franchise tax, and;
- 2) Intergovernmental revenues such as motor vehicle in-lieu fees.

Governmental activities of the City are inclusive of general government, public safety, public works, community development, economic development, and culture and recreation. As mentioned earlier, tax revenue principally funds these activities. Consequently, a good portion of the City's basic services is reported in this category.

The City does not have any business-type activities.

The government-wide financial statements include the City (Primary Government) and the Wildomar Cemetery District, which is a legally separate, discretely presented component unit. Financial information for the Wildomar Cemetery District is reported separately from the financial information presented for the City. The government-wide financial statements can be found in the Table of Contents under Basic Financial Statements.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wildomar uses fund accounting to ensure compliance with finance-related legal requirements. Specifically, these Fund Financial Statements cover segregated groupings of related accounts whose funds have been designated for specific activities or purposes. They provide a detailed accounting of revenue and expenditures, assets, liabilities, deferred inflows of resources, and remaining balances for each fund. This helps to ensure compliance with reporting regulations.

Fund financial statements differ from activity reports due to the way capital outlay, depreciation, long-term debt, compensated absences, unavailable revenues, and intergovernmental receivables are reported. The impact of these differences is explained in the notes accompanying the statements.

Funds required by State law (i.e., Highway Users Tax) are part of the fund financial statements. Likewise, other funds (i.e., Developer Impact Fees, and Grants) established to provide the City with tighter fiscal controls and accountability are itemized on these statements.

Governmental funds

Governmental funds are reported in essentially the same way as governmental activities in the City-wide financial statements with one exception---governmental fund financial statements focus on near-term inflows/outflows and balances of spendable resources. This means governmental fund financial statements identify current sources and uses of money within the immediate fiscal year. The benefit of this is that it gives a detailed short-term view of the City's general government operations and the basic services it provides. This can assist in determining whether there are sufficient financial resources available to meet the City's current needs.

Since the scope of the governmental funds are different than that of the government-wide financial statements, it is beneficial to comparatively analyze information from both. This enables the reader to gain a clearer picture of the long-term impacts that current financial decisions might yield. When examined together, the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide the reader with a different snapshot that identifies variances between the two different methodologies of accounting for governmental activities and governmental funds.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

The City of Wildomar maintains 71 individual governmental funds. Information is summarized in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Funds and Other Governmental Funds (Assessment Districts, Debt Service and Capital Reinvestment). Data from the 71 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the major and non-major governmental funds is provided in the form of *combining statements* later in this report.

Proprietary funds record revenues when they are earned and record expenses at the time liabilities are incurred. Proprietary funds can be divided into two types: enterprise funds and internal service funds. Enterprise funds display financial activities operating in a similar fashion to a business enterprise. Specifically, these funds account for services for which the City charges a user fee. Enterprise funds are documented in the business-type activities section of the governmental-wide financial statements. They account for operations that provide services primarily to customers outside the financial reporting entity (the City). The City of Wildomar does not have any Proprietary Funds to report.

Internal service funds are generally used to accumulate and allocate costs internally among the City's various functions. These funds might include general benefits and insurance, printing, office maintenance, architectural services, and information technology, to name a few. Given that these services largely benefit governmental activities rather than business-type functions, City services that might ordinarily be reported in this area have been included with governmental activities in the government-wide financial statements. The City of Wildomar does not have any Internal Service Funds to report.

The City of Wildomar adopts a biennial appropriated budget for its general fund with a revision made for the second year of the budget if necessary. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 through 27 of this report.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found in the Table of Contents under the heading Notes to Financial Statements.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

Required Supplementary Information and Supplementary Information

In addition to the basic financial statements included within the notes, this report also presents Required Supplementary Information and Supplementary Information.

Required supplementary information includes budgetary comparison schedules for the major governmental funds. This is to demonstrate compliance with the annual budget as adopted and amended, miscellaneous pension plan information, schedule of funding process relating to OPEB, and notes to required supplementary information. Required Supplementary Information can be found following the Notes to the Basic Financial Statements.

Supplementary Information includes combining statements referred to earlier and includes budgetary comparison schedules for the non-major governmental funds. Supplementary Information can be found following the Required Supplementary Information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wildomar, assets and deferred inflows of resources of the City exceeded its liabilities and deferred inflows of resources as of June 30, 2022, by \$62.86 million (net position). Infrastructure assets of the governmental activities are included within this report. The general capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) of the governmental activities of the City of Wildomar are the largest portion of the City's net position (66%).

During the fiscal year ended June 30, 2022, net position was \$62.86 million of which \$41.7 million is invested in capital assets. Of the remaining total, \$11.58 million is restricted to specifically stipulated spending agreements and \$9.59 million is unrestricted. One other note is the fact that the City currently has only \$1.5 million in outstanding debt related to the lease-purchase of the city's streetlights from Southern California Edison.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

Table 1 Statement of Net Position - Primary Government

Table 1: Statement of Net Position - Primary Government

City of Wildomar
Statement of Net Position - Summary
For the Years Ended June 30,

Governmental Activities

	2022	2021
Assets:		
Current and other assets	\$ 35,531,887	\$ 22,518,045
Capital assets	44,126,341	39,183,859
Total assets	<u>79,658,228</u>	<u>61,701,904</u>
Deferred outflows of resources:		
Deferred pension/OPEB-related items	666,904	384,090
Total deferred outflows of resources	<u>666,904</u>	<u>384,090</u>
Liabilities:		
Other liabilities	13,931,469	7,753,058
Long-term liabilities	3,234,795	2,319,323
Total liabilities	<u>17,166,264</u>	<u>10,072,381</u>
Deferred inflows of resources:		
Deferred pension/OPEB-related items	296,159	243,444
Total deferred inflows of resources	<u>296,159</u>	<u>243,444</u>
Net position:		
Net investment in capital assets	41,693,202	37,642,188
Restricted	11,578,037	9,113,333
Unrestricted	9,591,470	5,014,648
Total net position	<u>\$ 62,862,709</u>	<u>\$ 51,770,169</u>

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

Table 2 Statement of Activities - Primary Government

**City of Wildomar
Statement of Activities
For the Years Ended June 30,**

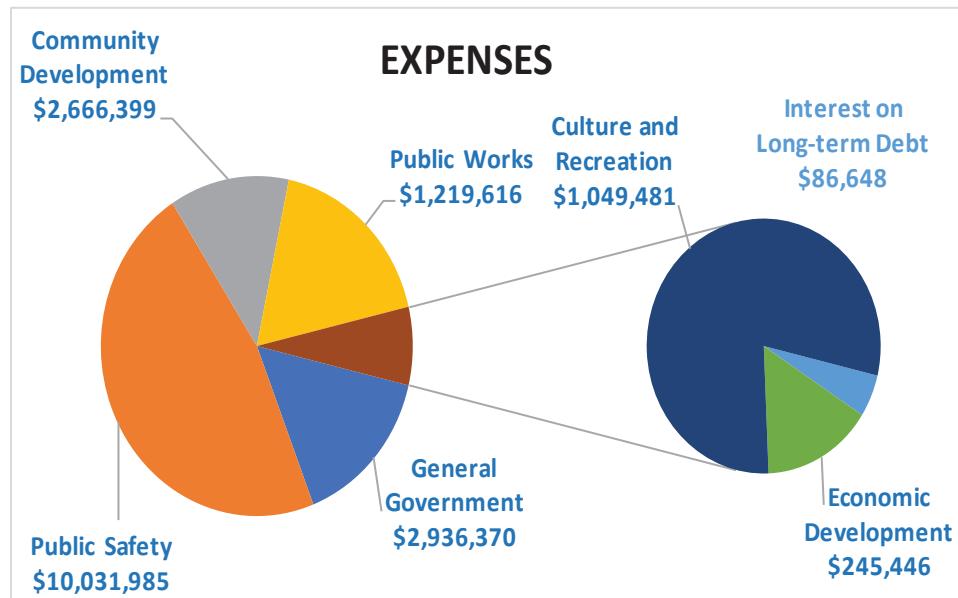
Governmental Activities

	2022	2021
Revenues:		
Program Revenues		
Charges for services	\$ 5,939,596	\$ 4,493,154
Operating grants and contributions	4,156,163	4,174,241
Capital grants and contributions	4,141,262	7,851,995
General Revenues		
Property taxes	5,100,186	4,875,249
Sales tax	8,783,565	6,695,060
Other taxes	4,573,812	4,288,574
Use of money and property	(50,453)	38,793
Other revenues	73,402	133,698
Total revenues	<u>32,717,533</u>	<u>32,550,764</u>
Expenses:		
General government	3,323,123	2,827,798
Public safety	10,121,795	7,983,251
Community development	2,678,691	2,407,683
Economic development	245,446	212,698
Culture and recreation	1,279,393	936,156
Public works	3,889,897	7,124,538
Interest on long-term interest	86,648	45,351
Total expenses	<u>21,624,993</u>	<u>21,537,475</u>
Increase (decrease in net position)	11,092,540	11,013,289
Beginning net position	51,770,169	40,756,880
Restatement of net position	-	-
Ending net position	\$ 62,862,709	\$ 51,770,169

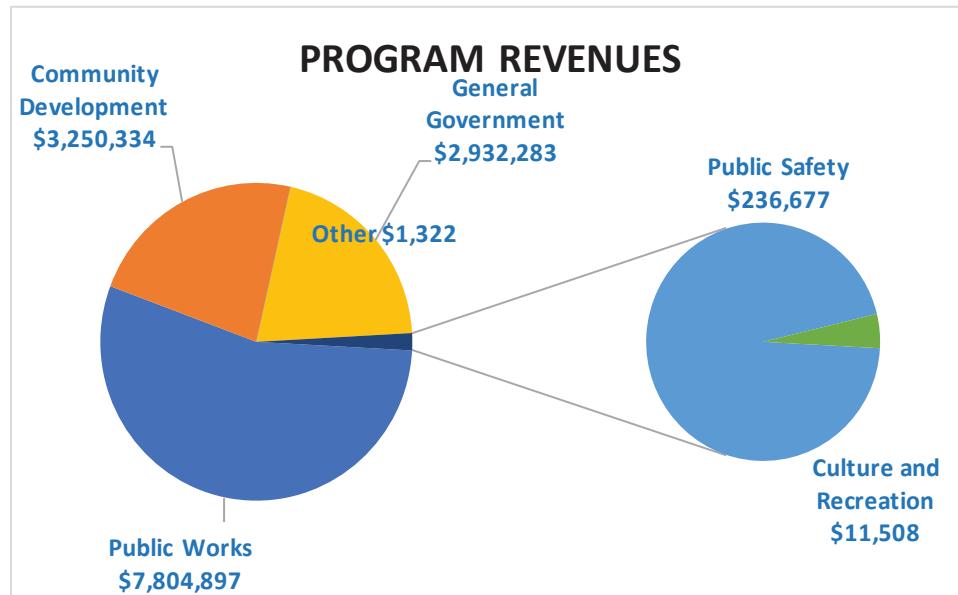
City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

City of Wildomar Expenses-Governmental Activities - \$21,624,993



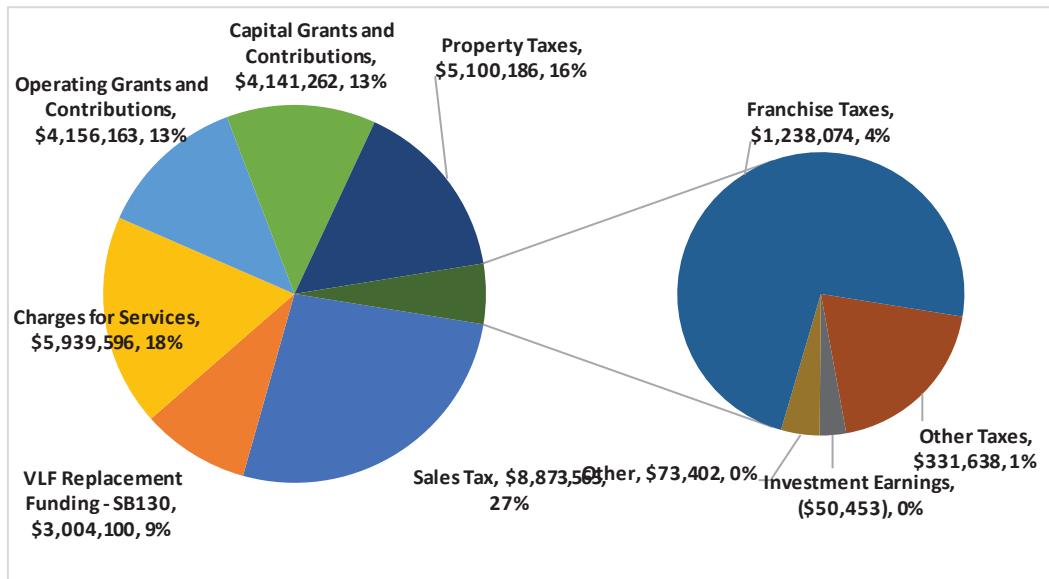
City of Wildomar Program Revenues-Governmental Activities - \$14,237,021



City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

City of Wildomar Revenues by Sources-Governmental Activities - \$32,717,533



Financial Analysis of Governmental Funds

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

Governmental Funds

As stated previously, governmental fund financial statements identify current sources and uses of money. Doing so gives a detailed *short-term* view of the City's general government operations and the basic services it provides, which can assist in determining whether there are sufficient financial resources available to meet the City's current needs.

The financial position of the City's governmental funds has increased when compared to the previous fiscal year. The total ending fund balance for the City's governmental funds was \$19.35 million which represented a \$5.49 million or a 39.6% increase from the prior fiscal year balance.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

The General Fund is the primary funding source for the City. At fiscal year-end, the unassigned fund balance of the general fund was \$3.83 million or 23.7% of the City's general fund expenditures of \$16.1 million. This is an increase of \$1.4 million in the general fund ending fund balance. Revenues for intergovernmental, charges for services, fines and forfeitures, use of money, and miscellaneous revenues were down \$8,955. However, taxes, licenses, and permits were up \$1.78 million. There was also a \$101,562 contribution from the Cemetery to cover administration. Overall, there was a net change in revenues in the General Fund of \$1.87 million.

Overall General Fund expenditures increased by \$3.41 million. Expenditures in public safety increased by \$0.64 million. General Government expenditures increased by \$0.35 million and community development expenditures increased by \$0.47 million. Economic development, culture & recreation/community services, and public works had a combined increase in expenditures of \$0.27 million. Capital outlay had an increase of \$1.37 million. There was also the addition of \$287,971 in debt service in the General Fund due to compliance with GASB 87: Leases. Offsetting this is the addition of \$1.33 million in Lease Acquisition revenue from GASB 87: Leases. The transfers into the General Fund also increased by \$18,477.

Other major factors in fund balance changes were as follows:

Development Impact Fee Funds

These funds are used to record the capital expenditures of various improvements needed to meet the increased demands associated with new development, primarily residential. Capital facility expansions are pre-determined and are constructed when the collected fees fully fund the improvement. During fiscal year 2021-22, fund balance increased to \$7.66 million, a growth of 18%. The revenues of \$1.97 million were offset by \$0.73 million in capital improvement expenditures & a cost allocation of \$66,127 in transfers out.

Measure AA Fund

These funds are raised by the 1.0% transactions tax approved by the voters of Wildomar on November 6, 2018. The tax is on gross receipts of any retailer from the sale of tangible property sold within the city limits. It is also imposed on the storage, use or other consumption within the city limits of Wildomar of tangible personal property purchased from any retailer. The tax became effective on April 1, 2019. During fiscal year 2021-22, Measure AA had revenues of \$5.68 million and expenditures of \$3.06 million, increasing the fund balance by \$2.62 million to end the fiscal year at \$5.9 million.

American Rescue Plan Act (ARPA) Fund

The City has received \$4.45 million in ARPA funds to help public entities recover from the Coronavirus pandemic. The City has elected to utilize the standard allowance of \$10 million to replace lost revenue during the pandemic. In FY2021-22, the City only recognized \$440,711 of money received as revenue to reimburse the \$440,711 in expenditures.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

Grant Funds

These funds are typically applied for through various Federal, State, Regional, and local agencies and are awarded based on the criteria established by the agency funding the grant. All funds are to be used in accordance with the rules and regulations established for each grant. In fiscal year 2021-22 the City of Wildomar received major grant funds for its Bundy Canyon Road, Palomar Widening, and Clinton Keith/Palomar Sidewalk capital improvement projects. The City also received smaller grants that covered a variety of areas. In total, during fiscal year 2021-22 the City received grant funds of \$3.09 million offset by \$4.06 million in grant expenditures, decreasing the fund balance by \$0.96 million to -\$1.9 million. The fund balance is in the negative due to the timing of the reimbursement requests for the capital improvement projects.

General Fund Financial Highlights

General Fund original vs. final budget significant changes were as follows:

Revenues:

- Taxes had an increase of \$406,700 primarily related to increased sales tax revenues.
- Licenses and Permits were increased by \$434,400 million due to the final building permit activity and private development fee amounts being higher than projected.
- There was an increase of \$66,300 in Miscellaneous due to the receipt of settlements from previous fiscal years.
- There was a decrease in charges for services of \$195,100 due to the withdrawal of the proposal to provide building services to neighboring cities.

Expenditures:

- Non-departmental expenses increased \$143,900 due to increases in contractual & professional services for the City and additional software & hardware needs.
- Admin Services increased \$130,000 due to the planned hiring of additional staff.
- Public Works had an increase of \$568,800 due to increases in stormwater compliance costs and additional contract services.

General Fund actual revenues were a net \$1.27 more than the final budget. The primary sources for the revenue received being more than budgeted are as follows:

- Taxes received were \$666,959 more than the final budget, primarily due to increase sales taxes received.
- License and Permits were \$65,620 less due to lower development activity at the end of the fiscal year.
- Intergovernmental, Charges for Services, and Fines & Forfeitures received were a combined \$12,033 lower than budgeted due to lower than anticipated reimbursements from other governments.
- Use of Money and Property was under budget by \$94,254 due to adjustments for GASB 31 *Accounting For External Investment Pools*.
- There was an addition of \$1.33 million in lease acquisition revenue related to implementation of the GASB 87 *Leases*.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

- Transfers In were \$653,461 less than budgeted due to decreased transfers to the General Fund from ARPA for lost revenue recovery.

General Fund actual expenditures were a net \$0.53 million less than the final budget. The primary source for the net expenditure decrease is as follows:

- Police and Fire Services were a combined \$282,425 million under budget due to increased cost efficiencies from restructuring their general service hours and having more targeted law enforcement services based on the City's needs.
- Debt Service and capital outlays were over by \$1.61 million due to the implementation of GASB 87: *Leases*.
- Public Works was under by \$579,564 due to lower contractual services assistance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (Table 3) for its governmental activities as of June 30, 2022, is \$44.12 million (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure, and construction in progress. For more information, please refer to Note 5 in the Notes to Financial Statements. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-wide financial statements.

Additional information is provided on Capital Assets in the Notes to Financial Statements, Note 1.d.

City of Wildomar

Management's Discussion and Analysis **For the Year Ended June 30, 2022**

Table 3 Summary of Changes in Capital Assets

City of Wildomar Statement of Activities For the Year Ended June 30, 2022					
	Beginning				Ending
	Balance	Additions	Deletions		Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 3,032,101	\$ -	\$ -	\$ 3,032,101	
Construction in progress	6,676,424	4,743,832	-	11,420,256	
Right-of-Way	3,960,029	373,696	-	4,333,725	
Total capital assets, not being depreciated	13,668,554	5,117,528	-	18,786,082	
Capital assets, being depreciated, net:					
Right-to-use	-	970,299	-	970,299	
Buildings and improvements	4,289,466	(259,401)	-	4,030,065	
Furniture, fixtures and equipment	1,001	227,587	(13,198)	215,390	
Streetlights	1,778,256	(95,463)	-	1,682,793	
Traffic signals	148,342	(12,591)	-	135,751	
Infrastructure	19,298,240	(992,279)	-	18,305,961	
Total capital assets, being depreciated, net	25,515,305	(161,848)	(13,198)	25,340,259	
Governmental activities capital assets, net	\$ 39,183,859	\$ 4,955,680	\$ (13,198)	\$ 44,126,341	

Long-term liabilities

At year end, the City had \$2,665,036 in outstanding long-term debt for Governmental Activities. Of this, \$1,383,073 is related to a lease-purchase for streetlights and \$231,897 is for compensated absences. The remaining \$1,050,066 is for long-term leases related to the implementation of GASB 87 Leases. For more information, please refer to Note 6 in the Notes to the Financial Statements. Additional detailed information is provided on long-term debt in Note 1d of the Notes to the Financial Statements.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2022

Table 4 Summary of Changes in long-term liabilities

City of Wildomar Summary of Changes in Long-term Liabilities For the Year Ended June 30, 2022						
	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year	
Governmental activities:						
Compensated absences	\$ 189,828	\$ 65,733	\$ (23,664)	\$ 231,897	\$ 132,181	
Leases payable	-	1,334,287	(284,221)	1,050,066	351,657	
Direct borrowing:						
Loan payable	1,464,403	-	(81,330)	1,383,073	85,606	
Total long-term liabilities	\$ 1,654,231	\$ 1,400,020	\$ (389,215)	\$ 2,665,036	\$ 569,444	

ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Key budget assumptions for forecasting General Fund revenues for fiscal year 2022-2023 and beyond include the following:

- The continued high development activity in FY2022-23.
- Residential property values are increasing, which will be reflected in higher property taxes.
- The addition of more Cannabis businesses to the local revenues.
- Development of a new fixed fee schedule which is projected to result in greater cost recovery for the City once implemented.

The Adopted Operating Budget for Fiscal Year 2022-2023 is structurally balanced, addresses some of the City Council's priorities, and attempts to balance achievement of community needs and accomplishment of the Council's goals and objectives.

City of Wildomar

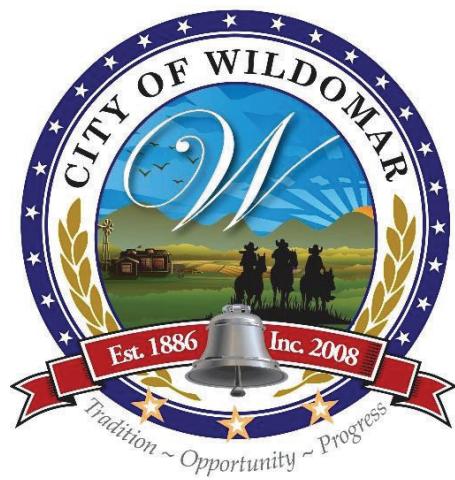
Management's Discussion and Analysis For the Year Ended June 30, 2022

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Wildomar's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

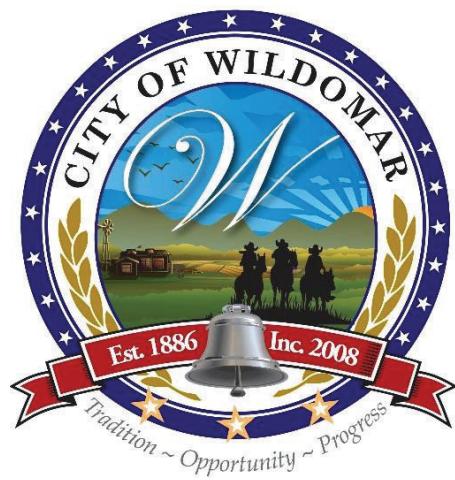
City of Wildomar
Attention: Administrative Services Director
23873 Clinton Keith Road, Suite 110
Wildomar, California 92595

General information relating to the City of Wildomar, California, can be found at the City's website, www.cityofwildomar.org.



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BASIC FINANCIAL STATEMENTS

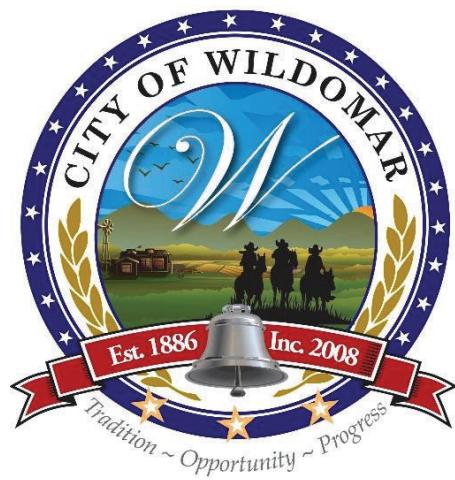


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City of Wildomar

Statement of Net Position **June 30, 2022**

	Primary Government Governmental Activities	Component Unit Wildomar Cemetery District
ASSETS		
Cash and investments	\$ 29,565,300	\$ 1,329,744
Restricted cash investments	181,736	289,168
Receivables, net:		
Accounts	161,691	-
Developer	859,178	-
Grants	2,074,784	-
Interest	18,221	-
Due from other governments	2,558,339	24,724
Inventories	-	5,225
Net pension asset	112,638	-
Capital assets, not being depreciated	18,786,082	963,390
Capital assets, net of depreciation	25,340,259	183,434
Total assets	<u>79,658,228</u>	<u>2,795,685</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	533,899	40,875
OPEB related items	<u>133,005</u>	-
Total deferred outflows of resources	<u>666,904</u>	<u>40,875</u>
LIABILITIES		
Accounts payable	4,786,308	26,601
Accrued liabilities	145,094	35,868
Unearned revenue	4,793,995	-
Deposits payable	4,110,923	215,195
Due to other governments	87,959	-
Accrued interest payable	7,190	-
Noncurrent Liabilities:		
Due within one year	569,444	61,011
Due in more than one year:		
Other long-term liabilities	2,095,592	123,785
Net pension liability	-	135,206
Net OPEB liability	<u>569,759</u>	-
Total liabilities	<u>17,166,264</u>	<u>597,666</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	12,631	134,582
OPEB related items	<u>283,528</u>	-
Total deferred inflows of resources	<u>296,159</u>	<u>134,582</u>
NET POSITION		
Net investment in capital assets	41,693,202	985,402
Restricted:		
Community development projects	7,657,447	-
Community services	93,157	-
Public works	1,567,098	-
Capital projects	2,117,331	-
Debt service	143,004	-
Cemetery trust - nonexpendable	-	289,168
Unrestricted	<u>9,591,470</u>	<u>829,742</u>
Total net position	<u>\$ 62,862,709</u>	<u>\$ 2,104,312</u>



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City of Wildomar

Statement of Activities **For the Year Ended June 30, 2022**

					Net (Expenses) Revenues and Changes in Net Position	
					Primary Government	Component Unit
			Program Revenues	Capital Grants and Contributions	Governmental Activities	Wildomar Cemetery District
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Wildomar Cemetery District
Governmental Activities:						
General government	\$ 3,323,123	\$ 2,024,722	\$ 907,561	\$ -	\$ (390,840)	
Public safety	10,121,795	75,392	161,285	-	(9,885,118)	
Community development	2,678,691	2,870,909	379,425	-	571,643	
Economic development	245,446	1,322	-	-	(244,124)	
Community services	1,279,393	11,508	-	-	(1,267,885)	
Public works	3,889,897	955,743	2,707,892	4,141,262	3,915,000	
Interest on long-term liabilities	86,648	-	-	-	(86,648)	
Total Governmental Activities	<u>21,624,993</u>	<u>5,939,596</u>	<u>4,156,163</u>	<u>4,141,262</u>	<u>(7,387,972)</u>	
Component unit:						
Wildomar Cemetery District	\$ 942,733	\$ 128,683	\$ 35,846	\$ -		\$ (778,204)
Total Component Unit	<u>\$ 942,733</u>	<u>\$ 128,683</u>	<u>\$ 35,846</u>	<u>\$ -</u>		<u>(778,204)</u>
General revenues:						
Taxes:						
Property tax, levied for general purpose				5,100,186	631,414	
Sales tax				8,783,565	-	
Franchise taxes				1,238,074	-	
VLF replacement funding - SB130				3,004,100	-	
Other taxes				331,638	-	
Investment earnings				(50,453)	(17,509)	
Other				73,402	-	
Total general revenues				<u>18,480,512</u>	<u>613,905</u>	
Change in net position				<u>11,092,540</u>	<u>(164,299)</u>	
Net position, beginning of year				<u>51,770,169</u>	<u>2,268,611</u>	
Net position, end of year				<u>\$ 62,862,709</u>	<u>\$ 2,104,312</u>	

The accompanying notes are an integral party of these financial statements.

City of Wildomar

Balance Sheet Governmental Funds June 30, 2022

	Special Revenue			
	General	Development Impact Fees	Measure AA	ARPA
ASSETS				
Pooled cash and investments	\$ 7,910,242	\$ 8,400,038	\$ 5,416,602	\$ 4,041,671
Restricted cash and investments	-	-	-	-
Receivables, net:				
Accounts	152,284	-	-	-
Developer	859,178	-	-	-
Grants	-	-	-	-
Interest	18,121	-	-	-
Due from other governments	890,728	-	1,105,784	-
Due from other funds	1,770,749	-	-	-
Total assets	\$ 11,601,302	\$ 8,400,038	\$ 6,522,386	\$ 4,041,671
LIABILITIES				
Accounts payable	\$ 3,350,692	\$ 87,115	\$ 626,577	\$ 24,920
Accrued liabilities	128,017	-	-	59
Unearned revenues	121,827	655,476	-	4,016,692
Deposits payable	4,084,143	-	-	-
Due to other governments	87,959	-	-	-
Due to other funds	-	-	-	-
Total liabilities	7,772,638	742,591	626,577	4,041,671
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICIT)				
Restricted for:				
Community development projects	-	7,657,447	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Committed	-	-	5,895,809	-
Unassigned	3,828,664	-	-	-
Total fund balances	3,828,664	7,657,447	5,895,809	-
Total liabilities, deferred inflows of resources and fund balances	\$ 11,601,302	\$ 8,400,038	\$ 6,522,386	\$ 4,041,671

The accompanying notes are an integral party of these financial statements.

Special Revenue		Other Governmental Funds		Total Governmental Funds	
Grants					
\$	-	\$	3,796,747	\$	29,565,300
			181,736		181,736
	9,407		-		161,691
	-		-		859,178
	2,058,017		16,767		2,074,784
	-		100		18,221
	49,300		512,527		2,558,339
	-		-		1,770,749
<u>\$</u>	<u>2,116,724</u>	<u>\$</u>	<u>4,507,877</u>	<u>\$</u>	<u>37,189,998</u>
\$	179,688	\$	517,316	\$	4,786,308
	-		17,018		145,094
	-		-		4,793,995
	-		26,780		4,110,923
	-		-		87,959
	1,713,910		56,839		1,770,749
	<u>1,893,598</u>		<u>617,953</u>		<u>15,695,028</u>
	2,132,400		16,768		2,149,168
	<u>2,132,400</u>		<u>16,768</u>		<u>2,149,168</u>
	-		-		7,657,447
	-		93,157		93,157
	-		1,567,098		1,567,098
	-		2,117,331		2,117,331
	-		143,004		143,004
	-		-		5,895,809
	(1,909,274)		(47,434)		1,871,956
	<u>(1,909,274)</u>		<u>3,873,156</u>		<u>19,345,802</u>
<u>\$</u>	<u>2,116,724</u>	<u>\$</u>	<u>4,507,877</u>	<u>\$</u>	<u>37,189,998</u>

City of Wildomar

Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position June 30, 2022

Fund balances of governmental funds	\$ 19,345,802
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of depreciation have not been included as financial resources in government fund activity.	44,126,341
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Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(7,190)
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Long-term liabilities that have not been included in the governmental activity.

Compensated absences	(231,897)
Loan payable	(1,383,073)
Leases payable	(1,050,066)
Net pension asset	112,638
Net OPEB liability	(569,759)

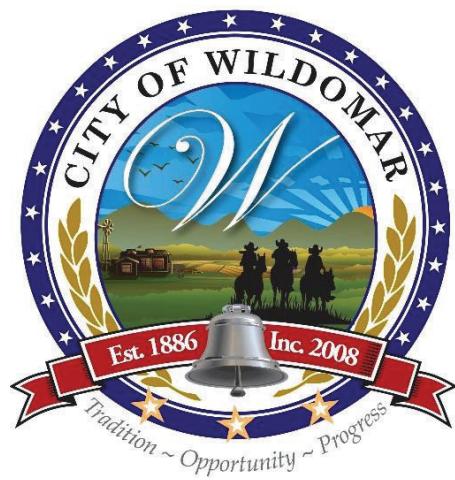
Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period.

Pension related deferred outflows of resources	533,899
Pension related deferred inflows of resources	(12,631)
OPEB related deferred outflows of resources	133,005
OPEB related deferred inflows of resources	(283,528)

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.

	2,149,168
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Net position of governmental activities	<u>\$ 62,862,709</u>
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City of Wildomar

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2022

	General	Special Revenue		
		Development Impact Fees	Measure AA	ARPA
REVENUES				
Taxes	\$ 9,737,959	\$ -	\$ 5,677,525	\$ -
Licenses and permits	2,914,180	-	-	-
Intergovernmental	3,048,479	-	-	436,292
Charges for services	14,583	-	-	-
Fines and forfeitures	56,705	-	-	-
Use of money and property	(72,454)	8,955	4,282	4,419
Developer participation	-	1,963,765	-	-
Contributions from other government	101,562	-	-	-
Miscellaneous	73,456	-	-	-
Total revenues	15,874,470	1,972,720	5,681,807	440,711
EXPENDITURES				
Current:				
General government	2,947,337	8,955	7,273	148,978
Public safety	7,801,079	-	2,072,027	32,288
Community development	2,770,637	4,860	3,249	-
Economic development	271,398	-	-	393
Community services	51,415	19,995	250,984	253,135
Public works	642,936	307,696	628,068	5,917
Capital outlay	1,371,952	395,156	99,837	-
Debt service:				
Principal retirement	280,236	-	-	-
Interest	7,735	-	-	-
Total expenditures	16,144,725	736,662	3,061,438	440,711
Excess (deficiency) of revenues over (under) expenditures	(270,255)	1,236,058	2,620,369	-
OTHER FINANCING RESOURCES (USES)				
Lease acquisition	1,334,287	-	-	-
Transfers in	539,721	-	-	-
Transfers out	(219,882)	(66,127)	-	-
Total other financing sources (uses)	1,654,126	(66,127)	-	-
Net change in fund balances	1,383,871	1,169,931	2,620,369	-
FUND BALANCES (DEFICIT)				
Fund balances, beginning of year	2,444,793	6,487,516	3,275,440	-
Fund balances, end of year	\$ 3,828,664	\$ 7,657,447	\$ 5,895,809	\$ -

The accompanying notes are an integral party of these financial statements.

<u>Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Grants</u>		
\$ -	\$ -	\$ 15,415,484
-	-	2,914,180
3,092,194	4,354,157	10,931,122
-	192,272	206,855
-	-	56,705
67	4,279	(50,452)
-	-	1,963,765
-	-	101,562
-	567	74,023
<u>3,092,261</u>	<u>4,551,275</u>	<u>31,613,244</u>
33,665	32,059	3,178,267
-	126,591	10,031,985
65,608	-	2,844,354
-	-	271,791
-	481,979	1,057,508
1,279,099	2,136,292	5,000,008
2,677,193	77,564	4,621,702
-	85,315	365,551
-	<u>78,057</u>	<u>85,792</u>
<u>4,055,565</u>	<u>3,017,857</u>	<u>27,456,958</u>
<u>(963,304)</u>	<u>1,533,418</u>	<u>4,156,286</u>
-	-	1,334,287
-	-	539,721
(878)	(252,834)	(539,721)
<u>(878)</u>	<u>(252,834)</u>	<u>1,334,287</u>
(964,182)	1,280,584	5,490,573
<u>(945,092)</u>	<u>2,592,572</u>	<u>13,855,229</u>
<u>\$ (1,909,274)</u>	<u>\$ 3,873,156</u>	<u>\$ 19,345,802</u>

City of Wildomar

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ 5,490,573
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay, net of disposals	7,602,464
Depreciation	(2,659,982)

The issuance of long-term debt provides current financial resources to governmental funds. Repayment of long-term debt is an expenditure in governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Principal paid on loan payable	81,330
Principal paid on leases payable	284,221
Lease acquisition	(1,334,287)

Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Net change in accrued interest payable	(856)
Net change in compensated absences	(42,069)
Net change in net pension activity	576,348
Net change in OPEB liability activity	(9,491)

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.

	1,104,289
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Change in net position of governmental activities	<u>\$ 11,092,540</u>
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City of Wildomar

Notes to Financial Statements **June 30, 2022**

I.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of the Reporting Entity

The City of Wildomar, California (City) was incorporated on July 1, 2008, under the laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City is governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units.

Component Units

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. An agency, institution, or authority, may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There is one discretely presented component unit in these financial statements. There are no blended component units presented in the financial statements. The governing body of the component unit are comprised of the City Council acting as the governing board and the services they provide directly to citizens or other parties outside the government. The discretely presented component unit presented has a June 30 year end. The following is reported as a discretely presented component unit.

Wildomar Cemetery District - The Wildomar Cemetery District (the District) was absorbed into the City on November 9, 2011 and was consolidated into the City as a subsidiary district. Its purpose is to provide cemetery services to residents of the City of Wildomar. The operations of the District are discretely presented in the financial statements as the structure of the District is a separate legal entity and the City Council would oversee the operations of the District acting as the Board of Directors. A component unit financial statement may be obtained from the City of Wildomar.

B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) Government-wide and Fund Financial Statements (continued)

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

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. All general tax receipts and fee revenue not allocated by law, Council policy, or contractual agreement to other funds are accounted for in the General Fund. General Fund expenditures include operations traditionally associated with activities, which are not required to be accounted for or paid by another fund.

The *Development Impact Fees Fund* accounts for new development impact fees that are collected on the City's behalf and can only be used to pay for capital expenditures and cannot be used for operating costs.

The *Measure AA Fund* accounts for revenues and expenditures for the maintenance and improvement of police and fire services, road maintenance, and homelessness solutions within the City.

The *ARPA Fund* accounts for revenues and expenditures of the American Rescue Plan Act funds.

The *Grants Fund* accounts for revenues and expenditures of miscellaneous grants not accounted for in a separate fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for the effect of interfund services provided and used.

Accounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all unrestricted taxes.

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the governmental funds.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

Investments are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

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). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Prepaid Items and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The City accounts for prepaid costs using the consumption method and is equally offset by a nonspendable fund balance in the fund-level statement, which indicates that it does not constitute "available spendable resources."

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental 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 \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at the historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

Property, plant, equipment, and infrastructure are depreciated using the straight-line, half-year convention method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10 to 30 years
Equipment and furniture	3 to 20 years
Vehicles	5 to 10 years
Infrastructure	10 to 50 years
Software	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (expenses/expenditure) until then. The City reports deferred outflows of resources for pension and OPEB which relate to contributions after the measurement date and other amounts, which are amortized by an actuarial determined period.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (revenue) until that time. The City has two types of items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from grant revenue sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources for pension and OPEB on the statement of net position and are amortized by an actuarial determined period.

Compensated Absences

The dollar value as of June 30th of all vacation and sick leave hours is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

Staff and management are unrepresented and have a compensation plan. The City Manager is governed by an employment agreement which includes the compensation rate and specified rules governing vacation and sick leave. All employees are provided with vacation and sick leave when taken, with a cash-out of unused/accrued leave upon termination. Maximum accrual limits for each category:

Vacation leave	320 hours
Sick leave	320 hours

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Unless otherwise governed by an employee agreement, staff may convert in May and November a maximum of 40 vacation hours into compensation.

Sick leave is payable when an employee is unable to work because of illness. Employees with continuous employment of five years or more may receive a payment of 50% of their unused sick leave when they separate without cause or retire at the then rate of compensation.

The liability for compensated absences will be paid in future years from the Gas Tax, Measure A, Measure Z, Cemetery District, and the General Fund.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

Net Pension Liability/(Asset)

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

The liability for net pension will be paid in future years from the General Fund and Cemetery District.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD): June 30, 2020

Measurement Date (MD): June 30, 2021

Measurement Period (MP): July 1, 2020 to June 30, 2021

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The liability for other post-employment benefits will be paid in future years from the General Fund.

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:

Valuation Date: June 30, 2022

Measurement Date: June 30, 2022

Measurement Period: July 1, 2021 to June 30, 2022

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

Unearned Revenues

In the government-wide financial statements and the fund financial statements, unearned revenues represent cash advances by various grantors that have not been spent; therefore, no revenue has been recognized.

Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

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

Restricted include amounts that are constrained on the use of resources by either, (a) external creditors, grantors, contributions, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the City Council, by an adoption of an ordinance. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a ordinance.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in Resolution No. 2011-20 approved on June 21, 2011.

Unassigned are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide, 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 - net position to have been depleted before unrestricted - net position is applied.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

Fund Balance Flow Assumption

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 City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Property Taxes

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding, the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. All secured personal property taxes and one-half of the taxes on real property are due November 1st, the second installment is due February 1st. All taxes are delinquent, if unpaid, on December 10th and April 10th respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31st.

Functional Classifications

Expenditures of the governmental funds are classified by function. Functional classifications are defined as follows:

- *General Government* includes legislative activities, City Clerk, City Attorney, City Manager as well as management or supportive services across more than one functional area.
- *Public Safety* includes those activities which involve police protection, fire protection, emergency services, and animal control services.
- *Community Development* includes those activities which involve planning, building and safety, development engineering, and code enforcement.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity (continued)

- *Economic Development* includes activities to attract, retain and expand businesses, marketing, local job development, and collaboration between the City and businesses.
- *Community services* (culture and recreation) includes activities which provide recreation, cultural and educational services.
- *Public Works* includes all maintenance, engineering, and capital improvements which relate to streets and other public facilities.

E) Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City has implemented this statement in the current fiscal year (see note 7).

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for the current fiscal year, but had no impact on the City's financial statements.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E) Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements (continued)

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning after December 15, 2021. The City has elected not to early implement the statement and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to implementation are varied. The City implemented current provisions as needed and has elected not to early implement provisions effective in future periods and has not determined the effect of those provisions on the City's financial statements.

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The statement is effective for the current fiscal year, but had no impact on the City's financial statements.

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has elected not to early implement the statement and has not determined its effect on the City's financial statements.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E) Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements (continued)

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 95 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has elected not to early implement the statement and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation has varied dates, with the earliest effective upon issuance. Please see the statement for further details.

Governmental Accounting Standard Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting for Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has elected not to early implement the statement and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The City has elected not to early implement the statement and has not determined its effect on the City's financial statements.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

II.) STEWARDSHIP

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City had the following funds with expenditures in excess of appropriations (for the General Fund, see the notes to RSI).

Fund/Department	Appropriations	Expenditures	Excess
Development Impact Fees			
Public works	\$ 4,500	\$ 4,727	\$ (227)
SLESF:			
Public Safety	-	80	(80)
Measure A:			
Capital outlay	13,500	22,117	(8,617)
Measure Z Park:			
General government	29,400	29,657	(257)
Assessment Districts:			
General government	-	2,402	(2,402)
Public safety	-	126,511	(126,511)
Streetlight Fund			
Public works	5,800	9,960	(4,160)
Capital outlay	11,600	15,513	(3,913)
Principal retirement	81,300	81,330	(30)

The 2022-1 and 2022-2 Special Tax A Funds did not have legally adopted budgets.

III.) DETAILED NOTES ON ALL FUNDS

3) CASH AND INVESTMENTS

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government:

Cash and investments	\$ 29,565,300
Restricted cash and investments	181,736

Component Unit - Wildomar Cemetery District:

Cash and investments	1,329,744
Restricted cash and investments	289,168
Total cash and investments	\$ 31,365,948

City of Wildomar

Notes to Financial Statements **June 30, 2022**

3) CASH AND INVESTMENTS (continued)

Cash and investments consist of the following:

Petty cash	\$ 100
Deposits with financial institutions	15,802,201
Investments	<u>15,563,647</u>
Total cash and investments	<u>\$ 31,365,948</u>

The City maintains a cash and investment pool that is available for use for all funds as well as the Wildomar Cemetery District (component unit). Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agent of Depository are considered to be held for, and in the name of, the local governmental agency.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

3) CASH AND INVESTMENTS (continued)

Authorized Investments

Under provision of the City's investment policy and in accordance with the California Government Code, the following investments are authorized:

- Securities of the U.S. Government
- Securities of U.S. Government Agencies
- City, State and Municipal Bonds
- Time Deposits and Certificates of Deposit
- Negotiable Certificates of Deposit
- Bankers' Acceptance Notes
- Commercial Paper
- Money Market Mutual Funds
- Local Agency Investment Fund (LAIF)
- Joint Powers Authority Investment Pools

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

Investment in California Asset Management Program

The California Asset Management Program (CAMP) is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool (Participants) purchase shares of beneficial interest. Participants may also establish individual, professionally managed investment accounts (Individual Portfolios) by separate agreement with the Investment Advisor. The City has a separate account in the Investment Advisor to manage part of the CAMP portfolio.

Investments in the Pools and Individual Portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a Participant's account. The Pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A Participant may withdraw funds from its Pool accounts at any time by check or wire transfers. Requests for wire transfers must be made by 9:00 a.m. that day. Fair value of the Pool is determined by the fair value per share of the Pool's underlying portfolio.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

3) CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a 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.

Custodial Credit Risk

The 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. Investments in U.S. Government securities are not considered to have a credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2022, the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Concentration of Credit Risk

The City's investment policy diversifies its investments by security type, institution and maturity/call dates. With the exception of U.S. Treasury securities and authorized pools, no more than 5% of the City's total investment portfolio can be invested in a single security type or with a single financial institution.

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. The City's investment policy limits investments in commercial paper to those rated "A" or higher from Standard and Poor's (S&P) and Moody's, respectively.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

3) CASH AND INVESTMENTS (continued)

Information about the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as of year-end for each type of investment held by the City can be found below:

Investment Type		Minimum Legal Rating	Rating as of Year End	
			AAA	Not Rated
Primary government:				
Local Agency Investment Fund	\$ 9,554,216	N/A	\$ -	\$ 9,554,216
CAMP	5,606,808	N/A	-	5,606,808
Restricted:				
Money market	154,956	A	154,956	-
Component Unit -				
Wildomar Cemetery District				
Money market	247,667	A	247,667	-
Total	<u>\$ 15,563,647</u>		<u>\$ 402,623</u>	<u>\$ 15,161,024</u>

Interest Rate Risk

The City's investment policy investment maturities to five years, unless matched to a specific cash flow. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2022, the City had the following investments and remaining maturities:

Investment Type		Investment Maturities (in Years)		Fair Value
		Less than 1 Year	1 to 5 Years	
Primary government:				
Local Agency Investment Fund	\$ 9,554,216	\$ 9,554,216	\$ 9,554,216	
CAMP	5,606,808	5,606,808	5,606,808	
Restricted:				
Money market	154,956	154,956	154,956	
Component Unit -				
Wildomar Cemetery District				
Money Market	247,667	247,667	247,667	
Total	<u>\$ 15,563,647</u>	<u>\$ 15,563,647</u>	<u>\$ 15,563,647</u>	<u>\$ 15,563,647</u>

City of Wildomar

Notes to Financial Statements **June 30, 2022**

4) FAIR VALUE MEASUREMENTS

Generally accepted accounting standards require certain items to be measured at fair value. The fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are not active.
- Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis as of June 30, 2022, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Primary government:			
Local Agency Investment Fund	\$ 9,554,216	\$ -	\$ 9,554,216
CAMP	5,606,808	-	5,606,808
Restricted:			
Money market	154,956	154,956	-
Component Unit -			
Wildomar Cemetery District			
Money Market	247,667	247,667	-
Total	<u>\$ 15,563,647</u>	<u>\$ 402,623</u>	<u>\$ 15,161,024</u>

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices.

Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

5) CAPITAL ASSETS

Capital asset activity for the year was as follows:

Primary government – City

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,032,101	\$ -	\$ -	\$ 3,032,101
Construction in progress	6,676,424	4,743,832	-	11,420,256
Right-of-way	3,960,029	373,696	-	4,333,725
Total capital assets, not being depreciated	<u>13,668,554</u>	<u>5,117,528</u>	<u>-</u>	<u>18,786,082</u>
Capital assets, being depreciated/amortized:				
Right-to-use	-	1,334,287	-	1,334,287
Buildings and improvements	7,545,145	-	-	7,545,145
Furniture, fixtures and equipment	241,380	319,001	(21,996)	538,385
Streetlights	1,905,417	4,850	-	1,910,267
Traffic signals	251,824	-	-	251,824
Infrastructure	56,296,472	839,996	-	57,136,468
Total capital assets, being depreciated/amortized	<u>66,240,238</u>	<u>2,498,134</u>	<u>(21,996)</u>	<u>68,716,376</u>
Less accumulated depreciation/amortization for:				
Right-to-use	-	(363,988)	-	(363,988)
Buildings and improvements	(3,255,679)	(259,401)	-	(3,515,080)
Furniture, fixtures and equipment	(240,379)	(91,414)	8,798	(322,995)
Streetlights	(127,161)	(100,313)	-	(227,474)
Traffic signals	(103,482)	(12,591)	-	(116,073)
Infrastructure	(36,998,232)	(1,832,275)	-	(38,830,507)
Total accumulated depreciation/amortization	<u>(40,724,933)</u>	<u>(2,659,982)</u>	<u>8,798</u>	<u>(43,376,117)</u>
Total capital assets, being depreciated, net	<u>25,515,305</u>	<u>(161,848)</u>	<u>(13,198)</u>	<u>25,340,259</u>
Governmental activities capital assets, net	<u>\$ 39,183,859</u>	<u>\$ 4,955,680</u>	<u>\$ (13,198)</u>	<u>\$ 44,126,341</u>

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

Governmental activities:	
General government	\$ 379,672
Public safety	89,810
Community development	12,292
Community services	229,912
Public works	1,948,296
Total governmental activities depreciation expense	<u>\$ 2,659,982</u>

City of Wildomar

Notes to Financial Statements **June 30, 2022**

5) CAPITAL ASSETS (continued)

Component unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 963,390	\$ -	\$ -	\$ 963,390
Total capital assets, not being depreciated	<u>963,390</u>	<u>-</u>	<u>-</u>	<u>963,390</u>
Capital assets, being depreciated:				
Right-to-use	-	206,901	-	206,901
Buildings and improvements	349,598	-	-	349,598
Furniture, fixtures and equipment	<u>139,590</u>	<u>28,128</u>	<u>(7,565)</u>	<u>160,153</u>
Total capital assets, being depreciated	<u>489,188</u>	<u>235,029</u>	<u>(7,565)</u>	<u>716,652</u>
Less accumulated depreciation/amortization for:				
Right-to-use	-	(59,115)	-	(59,115)
Buildings and improvements	(337,488)	(809)	-	(338,297)
Furniture, fixtures and equipment	<u>(133,538)</u>	<u>(6,807)</u>	<u>4,539</u>	<u>(135,806)</u>
Total accumulated depreciation/amortization	<u>(471,026)</u>	<u>(66,731)</u>	<u>4,539</u>	<u>(533,218)</u>
Total capital assets, being depreciated, net	<u>18,162</u>	<u>168,298</u>	<u>(3,026)</u>	<u>183,434</u>
Governmental activities capital assets, net	<u>\$ 981,552</u>	<u>\$ 168,298</u>	<u>\$ (3,026)</u>	<u>\$ 1,146,824</u>

6) LONG-TERM LIABILITIES

The following is a schedule of changes in long-term debt for the fiscal year:

Primary government – City

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Compensated absences	\$ 189,828	\$ 65,733	\$ (23,664)	\$ 231,897	\$ 132,181
Leases payable	-	1,334,287	(284,221)	1,050,066	351,657
Direct borrowing:					
Loan payable	1,464,403	-	(81,330)	1,383,073	85,606
Total	<u>\$ 1,654,231</u>	<u>\$ 1,400,020</u>	<u>\$ (389,215)</u>	<u>\$ 2,665,036</u>	<u>\$ 569,444</u>

City of Wildomar

Notes to Financial Statements **June 30, 2022**

6) LONG-TERM LIABILITIES (continued)

Component unit – Wildomar Cemetery District:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Compensated absences	\$ 12,411	\$ 10,963	\$ -	\$ 23,374	\$ 5,844
Leases payable		206,901	(45,479)	161,422	55,167
Total	\$ 12,411	\$ 217,864	\$ (45,479)	\$ 184,796	\$ 61,011

Compensated absences

The City accrues accumulated unpaid vacation, sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee as described in Note 1. The City and Wildomar Cemetery District (component unit) as of June 30, 2022, had an outstanding accrued balance of unpaid vacation, sick and associated employee related costs of \$231,897 and \$23,374, respectively that will be liquidated from various funding sources in future years.

Direct borrowings - loan payable

On March 22, 2019 the City entered into an agreement with Banc of America Leasing & Capital, LLC for the loan of \$1,525,470 to finance the acquisition of streetlights within the City. The loan will be repaid in semi-annual installments, which include principal and interest, starting June 1, 2020, with the last payment to be made June 1, 2034. The interest rate is 5.19%. The balance of the loan is \$1,383,073 as of June 30, 2022.

The loan is a direct borrowing. There are no provisions for the outstanding loans in the event of default and no assets were held as collateral. Below is the future debt service for the loan:

Year ending June 30,	Principal	Interest	Total
2023	\$ 85,606	\$ 70,685	\$ 156,291
2024	90,106	66,184	156,290
2025	94,844	61,447	156,291
2026	99,830	56,461	156,291
2027	105,078	51,213	156,291
2028-2032	757,198	180,548	937,746
2033-2034	150,411	5,880	156,291
Total	\$ 1,383,073	\$ 492,418	\$ 1,875,491

City of Wildomar

Notes to Financial Statements **June 30, 2022**

6) LONG-TERM LIABILITIES (continued)

Leases payable - City

During the current fiscal, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City entered into a 42-month lease as lessee for the use of city hall. The lease is shared by the City (85%) and the Cemetery District (15%). A total initial lease liability was recorded in the amount of \$1,379,342. As of June 30, 2022, the value of the lease liability was \$914,728 and \$161,422 for the City and the Cemetery District, respectfully. The City is required to make fixed monthly payments of \$24,030 and monthly variable fixed in substance principal and interest payments of \$13,239. The lease has an interest rate of 0.457%. The total value of the right to use asset as of June 30, 2022 was \$1,379,342 with accumulated amortization of \$394,098 (City \$334,983 and District \$59,115). The right-to-use asset is being amortized over the lease term.

In November 2021, the City entered into four leases with lengths ranging from 44 to 48 months as lessee for the use of certain vehicles. An initial lease liability was recorded in the amount of \$135,793. As of June 30, 2022, the value of the lease liability is \$115,743. The City is required to make monthly fixed payments of \$3,303. The lease has an interest rate of 18.62%. The total value of the right to use assets as of yearend are \$135,793 with accumulated amortization of \$22,429. The leases have an unguaranteed residual value of \$43,775.

During the fiscal year, the City entered into several leases ranging from 24-49 months as lessee for the use of several copiers. An initial lease liability was recorded in the amount of \$26,053. As of June 30, 2022, the value of the lease liability is \$19,595. The City is required to make monthly fixed payments between \$197 - \$331. The leases have interest rates ranging between 0.315% - 2.015%. The total value of the right-to-use assets as of June 30, 2022 was \$26,053 with accumulated amortization of \$6,576.

The future payments on the leases are as follows (excluding the District):

Year ending June 30,	Principal	Interest	Total
2023	\$ 351,657	\$ 12,898	\$ 364,555
2024	441,323	8,559	449,882
2025	240,779	3,780	244,559
2026	16,307	406	16,713
Total	<u>\$ 1,050,066</u>	<u>\$ 25,643</u>	<u>\$ 1,075,709</u>

City of Wildomar

Notes to Financial Statements **June 30, 2022**

7) INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

Due To/From Other Funds

DUE FROM		DUE TO		
		Grants	General Fund	Total
	Other Governmental Funds		\$ 1,713,910	\$ 1,713,910
			56,839	56,839
	Total		\$ 1,770,749	\$ 1,770,749

These were the result of routine interfund transactions due to eliminating temporary deficit cash balances.

Interfund Transfers

TRANSFERS IN		TRANSFERS OUT			
		Development Impact Fees	Grants	Other Governmental Funds	Total
	General Fund	\$ 66,127	\$ 878	\$ 252,834	\$ 319,839
	Total	\$ 66,127	\$ 878	\$ 252,834	\$ 319,839

During the year, interfund transfers were used to provide services and construct assets between funds.

8) PENSION PLAN

Plan Description

All full-time employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, a cost- sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City's 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. Eligible employees hired after January 1, 2013 that, are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

Benefits Provided

CalPERS, provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost-of-living adjustments for all plans are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect as of June 30, 2022 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013⁽¹⁾
Hire Date		
Benefit formula:		
Social Security coverage	No	No
Full/modified	Full	Full
Final average compensation period	12 Months	12 Months
Sick leave credit	Yes	Yes
Non-industrial disability	Standard	Standard
Industrial disability	No	No
Pre-retirement death benefits:		
Optional settlement 2W	Yes	Yes
1959 Survivor benefit level	Level 4	Level 4
Special	No	No
Alternate (firefighters)	No	No
Post-retirement death benefits:		
Lump sum	\$500	\$500
Survivor allowance (PRSA)	No	No
COLA	2%	2%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	14.020%	7.590%

⁽¹⁾ For employees hired on or after January 1, 2013, they are included in their respective PEPRA (California Public Employees' Pension Reform Act) with the above provisions and benefits.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

Required contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are 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. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the City, employer contributions to the Plan for the fiscal year ended June 30, 2022 were \$270,085. The actual employer payments of \$185,722 made to CalPERS by the City during the measurement period ended June 30, 2021 differed from the proportionate share of the employer's contributions of \$125,200 by \$60,522, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan. For the Cemetery District, employer contributions to the Plan for the fiscal year ended June 30, 2022 were \$23,696. The actual employer payments of \$23,030 made to CalPERS by the District during the measurement period ended June 30, 2021 differed from the proportionate share of the employer's contributions of \$21,459 by \$1,571, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

The City and District's net pension liability (asset) for the Plan were measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability (asset) of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability (asset) is as follows.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	Depending on age, service, and type of employment
Mortality	CalPERS membership data ⁽¹⁾
Post retirement benefit increase	The lesser of contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 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 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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

The expected real rates of return by asset class are as follows:

Assets Class ^(a)	Assumed Asset Allocation	Real Return Years 1-10 ^(b)	Real Return Years 11 ^(c)
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

^(a) In the System's Annual Comprehensive Financial Report, fixed income is included in global equity securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

^(b) An expected inflation of 2.00% used for this period.

^(c) An expected inflation of 2.92% used for this period.

Change of Assumptions

There were no change of assumptions for measurement date June 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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 (asset).

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

Proportionate Share of Net Pension Liability/(Asset)

The following tables show the Plan's proportionate share of the net pension liability/(asset) over the measurement period.

	City total pension liability (a)	City fiduciary net position (b)	City net pension liability/(asset) (c) = (a) - (b)
Balance at: 6/30/2020 (VD)	\$ 2,601,560	\$ 2,333,265	\$ 268,295
Balance at: 6/30/2021 (MD)	<u>3,070,555</u>	<u>3,183,193</u>	<u>(112,638)</u>
Net change	<u>\$ (468,995)</u>	<u>\$ (849,928)</u>	<u>\$ 380,933</u>

Valuation date (VD); Measurement date (MD)

	District total pension liability (a)	District fiduciary net position (b)	District net pension liability/(asset) (c) = (a) - (b)
Balance at: 6/30/2020 (VD)	\$ 667,891	\$ 458,713	\$ 209,178
Balance at: 6/30/2021 (MD)	<u>680,793</u>	<u>545,587</u>	<u>135,206</u>
Net change	<u>\$ (12,902)</u>	<u>\$ (86,874)</u>	<u>\$ 73,972</u>

Valuation date (VD); Measurement date (MD)

The proportion of the net pension liability/(asset) was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The Local Government's proportionate share of the net pension liability for the Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

	Wildomar Cemetery City	District
Proportion - June 30, 2020	0.00247%	0.00192%
Proportion - June 30, 2021	-0.02080%	0.00250%
Change - increase (decrease)	-0.02327%	0.00058%

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the City and District's proportionate share of the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<u>City</u>	Wildomar Cemetery District
1% Decrease	6.15%	6.15%
Net pension liability (asset)	\$ 292,770	\$ 225,091
Current discount rate	7.15%	7.15%
Net pension liability (asset)	\$(112,638)	\$ 135,206
1% Increase	8.15%	8.15%
Net pension liability (asset)	\$(447,783)	\$ 60,899

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability/(asset) and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

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

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

As of the start of the measurement period (July 1, 2020), the City and District's net pension liabilities were \$268,295 and \$209,178, respectively. For the measurement period ending June 30, 2021 (the measurement date), the City and District incurred a pension expense/(credit) of \$(112,638) and \$70,300, respectively.

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to measurement date	\$ 270,085	\$ -
Differences between expected and actual experience	-	12,631
Differences between projected and actual investment earnings	98,327	-
Differences between employer's contributions and proportionate share of contributions	73,543	-
Changes in employer's proportion	91,944	-
 Total	 \$ 533,899	 \$ 12,631

City of Wildomar

Notes to Financial Statements **June 30, 2022**

8) PENSION PLAN (continued)

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

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$270,085 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability (asset) in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30,	Deferred outflows/inflows of resources
2023	\$ 96,409
2024	77,502
2025	50,100
2026	27,172
2027	-
Thereafter	-
Total	<u>\$ 251,183</u>

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City's agent multiple employer defined benefit postemployment healthcare plan provides medical benefits to eligible retired employees and qualified dependents. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. CalPERS issues a Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS Comprehensive Annual Financial Report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of the City are established and may be amended by the City Council.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Employees Covered

As of June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	35
Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to, but not yet receiving benefits	-
Total	40

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2022, the City contributed \$19,761 to the Plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022 based on the following actuarial methods and assumptions:

Actuarial Assumptions

Discount rate	4.09%
Inflation	2.30%
Salary increases	2.80% plus merit
Mortality rate ⁽¹⁾	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	4.50%+

Notes:

⁽¹⁾ Mortality information was derived from, for Actives and Retirees: SOA Pub-2010 General Headcount-Weighted Mortality Table fully generational using Scale MP-2021. For Surviving Spouses and Beneficiaries: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality fully generational using Scale MP-2021. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. 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 and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

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

			Increase (Decrease)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2021 <i>(Valuation Date June 30, 2021)</i>	\$ 525,584	\$ -	\$ 525,584
Changes Recognized for the Measurement Period:			
Service cost	47,113	-	47,113
Interest	12,327	-	12,327
Actual and expected experience difference	97,168	-	97,168
Changes of assumptions	(79,408)	-	(79,408)
Contribution - employer	-	19,761	(19,761)
Change of benefit terms	(13,264)	-	(13,264)
Benefit payments	(19,761)	(19,761)	-
Administrative expense	-	-	-
Net changes	44,175	-	44,175
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	<u>\$ 569,759</u>	<u>\$ -</u>	<u>\$ 569,759</u>

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 one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	Current		
	1% Decrease	Discount Rate	1% Increase
	3.09%	4.09%	5.09%
Net OPEB Liability	\$ 655,011	\$ 569,759	\$ 500,577

City of Wildomar

Notes to Financial Statements **June 30, 2022**

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	Current Healthcare Cost Trend Rates		
	1% Decrease 3.50%	4.50%	1% Increase 5.50%
Net OPEB Liability	\$ 485,311	\$ 569,759	\$ 678,693

Recognition of Deferred Outflows and Deferred Inflows of Resources

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.

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$29,252. As of fiscal year, ended June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes in assumptions	27,983	144,858
Differences between expected and actual experience	105,022	138,670
Total	\$ 133,005	\$ 283,528

City of Wildomar

Notes to Financial Statements **June 30, 2022**

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The \$0 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date as the valuation was for the same reporting period. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2023	\$ (16,924)
2024	(18,476)
2025	(24,758)
2026	(24,758)
2027	(24,758)
Thereafter	(40,849)

Changes in assumptions

The following assumptions have been updated:

- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The prior full valuation used a discount rate of 2.19%.
- Spouse Age default assumptions have been updated to assume husbands to be 3 years older than wives for records lacking data.
- Mortality rates have been updated to the following:
 - General/Retired/Vested Terminated: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021
 - Surviving Spouses: SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Retirement rates have been updated based on 2021 CalPERS pension plan experience study.
- Termination rates have been updated based on 2021 CalPERS pension plan experience study.
- Salary scale assumptions have been updated based on the 2021 CalPERS experience study.
- Health care trend rates have been reset to an initial rate of 6.50% decreasing by 0.25% annually to an ultimate rate of 4.50%. MRC trend rates have been updated to reflect the increase in the MRC.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

10) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

The City is a member of the California Intergovernmental Risk Authority - CIRA (Authority), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$5,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$1 million. The Authority has additional coverage of \$35 million in excess of its \$1 million retention limit through multiple insurers and insurance risk sharing pool. The Authority also provides one billion dollars aggregate per occurrence property damage to its members with such coverage provided by purchased insurance.

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred by not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claim's liability estimate.

The Authority covers workers' compensation claims up to its self-insurance limit of \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The City pays an annual premium to the Authority and may share in any operating results. Financial statements of the Authority may be obtained from its administrative office located at 2330 East Bidwell, Suite 150, Folsom, California, 95630; www.cira-jpa.org or by calling (916) 927- 7727.

As of June 30, 2022, the City did not have any significant claims liability; therefore, no accrual was required. Claims settlements have not exceeded insurance coverage in each of the past four years.

City of Wildomar

Notes to Financial Statements **June 30, 2022**

11) FUND EQUITY

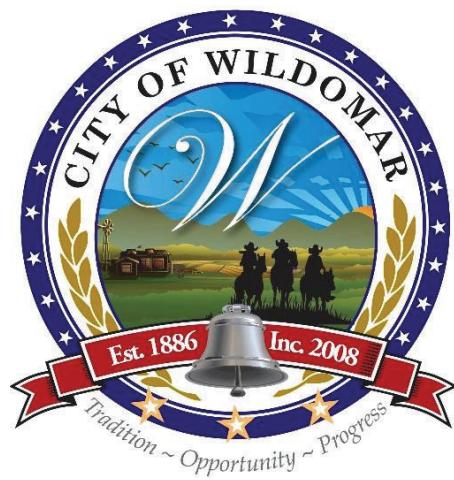
The City has established certain fund balance designations to report the amounts which represent available spendable resources restricted, committed or assigned for a specific purpose.

The Committed Fund Balance in the Measure AA Special Revenue Fund are for Public Safety, Street Maintenance and Homelessness Solutions.

The following funds had deficit fund balances as of June 30, 2022. These deficits are expected to be eliminated through future revenues.

Fund	Amount
Grants Special Revenue Fund	\$ (1,909,274)
Community Development Block Grant	
Special Revenue Fund	(33,706)
2022-1 Special Tax A Special Revenue Fund	(1,367)
2022-2 Special Tax A Special Revenue Fund	(1,279)
Capital Projects Fund	(11,082)

REQUIRED SUPPLEMENTARY INFORMATION



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City of Wildomar

Budgetary Comparison Schedule by Department General Fund For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,444,793	\$ 2,444,793	\$ 2,444,793	\$ -
Resources (Inflows):				
Taxes	8,664,300	9,071,000	9,737,959	666,959
Licenses and permits	2,545,400	2,979,800	2,914,180	(65,620)
Intergovernmental	3,021,500	3,040,100	3,048,479	8,379
Charges for services	211,800	16,700	14,583	(2,117)
Fines and forfeitures	75,000	75,000	56,705	(18,295)
Use of money and property	20,100	21,800	(72,454)	(94,254)
Contributions from other government	-	-	101,562	101,562
Miscellaneous	17,300	83,600	73,456	(10,144)
Lease acquisition	-	-	1,334,287	1,334,287
Transfers in	723,300	973,300	539,721	(433,579)
Amounts Available for Appropriations	<u>17,723,493</u>	<u>18,706,093</u>	<u>20,193,271</u>	<u>1,487,178</u>
Charges to Appropriations (Outflows):				
General Government				
City Council	282,800	320,500	265,192	55,308
City Manager	571,800	705,600	593,826	111,774
City Clerk	282,000	282,000	216,716	65,284
City Attorney	272,800	104,400	69,735	34,665
Administrative Services	690,100	820,100	853,215	(33,115)
Human Resources	110,300	204,600	197,216	7,384
Non-departmental	966,200	1,110,100	751,437	358,663
Public Safety				
Police	5,319,700	5,313,600	4,994,581	319,019
Fire	2,264,500	2,274,500	2,311,094	(36,594)
Animal Control	578,100	579,800	494,844	84,956
OEM	25,100	600	560	40
Community Development				
Administration	162,200	187,200	32,178	155,022
Building and Safety	666,100	612,400	685,245	(72,845)
Planning	264,600	318,100	293,472	24,628
Development Engineering	558,100	558,100	521,480	36,620
Code Enforcement	339,100	454,200	529,607	(75,407)
Deposit based projects	275,400	672,900	689,666	(16,766)
Planning Commission	17,100	18,600	18,989	(389)
Economic Development	316,800	316,800	271,398	45,402
Community Services				
Community Services - Administration	61,600	61,600	33,410	28,190
Marna O'Brien Park	-	1,500	-	1,500
Ball Fields	23,700	23,700	14,420	9,280
Other parks	2,900	4,500	3,585	915
Public Works	653,700	1,222,500	642,936	579,564
Debt service				
Principal	-	-	280,236	(280,236)
Interest	-	-	7,735	(7,735)
Capital outlay	-	46,200	1,371,952	(1,325,752)
Transfers out	215,000	465,000	219,882	245,118
Total Charges to Appropriations	<u>14,919,700</u>	<u>16,679,100</u>	<u>16,364,607</u>	<u>314,493</u>
Budgetary Fund Balance, June 30	\$ 2,803,793	\$ 2,026,993	\$ 3,828,664	\$ 1,801,671

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Development Impact Fees
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,487,516	\$ 6,487,516	\$ 6,487,516	\$ -
Resources (Inflows):				
Use of money and property	-	-	8,955	8,955
Developer participation	981,600	1,682,500	1,963,765	281,265
Amounts Available for Appropriations	7,469,116	8,170,016	8,460,236	290,220
Charges to Appropriations (Outflows):				
General government	-	-	8,955	(8,955)
Community development	-	-	4,860	(4,860)
Community services	19,000	19,000	19,995	(995)
Public works	672,700	684,600	307,696	376,904
Capital outlay	1,989,200	1,984,700	395,156	1,589,544
Transfers out	48,800	53,300	66,127	(12,827)
Total Charges to Appropriations	2,729,700	2,741,600	802,789	1,938,811
Budgetary Fund Balance, June 30	\$ 4,739,416	\$ 5,428,416	\$ 7,657,447	\$ 2,229,031

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Measure AA
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,275,440	\$ 3,275,440	\$ 3,275,440	\$ -
Resources (Inflows):				
Taxes	3,476,100	5,000,000	5,677,525	677,525
Use of money and property	1,500	1,500	4,282	2,782
Amounts Available for Appropriations	<u>6,753,040</u>	<u>8,276,940</u>	<u>8,957,247</u>	<u>680,307</u>
Charges to Appropriations (Outflows):				
General government	4,200	4,300	7,273	(2,973)
Public safety	2,364,100	2,362,900	2,072,027	290,873
Community development	66,000	77,400	3,249	74,151
Community services	157,000	278,600	250,984	27,616
Public works	1,277,000	1,105,700	628,068	477,632
Capital outlay	35,000	87,100	99,837	(12,737)
Total Charges to Appropriations	<u>3,903,300</u>	<u>3,916,000</u>	<u>3,061,438</u>	<u>854,562</u>
Budgetary Fund Balance, June 30	<u>\$ 2,849,740</u>	<u>\$ 4,360,940</u>	<u>\$ 5,895,809</u>	<u>\$ 1,534,869</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – ARPA
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	3,500,000	4,453,000	436,292	(4,016,708)
Use of money and property	-	-	4,419	4,419
Amounts Available for Appropriations	<u>3,500,000</u>	<u>4,453,000</u>	<u>440,711</u>	<u>(4,012,289)</u>
Charges to Appropriations (Outflows):				
General government	27,100	206,800	148,978	57,822
Public safety	31,500	33,700	32,288	1,412
Economic development	-	400	393	7
Community services	217,600	569,900	253,135	316,765
Public works	87,200	13,000	5,917	7,083
Capital outlay	70,000	70,000	-	70,000
Transfers out	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>265,000</u>
Total Charges to Appropriations	<u>698,400</u>	<u>1,158,800</u>	<u>440,711</u>	<u>718,089</u>
Budgetary Fund Balance, June 30	<u>\$ 2,801,600</u>	<u>\$ 3,294,200</u>	<u>\$ -</u>	<u>\$ (3,294,200)</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Grants
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (945,092)	\$ (945,092)	\$ (945,092)	\$ -
Resources (Inflows):				
Intergovernmental	8,899,300	5,953,100	3,092,194	(2,860,906)
Use of money and property	-	-	67	67
Transfers in	65,000	15,000	-	(15,000)
Amounts Available for Appropriations	<u>8,019,208</u>	<u>5,023,008</u>	<u>2,147,169</u>	<u>(2,875,839)</u>
Charges to Appropriations (Outflows):				
General government	-	10,000	33,665	(23,665)
Community development	240,400	290,400	65,608	224,792
Public works	206,300	208,600	1,279,099	(1,070,499)
Capital outlay	8,343,300	5,353,400	2,677,193	2,676,207
Transfers out	3,400	3,400	878	2,522
Total Charges to Appropriations	<u>8,793,400</u>	<u>5,865,800</u>	<u>4,056,443</u>	<u>1,809,357</u>
Budgetary Fund Balance, June 30	<u><u>\$ (774,192)</u></u>	<u><u>\$ (842,792)</u></u>	<u><u>\$ (1,909,274)</u></u>	<u><u>\$ (1,066,482)</u></u>

City of Wildomar

Schedule of the City's Proportionate Share of the Net Pension Liability CalPERS Pension Plan Last Ten Years* As of June 30, 2022

Primary government - City

Measurement date	Proportion of the net pension liability	Proportionate share of the net pension liability/(asset)	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total plan pension Liability
2015	0.00398%	\$ 98,405	\$ 564,727	17.43%	81.15%
2016	0.00329%	90,222	890,684	10.13%	87.60%
2017	0.35900%	124,553	868,158	14.35%	87.55%
2018	0.00447%	176,110	1,028,756	17.12%	87.03%
2019	0.00425%	160,169	1,110,538	14.42%	90.55%
2020	0.00523%	209,327	1,131,704	18.50%	90.24%
2021	0.00636%	268,295	1,291,013	20.78%	89.69%
2022	-0.00593%	(112,638)	1,551,956	-7.26%	103.67%

Component Unit - Wildomar Cemetery District

Measurement date	Proportion of the net pension liability	Proportionate share of the net pension liability/(asset)	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total plan pension Liability
2016	0.00632%	\$ 171,037	\$ -	0%	71.00%
2017	0.00562%	195,159	-	0%	67.26%
2018	0.00542%	213,644	-	0%	66.49%
2019	0.00540%	203,561	-	0%	67.69%
2020	0.00522%	208,876	-	0%	68.44%
2021	0.00496%	209,178	-	0%	68.68%
2022	0.00712%	135,206	-	0%	80.14%

Notes to Schedule:

Benefit Changes. In 2021, there was no benefit terms modified.

Changes in Assumptions. For fiscal years 2019-2021 the discount rate remained the same 7.15 percent. For the 2018 fiscal year the discount rate was changed from 7.65 percent to 7.15 percent. In the 2017 fiscal year the discount rate changed from 7.5 percent to 7.65 percent to correct for an adjustment to exclude administrative expenses.

Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is based on the City's proportionate share of the CalPERS Miscellaneous Risk Pool.

*Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

City of Wildomar

Schedule of Contributions CalPERS Pension Plan Last Ten Years* As of June 30, 2022

Primary government - City

Fiscal year	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2015	\$ 196,524	\$ (196,524)	\$ -	\$ 890,684	22.06%
2016	85,106	(85,106)	-	868,158	9.80%
2017	111,100	(111,100)	-	1,028,756	10.80%
2018	115,449	(115,449)	-	1,110,538	10.40%
2019	122,136	(122,136)	-	1,131,704	10.79%
2020	147,645	(147,645)	-	1,291,013	11.44%
2021	185,722	(185,722)	-	1,551,956	11.97%
2022	270,085	(270,085)	-	2,461,081	10.97%

Component unit - Wildomar Cemetery District

Fiscal year	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2016	\$ 13,537	\$ (13,537)	\$ -	\$ -	0%
2017	15,113	(15,113)	-	-	0%
2018	17,619	(17,619)	-	-	0%
2019	22,343	(22,343)	-	-	0%
2020	20,744	(20,744)	-	-	0%
2021	23,030	(23,030)	-	-	0%
2022	23,696	(23,696)	-	-	0%

Notes to schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2020 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: There were no assumption changes for the 2021 valuation. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect 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.

*Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

City of Wildomar

Schedule of Changes in the Net OPEB Liability and Related Ratios for Measurement Periods Ended June 30,

Measurement Period	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 47,113	\$ 41,325	\$ 83,815	\$ 81,374	\$ 20,525
Interest	12,327	12,914	19,183	15,806	10,658
Actual and expected experience difference	97,168	3,213	(198,100)	-	53,286
Changes in assumptions	(79,408)	34,979	(103,812)	-	-
Changes in benefit terms	(13,264)	-	(9,717)	-	-
Benefit payments	(19,761)	(21,854)	231,095	(9,433)	(6,622)
Net Change in Total OPEB Liability	44,175	70,577	22,464	87,747	77,847
Total OPEB Liability - Beginning	525,584	455,007	432,543	344,796	266,949
Total OPEB Liability - Ending (a)	\$ 569,759	\$ 525,584	\$ 455,007	\$ 432,543	\$ 344,796
Plan Fiduciary Net Position					
Contributions - employer	\$ 19,761	\$ 21,854	\$ 9,717	\$ 9,433	6,622
Net investment income	-	-	-	-	-
Benefit payments	(19,761)	(21,854)	(9,717)	(9,433)	(6,622)
Administrative expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-	-	-
Net OPEB Liability - Ending (a)-(b)	\$ 569,759	\$ 525,584	\$ 455,007	\$ 432,543	\$ 344,796
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 2,794,338	\$ 1,268,959	\$ 1,234,997	\$ 1,023,774	\$ 993,955
Net OPEB liability as a percentage of covered payroll	20.4%	41.4%	36.8%	42.2%	34.7%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

City of Wildomar

Schedule of Contributions - OPEB Last Ten Fiscal Years

Fiscal Year	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll⁽²⁾	Contributions as a percentage of covered-employee payroll
2018	N/A	N/A	\$ -	\$ 993,955	0%
2019	N/A	N/A	-	1,110,538	0%
2020	N/A	N/A	-	1,234,997	0%
2021	N/A	N/A	-	1,268,959	0%
2022	N/A	N/A	-	2,794,338	0%

Notes to Schedule:

⁽¹⁾ No Actuarially Determined Contribution (ADC) was calculated for the Plan.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information become available.

City of Wildomar

Notes to Required Supplementary Information **June 30, 2022**

Budgets and Budgetary Data

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The 2022-1 and 2022-2 Special Tax A Funds did not have legally adopted budgets.

The City Council approves each year's budget prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, were required during the period, are also approved by the Council. In most cases, expenditures may not exceed appropriations at the function level. At fiscal year-end, all operating budget appropriations lapse.

Excess of Expenditures over Appropriations

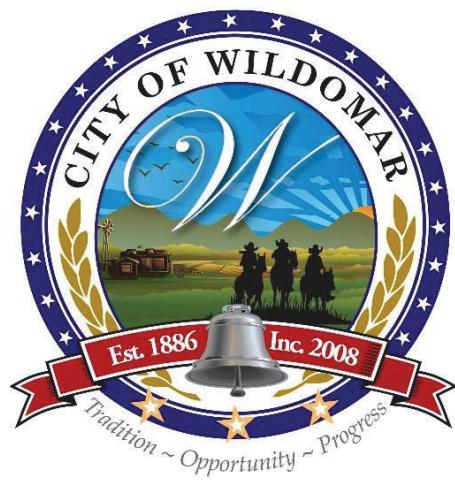
Expenditures exceeded appropriations in the categories in the following departments in the General Fund:

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Government:			
Administrative services	\$ 820,100	\$ 853,215	\$ (33,115)
Public Safety:			
Fire	2,274,500	2,311,094	(36,594)
Community Development:			
Building and safety	612,400	685,245	(72,845)
Code enforcement	454,200	529,607	(75,407)
Deposit based projects	672,900	689,666	(16,766)
Planning Commission	18,600	18,989	(389)
Debt service:			
Principal retirement	-	280,236	(280,236)
Interest	-	7,735	(7,735)

Other major funds with expenditures exceeding appropriations:

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Development Impact Fees:			
General government	\$ -	\$ 8,955	\$ (8,955)
Community development	-	4,860	(4,860)
Culture and recreation	19,000	19,995	(995)
Measure AA:			
General government	4,300	7,273	(2,973)
Capital outlay	87,100	99,837	(12,737)
Grants:			
General government	10,000	33,665	(23,665)
Public works	208,600	1,279,099	(1,070,499)

SUPPLEMENTARY INFORMATION



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City of Wildomar

Combining Balance Sheet
Non-major Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Gas Tax		Air Quality Management District		Measure A
	SLESF	Community Development Block Grant			
ASSETS					
Pooled cash and investments	\$ 591,230	\$ 237,256	\$ 653,727	\$ -	\$ -
Restricted cash and investments	26,780	-	-	-	-
Receivables, net:					
Grants	-	-	-	-	16,767
Accrued interest	-	-	-	-	-
Due from other governments	198,005	12,173	257,386	-	-
Total assets	<u>\$ 816,015</u>	<u>\$ 249,429</u>	<u>\$ 911,113</u>	<u>\$ -</u>	<u>\$ 16,767</u>
LIABILITIES					
Accounts payable	\$ 319,694	\$ -	\$ 53,190	\$ -	\$ -
Accrued liabilities	-	-	9,795	-	-
Deposits payable	26,780	-	-	-	-
Due to other funds	-	-	-	-	33,705
Total liabilities	<u>346,474</u>	<u>-</u>	<u>62,985</u>	<u>-</u>	<u>33,705</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - intergovernmental	-	-	-	-	16,768
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,768</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Community services	-	-	-	-	-
Public works	469,541	249,429	848,128	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	(33,706)
Total fund balances	<u>469,541</u>	<u>249,429</u>	<u>848,128</u>	<u>-</u>	<u>(33,706)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 816,015</u>	<u>\$ 249,429</u>	<u>\$ 911,113</u>	<u>\$ -</u>	<u>\$ 16,767</u>

Special Revenue Funds				Capital Project Funds			Debt Service Fund		Total Non-Major Governmental Funds	
Measure Z Park	2022-1 Special Tax A	2022-2 Special Tax A		Capital Projects	Assessment Districts		Streetlight Fund			
\$ 170,300	\$ -	\$ -		\$ -	\$ 2,144,234		\$ -		\$ 3,796,747	
-	-	-		-	-		154,956		181,736	
-	-	-		-	-		-		16,767	
-	-	-		-	-		100		100	
25,108	-	-		-	19,855		-		512,527	
<u>\$ 195,408</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ 2,164,089</u>		<u>\$ 155,056</u>		<u>\$ 4,507,877</u>	
\$ 95,028	\$ 1,367	\$ 1,279		\$ -	\$ 46,758		\$ -		\$ 517,316	
7,223	-	-		-	-		-		17,018	
-	-	-		-	-		-		26,780	
-	-	-		11,082	-		12,052		56,839	
102,251	1,367	1,279		11,082	46,758		12,052		617,953	
-	-	-		-	-		-		16,768	
-	-	-		-	-		-		16,768	
93,157	-	-		-	-		-		93,157	
-	-	-		-	-		-		1,567,098	
-	-	-		-	2,117,331		-		2,117,331	
-	-	-		-	-		143,004		143,004	
-	(1,367)	(1,279)		(11,082)	-		-		(47,434)	
93,157	(1,367)	(1,279)		(11,082)	2,117,331		143,004		3,873,156	
<u>\$ 195,408</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ 2,164,089</u>		<u>\$ 155,056</u>		<u>\$ 4,507,877</u>	

City of Wildomar

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Governmental Funds For the Year Ended June 30, 2022

	Special Revenue Funds				
	Gas Tax	Air Quality Management District		SLESF	Community Development Block Grant
			Measure A		
REVENUES					
Intergovernmental	\$ 1,626,024	\$ 47,534	\$ 1,017,091	\$ 161,285	\$ 13,045
Charges for services	-	-	-	-	-
Use of money and property	855	227	357	80	-
Miscellaneous	-	-	67	-	-
Total Revenues	1,626,879	47,761	1,017,515	161,365	13,045
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	80	-
Community services	-	-	-	-	-
Public works	1,210,621	4,727	319,152	-	-
Capital outlay	-	-	22,117	-	13,506
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	1,210,621	4,727	341,269	80	13,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	416,258	43,034	676,246	161,285	(461)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(2,250)	(56,300)	(161,285)	-
Total Other Financing Sources (Uses)	-	(2,250)	(56,300)	(161,285)	-
Net change in fund balances	416,258	40,784	619,946	-	(461)
FUND BALANCES (DEFICIT)					
Fund balances, beginning of year	53,283	208,645	228,182	-	(33,245)
Fund balances, end of year	\$ 469,541	\$ 249,429	\$ 848,128	\$ -	\$ (33,706)

Special Revenue Funds			Capital Project Funds			Debt Service Fund	Total Non-Major Governmental Funds	
Measure Z Park	2022-1 Special Tax A	2022-2 Special Tax A	Capital Projects	Assessment Districts	Streetlight Fund			
\$ 366,380	\$ -	\$ -	\$ -	\$ 1,122,798	\$ -	\$ 4,354,157		
18,641	-	-	-	-	173,631	192,272		
178	-	-	-	2,402	180	4,279		
500	-	-	-	-	-	567		
385,699	-	-	-	1,125,200	173,811	4,551,275		
29,657	-	-	-	2,402	-	32,059		
-	-	-	-	126,511	-	126,591		
481,979	-	-	-	-	-	481,979		
-	1,367	1,279	-	589,186	9,960	2,136,292		
496	-	-	11,082	14,850	15,513	77,564		
3,985	-	-	-	-	81,330	85,315		
3,096	-	-	-	-	74,961	78,057		
519,213	1,367	1,279	11,082	732,949	181,764	3,017,857		
(133,514)	(1,367)	(1,279)	(11,082)	392,251	(7,953)	1,533,418		
-	-	-	-	-	-	-		
-	-	-	-	(32,999)	-	(252,834)		
-	-	-	-	(32,999)	-	(252,834)		
(133,514)	(1,367)	(1,279)	(11,082)	359,252	(7,953)	1,280,584		
226,671	-	-	-	1,758,079	150,957	2,592,572		
\$ 93,157	\$ (1,367)	\$ (1,279)	\$ (11,082)	\$ 2,117,331	\$ 143,004	\$ 3,873,156		

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Gas Tax
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 53,283	\$ 53,283	\$ 53,283	\$ -
Resources (Inflows):				
Intergovernmental	1,616,800	1,616,800	1,626,024	9,224
Use of money and property	-	-	855	855
Transfers in	50,000	50,000	-	(50,000)
Amounts Available for Appropriations	1,720,083	1,720,083	1,680,162	(39,921)
Charges to Appropriations (Outflows):				
Public works	1,971,500	1,815,500	1,210,621	604,879
Capital outlay	-	3,700	-	3,700
Transfers out	61,000	61,000	-	61,000
Total Charges to Appropriations	2,032,500	1,880,200	1,210,621	669,579
Budgetary Fund Balance, June 30	<u>\$ (312,417)</u>	<u>\$ (160,117)</u>	<u>\$ 469,541</u>	<u>\$ 629,658</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Air Quality Management District
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 208,645	\$ 208,645	\$ 208,645	\$ -
Resources (Inflows):				
Intergovernmental	46,000	46,000	47,534	1,534
Use of money and property	-	-	227	227
Amounts Available for Appropriations	<u>254,645</u>	<u>254,645</u>	<u>256,406</u>	<u>1,761</u>
Charges to Appropriations (Outflows):				
Public works	49,500	4,500	4,727	(227)
Transfers out	2,300	2,300	2,250	50
Total Charges to Appropriations	<u>51,800</u>	<u>6,800</u>	<u>6,977</u>	<u>(177)</u>
Budgetary Fund Balance, June 30	<u>\$ 202,845</u>	<u>\$ 247,845</u>	<u>\$ 249,429</u>	<u>\$ 1,584</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Measure A
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 228,182	\$ 228,182	\$ 228,182	\$ -
Resources (Inflows):				
Intergovernmental	703,000	903,000	1,017,091	114,091
Use of money and property	100	100	357	257
Miscellaneous	-	100	67	(33)
Amounts Available for Appropriations	<u>931,282</u>	<u>1,131,382</u>	<u>1,245,697</u>	<u>114,315</u>
Charges to Appropriations (Outflows):				
Public works	494,800	734,900	319,152	415,748
Capital outlay	-	13,500	22,117	(8,617)
Transfers out	<u>56,300</u>	<u>56,300</u>	<u>56,300</u>	<u>-</u>
Total Charges to Appropriations	<u>551,100</u>	<u>804,700</u>	<u>397,569</u>	<u>407,131</u>
Budgetary Fund Balance, June 30	<u>\$ 380,182</u>	<u>\$ 326,682</u>	<u>\$ 848,128</u>	<u>\$ 521,446</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – SLESF
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	150,000	161,300	161,285	(15)
Use of money and property	-	-	80	80
Amounts Available for Appropriations	150,000	161,300	161,365	65
Charges to Appropriations (Outflows):				
Public safety	-	-	80	(80)
Transfers out	150,000	161,300	161,285	15
Total Charges to Appropriations	150,000	161,300	161,365	(65)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Community Development Block Grant
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (33,245)	\$ (33,245)	\$ (33,245)	\$ -
Resources (Inflows):				
Intergovernmental	35,000	35,000	13,045	(21,955)
Amounts Available for Appropriations	1,755	1,755	(20,200)	(21,955)
Charges to Appropriations (Outflows):				
Capital outlay	32,500	32,500	13,506	18,994
Total Charges to Appropriations	32,500	32,500	13,506	18,994
Budgetary Fund Balance, June 30	\$ (30,745)	\$ (30,745)	\$ (33,706)	\$ (2,961)

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Measure Z Park
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 226,671	\$ 226,671	\$ 226,671	\$ -
Resources (Inflows):				
Intergovernmental	-	-	366,380	366,380
Charges for services	-	-	18,641	18,641
Use of money and property	-	-	178	178
Miscellaneous	-	-	500	500
Amounts Available for Appropriations	<u>226,671</u>	<u>226,671</u>	<u>612,370</u>	<u>385,699</u>
Charges to Appropriations (Outflows):				
General government	26,800	29,400	29,657	(257)
Community services	442,600	487,500	481,979	5,521
Public works	100	100	-	100
Capital outlay	-	7,500	496	7,004
Principal retirement	-	-	3,985	(3,985)
Interest expense	-	-	3,096	(3,096)
Total Charges to Appropriations	<u>469,500</u>	<u>524,500</u>	<u>519,213</u>	<u>5,287</u>
Budgetary Fund Balance, June 30	<u>\$ (242,829)</u>	<u>\$ (297,829)</u>	<u>\$ 93,157</u>	<u>\$ 390,986</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Assessment Districts
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,758,079	\$ 1,758,079	\$ 1,758,079	\$ -
Resources (Inflows):				
Intergovernmental	1,052,300	1,127,000	1,122,798	(4,202)
Use of money and property	-	-	2,402	2,402
Amounts Available for Appropriations	2,810,379	2,885,079	2,883,279	(1,800)
Charges to Appropriations (Outflows):				
General government	-	-	2,402	(2,402)
Public safety	-	-	126,511	(126,511)
Public works	812,400	829,600	589,186	240,414
Capital outlay	245,500	242,700	14,850	227,850
Transfers out	52,900	52,900	32,999	19,901
Total Charges to Appropriations	1,110,800	1,125,200	765,948	359,252
Budgetary Fund Balance, June 30	\$ 1,699,579	\$ 1,759,879	\$ 2,117,331	\$ 357,452

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Capital Projects
For the year ended June 30, 2022

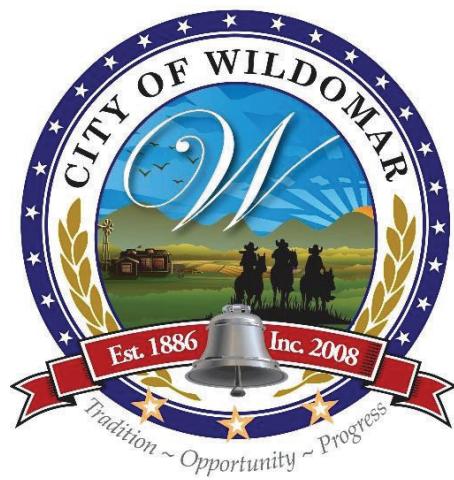
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Transfers in	200,000	200,000	-	(200,000)
Amounts Available for Appropriations	200,000	200,000	-	(200,000)
Charges to Appropriations (Outflows):				
General government	200,000	59,300	-	59,300
Capital outlay	-	59,300	11,082	48,218
Total Charges to Appropriations	200,000	118,600	11,082	107,518
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ 81,400</u>	<u>\$ (11,082)</u>	<u>\$ (92,482)</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Streetlight Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 150,957	\$ 150,957	\$ 150,957	\$ -
Resources (Inflows):				
Charges for services	173,900	173,900	173,631	(269)
Use of money and property	1,500	1,500	180	(1,320)
Amounts Available for Appropriations	<u>326,357</u>	<u>326,357</u>	<u>324,768</u>	<u>(1,589)</u>
Charges to Appropriations (Outflows):				
Public works	5,800	5,800	9,960	(4,160)
Principal retirement	81,300	81,300	81,330	(30)
Interest	75,000	75,000	74,961	39
Capital outlay	11,600	11,600	15,513	(3,913)
Total Charges to Appropriations	<u>173,700</u>	<u>173,700</u>	<u>181,764</u>	<u>(8,064)</u>
Budgetary Fund Balance, June 30	<u>\$ 152,657</u>	<u>\$ 152,657</u>	<u>\$ 143,004</u>	<u>\$ (9,653)</u>

STATISTICAL SECTION



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City of Wildomar

Statistical Section

This section of the City of Wildomar's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

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

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity - These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

Debt Capacity - 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.

- Ratio of Outstanding Debt by Type
- Direct and Overlapping Governmental Activities
- Legal Debt Margin Information

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place as well as allow comparisons over time and with other governments.

- Demographic and Economic Statistics
- Top Employers
- Full-time Equivalent City Government Employees by Function/Program

Operating Information - These schedules contain information about the City's operations and resources in order to help the reader understand how the City's financial information relates to its ability to provide services.

- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program
- Miscellaneous Statistics

Sources: Unless otherwise noted, the information in these schedules is derived from various internal and other governmental and non-governmental sources where reliability of the data could be ascertained.

City of Wildomar

Net Position by Component* **(Accrual Basis of Accounting)**

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 41,693,202	\$ 37,642,188	\$ 31,157,018	\$ 29,815,490	\$ 27,511,461
Restricted for:					
Community Development Projects	7,657,447	6,487,516	5,429,042	5,077,926	5,049,328
Community Services	93,157	226,671	263,153		
Public Safety	-	-	-		
Public Works	1,567,098	490,110	304,417	124,743	79,976
Capital Projects	2,117,331	1,758,079	1,436,063	1,324,591	1,045,702
Cemetery	-	-	-		
Debt Service	143,004	150,957	147,170	333,651	
Nonexpendable	-	-	-		
Unrestricted	9,591,470	5,014,648	2,020,017	1,157,175	652,571
Total Governmental Activities Net Position	<u>\$ 62,862,709</u>	<u>\$ 51,770,169</u>	<u>\$ 40,756,880</u>	<u>\$ 37,833,576</u>	<u>\$ 34,339,038</u>

*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 forward, the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

Fiscal Year									
2017		2016		2015		2014		2013	
\$	24,487,895	\$	23,919,815	\$	23,067,562	\$	24,394,130	\$	23,349,508
	4,807,087		3,541,211		2,579,164		2,640,489		2,108,884
	-		18,180		5,198		226		1,689,442
	367,868		249,576		714,148		1,352,511		483,243
	409,383		232,411		136,195		-		-
	-		-		1,690,565		1,649,080		1,590,386
	-		-		90,000		90,000		-
	134,019		457,120		(1,016,700)		(921,235)		(1,420,547)
\$	30,206,252	\$	28,418,313	\$	27,266,132	\$	29,205,201	\$	27,800,916

City of Wildomar

Changes in Net Position (Accrual Basis of Accounting)

	Fiscal Year				
	2022	2021	2020	2019	2018
EXPENSES					
Governmental Activities:					
General Government	\$ 3,323,123	\$ 2,827,798	\$ 3,061,012	\$ 3,404,115	\$ 2,469,147
Public Safety	10,121,795	7,983,251	9,104,994	7,953,196	5,957,516
Community Development	2,678,691	2,407,683	2,270,421	2,738,282	2,660,031
Economic Development	245,446	212,698	166,124	-	-
Community Services	1,279,393	936,156	908,428	219,647	219,647
Public Works	3,889,897	7,124,538	3,953,145	3,823,531	3,508,423
Interest on long-term debt	86,648	45,351	118,152	-	-
Total Governmental Activities Expenses	21,624,993	21,537,475	19,582,276	18,138,771	14,814,764
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	2,024,722	1,375,137	898,082	380,352	898,352
Public Safety	75,392	103,853	97,219	45,395	10,581
Community Development	2,870,909	2,162,593	1,708,190	2,075,499	2,054,708
Economic Development	1,322	-	-	-	-
Community Services	11,508	2,907	7,099	11,291	15,570
Public Works	955,743	848,664	750,290	423,706	239,777
Total Charges for Services	5,939,596	4,493,154	3,460,880	2,936,243	3,218,988
Operating Contributions and Grants:					
General Government	907,561	360,997	369,968	515,621	479,537
Public Safety	161,285	156,727	155,948	148,747	116,667
Community Development	379,425	473,279	940,616	597,995	545,537
Economic Development	-	-	-	-	-
Community Services	-	-	-	-	-
Public Works	2,707,892	3,183,238	1,960,065	2,008,341	3,230,361
Total Operating Contributions and Grants	4,156,163	4,174,241	3,426,597	3,270,704	4,372,102
Capital Contributions and Grants:					
Community Development	-	-	-	-	-
Public Works	4,141,262	7,851,995	1,812,906	4,106,559	-
Total Capital Contributions and Grants	4,141,262	7,851,995	1,812,906	4,106,559	-
Total Governmental Activities Program Revenues	14,237,021	16,519,390	8,700,383	10,313,506	7,591,090
TOTAL NET REVENUES (EXPENSES)	\$ (7,387,972)	\$ (5,018,085)	\$ (10,881,893)	\$ (7,825,265)	\$ (7,223,674)

*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 forward, the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

Fiscal Year					
	2017	2016	2015	2014	2013
\$	2,494,133	\$ 2,465,875	\$ 2,320,203	\$ 2,110,310	\$ 2,496,792
5,517,602	5,109,023	4,834,799	4,087,138	4,394,931	
2,389,801	2,569,072	3,058,008	2,881,440	1,818,348	
					-
219,647	219,647	425,006	405,589	219,707	
3,272,317	3,649,428	4,435,300	2,570,554	2,457,319	
			522,724		-
13,893,500	14,013,045	15,073,316	12,577,755	11,387,097	
1,539,067	636,577	233,193	706,214	1,440,592	
10,466	11,630	10,266	1,480	-	
2,397,374	2,773,440	2,491,406	285,075	243,188	
					-
7,832	4,673	9,005	40	1,056	
230,197	299,806	332,187	8,866	20,061	
4,184,936	3,726,126	3,076,057	1,001,675	1,704,897	
502,469	340,463	575,922	518,426	617,155	
139,416	143,942	97,546	100,000	100,000	
387,589	339,399	343,060	1,921,554	1,257,696	
					-
3,398,998	2,497,709	1,351,679	2,229,719	2,383,168	
4,428,472	3,321,513	2,368,207	4,779,835	4,358,019	
-	-	-	1,900,000	-	
-	884,658	1,049,064	-	-	
-	884,658	1,049,064	1,900,000	-	
8,613,408	7,932,297	6,493,328	7,681,510	6,062,916	
\$ (5,280,092)	\$ (6,080,748)	\$ (8,579,988)	\$ (4,896,245)	\$ (5,324,181)	

City of Wildomar

Changes in Net Position (Continued) **(Accrual Basis of Accounting)**

	Fiscal Year				
	2022	2021	2020	2019	2018
TOTAL NET REVENUES (EXPENSES) - Carry Forward	<u>\$ (7,387,972)</u>	<u>\$ (5,018,085)</u>	<u>\$ (10,881,893)</u>	<u>\$ (7,825,265)</u>	<u>\$ (7,223,674)</u>
GENERAL REVENUES AND OTHER CHARGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property Taxes, levied for general purpose	5,100,186	4,875,249	4,608,569	4,434,404	4,232,672
Sales Taxes	8,783,565	6,695,060	5,054,702	2,872,982	1,780,008
Franchise Taxes	1,238,074	1,206,707	1,080,234	1,077,164	1,057,586
Business Licenses Taxes	-	-	-	-	-
Motor Vehicle in Lieu Tax	3,004,100	2,837,391	2,718,513	2,580,800	2,392,884
Other Taxes	331,638	244,476	165,446	154,049	165,129
Investments Earnings	(50,453)	38,793	109,658	67,542	19,432
Other	73,402	133,698	68,075	132,862	1,897,363
Contributions from Other Entities	-	-	-	-	-
Special Item	-	-	-	-	-
Total Governmental Activities	<u>18,480,512</u>	<u>16,031,374</u>	<u>13,805,197</u>	<u>11,319,803</u>	<u>11,545,074</u>
CHANGES IN NET POSITION	<u>\$ 11,092,540</u>	<u>\$ 11,013,289</u>	<u>\$ 2,923,304</u>	<u>\$ 3,494,538</u>	<u>\$ 4,321,400</u>

*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 forward, the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

Fiscal Year

2017	2016	2015	2014	2013
\$ (5,280,092)	\$ (6,080,748)	\$ (8,579,988)	\$ (4,896,245)	\$ (5,324,181)
4,002,949	3,774,015	4,042,882	3,465,511	3,243,285
1,666,324	1,772,493	1,492,041	1,561,683	1,383,864
1,015,225	1,056,712	1,061,333	972,108	850,808
-	-	-	14,041	14,280
15,755	13,778	-	-	14,074
255,866	140,501	-	106,039	109,524
10,659	6,590	5,015	3,605	3,183
101,253	71,073	114,382	54,338	48,344
-	-	-	-	-
-	1,185,337	-	-	-
\$ 7,068,031	\$ 8,020,499	\$ 6,715,653	\$ 6,177,325	\$ 5,667,362
\$ 1,787,939	\$ 1,939,751	\$ (1,864,335)	\$ 1,281,080	\$ 343,181

City of Wildomar

Fund Balances of Governmental Funds* **(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2022	2021	2020	2019	2018
GENERAL FUND					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	17,533	-
Deposits	-	-	-	-	-
Restricted					
Debt Service	-	-	-	-	-
Unassigned	3,828,664	2,444,793	878,286	1,425,789	1,552,339
Total General Fund	<u>\$ 3,828,664</u>	<u>\$ 2,444,793</u>	<u>\$ 878,286</u>	<u>\$ 1,443,322</u>	<u>\$ 1,552,339</u>
ALL OTHER GOVERNMENTAL FUNDS					
Reserved:					
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	20,899	-
Cemetery Endowment	-	-	-	-	-
Restricted for:					
Community development projects	7,657,447	6,487,516	5,429,042	5,077,926	5,049,328
Community services	93,157	226,671	263,153	-	-
Public safety	-	-	-	583,766	-
Public works	1,567,098	490,110	304,417	124,743	79,976
Capital projects	2,117,331	1,758,079	1,436,063	1,324,591	1,045,702
Debt service	143,004	150,957	147,170	-	-
Cemetery	-	-	-	333,651	-
Committed	5,895,809	3,275,440	1,911,578	-	-
Unassigned	(1,956,708)	(978,337)	(575,345)	(1,652,734)	(3,666,121)
Total All Other Governmental Funds	<u>\$ 15,517,138</u>	<u>\$ 11,410,436</u>	<u>\$ 8,916,078</u>	<u>\$ 5,812,842</u>	<u>\$ 2,508,885</u>
Total Fund Balances - all funds	<u>\$ 19,345,802</u>	<u>\$ 13,855,229</u>	<u>\$ 9,794,364</u>	<u>\$ 7,256,164</u>	<u>\$ 4,061,224</u>

*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 forward, the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

Fiscal Year					
2017		2016		2015	
\$	-	\$	-	\$	-
\$	-	\$	-	\$	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,184	-	-	-	1,686
-	-	-	-	-	370,039
-	-	-	-	-	483,243
869,757	946,503	773,060	770,686	(46,320)	
\$ 869,757	\$ 957,687	\$ 773,060	\$ 770,686	\$ 808,648	
\$	-	\$	-	\$	-
-	-	2,167	3,509	2,640	
-	1,107	-	62	230	
-	-	90,000	90,000	90,000	
4,807,087	3,541,211	2,579,164	2,640,489	2,108,884	
-	-	-	-	-	
-	18,180	5,198	226	-	
367,868	249,576	714,148	1,352,511	1,689,442	
409,383	232,411	136,195	-	-	
-	-	-	-	-	
-	-	1,688,398	1,645,509	1,497,516	
-	-	-	-	-	
(1,663,955)	(1,486,366)	(1,616,354)	(1,183,295)	(759,932)	
\$ 3,920,383	\$ 2,556,119	\$ 3,598,916	\$ 4,549,011	\$ 4,628,780	
\$ 4,790,140	\$ 3,513,806	\$ 4,371,976	\$ 5,319,697	\$ 5,437,428	

City of Wildomar

Changes in Fund Balances of Governmental Funds* **(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2022	2021	2020	2019	2018
REVENUES					
Taxes	\$ 15,415,484	\$ 12,983,948	\$ 10,874,493	\$ 8,505,203	\$ 7,229,816
Licenses and Permits	2,914,180	2,185,629	1,665,127	1,883,515	2,003,200
Intergovernmental	10,931,122	8,662,540	9,035,650	12,304,486	7,033,686
Charges for Services	206,855	193,945	156,216	37,022	38,769
Fines and Forfeitures	56,705	84,020	84,703	49,358	45,552
Use of Money and Property	(50,452)	38,797	109,659	67,542	19,431
Developer Participation	1,963,765	1,333,216	895,215	526,149	867,838
Contributions	101,562	-	-	-	-
Miscellaneous	74,023	133,755	229,314	133,490	8,919
Total Revenues	31,613,244	25,615,850	23,050,377	23,506,765	17,247,211
EXPENDITURES					
Current:					
General Government	3,178,267	2,714,432	2,647,322	3,212,685	2,601,884
Public Safety	10,031,985	7,946,947	9,069,699	7,922,498	5,926,817
Community Development	2,844,354	2,407,683	2,270,421	2,738,282	2,660,031
Economic Development	271,791	212,698	166,124	-	-
Community Services	1,057,508	706,244	678,516	-	-
Public Works	5,000,008	3,965,255	2,846,944	2,446,387	3,375,478
Capital Outlay	4,621,702	3,445,435	2,755,005	5,480,443	3,411,917
Debt Service:					
Cost of Issuance	-	-	-	37,000	-
Principal Retirement	365,551	77,268	-	-	-
Interest and Fiscal Charges	85,792	79,023	78,146	-	-
Total Expenditures	27,456,958	21,554,985	20,512,177	21,837,295	17,976,127
Excess (Deficiency) of Revenue Over (Under) Expenditures	4,156,286	4,060,865	2,538,200	1,669,470	(728,916)
OTHER FINANCING SOURCES					
Transfers In	319,839	301,362	416,945	924,641	1,270,977
Transfers Out	(319,839)	(301,362)	(416,945)	(924,641)	(1,270,977)
Proceeds from Loan	-	-	-	1,525,470	-
Other Debts Issued	1,334,287	-	-	-	-
Total Other Financing Sources (Uses)	1,334,287	-	-	1,525,470	-
Net Change in Fund Balances	5,490,573	4,060,865	2,538,200	3,194,940	(728,916)
Fund Balances, Beginning of Year*	13,855,229	9,794,364	7,256,164	4,061,224	4,790,140
Restatements	-	-	-	-	-
Fund Balances, Beginning of Year, as Restated:	13,855,229	9,794,364	7,256,164	4,061,224	4,790,140
Fund Balances, End of Year	\$ 19,345,802	\$ 13,855,229	\$ 9,794,364	\$ 7,256,164	\$ 4,061,224
DEBT SERVICE AS A PERCENTAGE OF NON CAPITAL EXPENDITURES	2.33%	0.82%	0.46%	0.00%	0.00%

*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 forward, the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

Fiscal Year					
2017	2016	2015	2014	2013	
\$ 6,940,365	\$ 6,743,720	\$ 6,596,256	\$ 6,119,382	\$ 5,601,761	
2,345,877	2,754,563	2,460,535	1,602,381	1,274,332	
4,650,707	3,612,975	3,660,760	3,148,003	2,262,217	
18,614	14,895	27,077	213,328	175,722	
41,039	52,654	51,882	81,387	78,322	
10,659	6,590	5,015	3,605	3,183	
1,510,618	598,955	181,553	688,214	1,414,192	
-	-	-	-	1,271	
114,933	87,850	123,387	54,338	48,344	
<u>15,632,812</u>	<u>13,872,202</u>	<u>13,106,465</u>	<u>11,910,638</u>	<u>10,859,344</u>	
2,382,977	2,426,059	2,410,577	2,049,831	2,468,897	
5,488,113	5,079,535	4,834,799	4,447,176	4,616,892	
2,389,801	2,569,072	3,100,691	2,881,440	1,818,348	
-	-	-	-	-	
-	-	27,866	188,047	64	
1,953,548	1,982,458	2,460,664	1,383,266	1,158,413	
2,142,039	1,399,541	1,008,509	555,885	736,830	
-	-	-	-	-	
-	-	109,040	483,243	-	
-	-	-	39,481	-	
<u>14,356,478</u>	<u>13,456,665</u>	<u>13,952,146</u>	<u>12,028,369</u>	<u>10,799,444</u>	
1,276,334	415,537	(845,681)	(117,731)	59,900	
343,787	517,123	544,116	522,000	649,336	
(343,787)	(517,123)	(544,116)	(522,000)	(649,336)	
-	-	-	-	-	
-	-	-	-	-	
<u>1,276,334</u>	<u>415,537</u>	<u>(845,681)</u>	<u>(117,731)</u>	<u>59,900</u>	
3,513,806	2,591,411	5,319,697	5,437,428	5,513,711	
-	506,858	(102,040)	-	(136,183)	
3,513,806	3,098,269	5,217,657	5,437,428	5,377,528	
<u>\$ 4,790,140</u>	<u>\$ 3,513,806</u>	<u>\$ 4,371,976</u>	<u>\$ 5,319,697</u>	<u>\$ 5,437,428</u>	
0.00%	0.00%	0.85%	5.80%	0.00%	

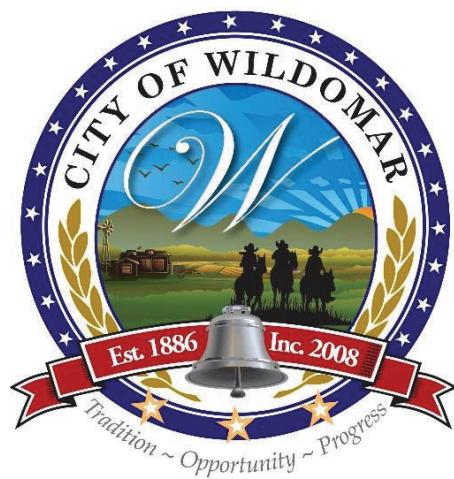
City of Wildomar

Assessed Value and Estimated Actual Value of Taxable Property

Fiscal year	Residential Property	Commercial Property	Other Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Rate
2022	\$ 3,353,379,918	\$ 238,817,009	\$372,949,652	\$(143,634,639)	\$ 3,821,511,940	0.06414
2021	3,194,123,965	206,450,586	365,302,589	(141,156,996)	3,624,720,144	0.06414
2020	2,998,915,691	367,930,286	266,202,102	(135,401,055)	3,497,647,024	0.06414
2019	2,869,319,248	366,065,458	207,467,159	(133,658,124)	3,309,193,741	0.06414
2018	2,672,591,727	348,827,091	205,071,044	(128,090,594)	3,098,399,268	0.06413
2017	2,457,768,510	206,868,526	333,066,581	(6,827,758)	2,990,875,859	0.06642
2016	2,315,546,269	195,912,842	315,827,261	(6,723,956)	2,820,562,416	0.06665
2015	2,128,221,360	186,564,353	301,703,479	(6,592,208)	2,609,896,984	0.06742
2014	1,797,147,241	184,326,275	318,120,654	(6,240,538)	2,293,353,632	0.0686
2013	1,680,133,457	188,066,878	342,293,939	(5,922,179)	2,204,572,095	0.06624

In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the 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 City of Wildomar was incorporated in July 2008, therefore data availability is limited. Changes in assessed value distribution is due to a change in source. Other property includes state unitary in the amount of \$129,600.

Source: MuniServices



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City of Wildomar

Direct and Overlapping Property Tax Rates (Rate per \$100 of Taxable Value)

Agency	#	Fiscal Year			
		2022	2021	2020	2019
City's Share of 1% Levy Per Prop 13		0.05800	0.05800	0.05800	0.05800
Basic Levy*		1.00000	1.00000	1.00000	1.00000
City of Wildomar		0.06414	0.06414	0.06414	0.06414
All others		0.93586	0.93586	0.93586	0.93586
Total Direct Rate		1.00000	1.00000	1.00000	1.00000
Override Assessments					
Menifee School Debt Svc		0.06319	0.06111	0.06277	0.06303
Metropolitan Water Dist Original Area		0.00350	0.00350	0.00350	0.00350
Mt. San Jacinto Jr College		0.01320	0.01320	0.08244	0.05243
Perris Union High School		0.08859	0.08569	0.01320	0.01320
Total Overriding Assessments		0.16848	0.16350	0.16191	0.13216
Total Direct & Overlapping Tax Rates		1.16848	1.16350	1.16191	1.13216

* In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% fixed amount. This 1.00% is shared between all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

Source: MuniServices

Fiscal Year					
2018	2017	2016	2015	2014	2013
0.05800	0.05800	0.05800	0.05800	0.05800	0.05800
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.06414 0.93586	0.06414 0.93586	0.06414 0.93586	0.06742 0.93258	0.06860 0.93140	0.06624 0.93376
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.06080 0.00350 0.05675 0.01320	0.03269 0.00350 0.06092 0.01320	0.03010 0.00350 0.06236 0.01394	0.03275 0.00350 0.06303 -	0.03421 0.00350 0.06970 -	0.03543 0.00350 0.03429 -
0.13425	0.11031	0.10990	0.09928	0.10741	0.07322
1.13425	1.11031	1.10990	1.09928	1.10741	1.07322

City of Wildomar

Principal Property Tax Payers

Taxpayer	Taxable Value (\$)	2021-22		2012-13	
		Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)
Oak Springs Partners	\$ 84,365,080	2.16%			
MG Santa Rosa Apartments	79,904,283	2.04%			
Universal Health Realty Income Trust	72,107,496	1.84%	\$ 66,240,980	3.04%	
LG Oak Creek	30,644,943	0.78%	15,817,000	0.73%	
Wildomar Industrial Park	23,024,682	0.59%	20,086,388	0.92%	
CK HS Partners 18	22,288,580	0.57%			
Sovran Acquisition Ltd Partnership	19,695,269	0.50%			
CFT NV Dev	17,707,407	0.45%			
MCW RC CA Bear Creek Village Cen	16,488,297	0.42%	14,058,373	0.64%	
Inland Valley Medical Partners	16,160,191	0.41%	13,926,369	0.64%	
Rainbow Mountain	14,212,143	0.36%			
Equilon Enterprises	13,020,825	0.33%			
Beazer Homes Holdings Corp	12,953,398	0.33%	11,432,870	0.52%	
ACI Real Estate SPE 143	12,300,000	0.31%			
GSC Smith Ranch	12,118,227	0.31%			
VSHS	11,661,383	0.30%	9,282,112	0.43%	
Conti Fabio	10,356,190	0.26%			
George Clinton Keith Dev	9,133,859	0.23%			
Wal Mart Real Estate Business Trust	9,058,511	0.23%	6,924,018	0.32%	
Ambient Pacific Occ	8,818,042	0.23%			
Wildomar Renaissance Plaza	8,020,409	0.20%			
Monte Vista Ranch	7,935,365	0.20%			
Wildomar Medical Prop	6,698,686	0.17%			
2018 1 IH Borrower Lp	6,089,465	0.16%			
RS Wildomar	6,034,086	0.15%	5,200,000	0.24%	
WNRA Wildomar			35,470,000	1.63%	
CK Self Storage			17,968,404	0.82%	
Stonebridge Medical Center			12,727,246	0.58%	
Dusk			9,373,900	0.43%	
A & S Prop At Clinton Keith			8,568,600	0.39%	
Oak Springs Ranch			7,665,000	0.35%	
Baxter Crossings			7,544,201	0.35%	
New Albertsons Inc			7,495,066	0.34%	
Meridian Wildomar Partners			7,292,013	0.33%	
Prichard Ronald D			6,975,500	0.32%	
Baxter Central Ltd Partnership			6,605,797	0.30%	
Meritage Homes Of Calif Inc			5,459,318	0.25%	
Pme Mortgage Fund Inc			4,799,037	0.22%	
Beaumont Gossett			4,494,150	0.21%	
Sierra Noble Inc			4,182,996	0.19%	
Bear Creek Plaza Ltd			3,859,156	0.18%	
Beaumont Gossett			4,406,031	0.20%	
Total Top 25 Taxpayers	\$ 530,796,817	13.56%	\$ 317,854,525	14.57%	
Total Taxable Value	\$ 3,914,676,493	100.00%	\$ 2,180,679,511	100.00%	

Source: Riverside County Assessor data, MuniServices, LLC

Wildomar was incorporated in July 2008, therefore data availability is limited

Total Taxable Value includes state unitary of \$129,600

City of Wildomar

Property Tax Levies and Collections

Fiscal Year	Collected within the Fiscal Year of the Levy				Total Collections to Date		
	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Collection in Subsequent Years	Amount	Percentage of Levy	
2022	\$ 4,832,419	\$ 4,672,630	96.69%	\$ 170,904	\$ 4,843,534	100.23%	
2021	4,688,098	4,583,900	97.78%	149,400	4,733,300	100.96%	
2020	4,503,962	4,484,048	99.56%	-	4,484,048	99.56%	
2019	4,234,361	4,113,696	97.15%	121,773	4,235,469	100.03%	
2018	3,973,916	3,848,479	96.84%	122,634	3,971,113	99.93%	
2017	3,825,844	3,732,682	97.56%	75,891	3,808,573	99.55%	
2016	3,625,979	3,515,561	96.95%	107,546	3,623,107	99.92%	
2015	3,394,851	3,241,573	95.48%	125,930	3,367,503	99.19%	
2014	3,045,734	2,830,033	92.92%	148,755	2,978,788	97.80%	
2013	2,949,607	2,761,748	93.63%	166,385	2,928,133	99.27%	

Collections may exceed the total tax levy due to supplemental assessments during the year not reported by the County in the total levy. In addition, the County does not indicate which period subsequent collections pertain to, therefore they are counted in the year remitted by the County.

Source: County of Riverside, City Finance Department

City of Wildomar

Ratios of Outstanding Debt by Type

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation/Leases	County Repayment ⁽¹⁾	Total Governmental Activities	% of Actual Assessed Value of Property ⁽²⁾	Per Capita
2022	\$ -	\$ -	\$ 2,433,139	\$ -	\$ 2,433,139	0.00%	\$ 66.42
2021	-	-	1,464,403	-	1,464,403	0.00%	39.56
2020	-	-	1,541,671	-	1,541,671	0.00%	41.46
2019	-	-	1,525,470	-	1,525,470	0.00%	42.30
2018	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	0.00%	-
2016	-	-	-	-	-	0.00%	-
2015	-	-	-	1,185,337	1,185,337	0.00%	34.71
2014	-	-	-	1,294,377	1,294,377	0.00%	39.02
2013	-	-	-	1,777,620	1,777,620	0.00%	53.58

⁽¹⁾ County Repayment is not a bonded debt. On September 22, 2015, SB 107 was signed into law providing for the forgiveness of debts owed to the County of Riverside.

⁽²⁾ Assessed value used because actual value of taxable property not readily available in the state of California.

Source: City Finance Department

City of Wildomar

Direct and Overlapping Governmental Activities Debt As of June 30, 2022

2020-2021 Assessed Valuation	\$ 3,944,772,948		
Incremental Valuation	-		
Adjusted Assessed Valuation	\$ 3,944,772,948		
Overlapping Tax and Assessment Debt			
Metropolitan Water District	\$ 20,175,000	0.116%	\$ 23,403
Mount San Jacinto Community College District General Funds Obligations	253,195,000	3.642%	9,221,362
Perris Union High School District	308,808,231	0.223%	688,642
Menifee Union School District	124,944,720	0.355%	443,554
Lake Elsinore Unified School District	48,610,000	26.023%	12,649,780
Lake Elsinore Unified School District Community Facilities District No. 99-1	3,534,000	100%	3,534,000
Lake Elsinore Unified School District Community Facilities District No. 2002-1	3,101,000	44.393%	1,376,627
Lake Elsinore Unified School District Community Facilities District No. 2003-1 A	3,130,113	100%	3,130,113
Lake Elsinore Unified School District Community Facilities District No. 2004-1, 2, 3 & 4	20,036,000	93.640%	18,761,710
Lake Elsinore Unified School District Community Facilities District No. 2005-3, 5 & 7	10,120,000	100%	10,120,000
Lake Elsinore Unified School District Community Facilities District No. 2006-3A & 4	9,815,000	100%	9,815,000
Lake Elsinore Unified School District Community Facilities District No. 2007-2	2,935,000	100%	2,935,000
Lake Elsinore Unified School District Community Facilities District No. 2013-1 & 2	13,680,000	100%	13,680,000
Perris Union High School District Community Facilities District No. 92-1	31,910,000	0.125%	39,888
Riverside County Flood Control, Zone 4	7,880,000	0.434%	34,199
Elsinore Valley Municipal Water District Community Facilities Districts	5,907,000	100%	5,907,000
Total Overlapping Tax and Assessment Debt			\$ 92,360,278
Overlapping General Fund Debt			
Riverside County General Funds Obligation	\$ 720,218,351	1.1920%	\$ 8,585,003
Riverside County Pension Obligations	820,060,000	1.192%	9,775,115
Western Municipal Water District Certificates of Participation	5,461,361	1.159%	63,297
Perris Union High School District General Fund Obligation	40,793,235	0.223%	90,969
Menifee Union School District Certificates of Participation	45,872,408	0.355%	162,847
Total Overlapping General Fund Debt			\$ 18,677,231
Direct Debt			
City Of Wildomar	\$2,433,139	100%	\$2,433,139
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 194,088,028	2.223-19.502%	\$ 15,130,367
Total Direct Debt			\$2,433,139
Total Overlapping Debt			\$ 126,167,876
Combined Total Debt			\$128,601,015 (2)
(1) 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 districts 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 2018-19 Assessed Valuation:			
Overlapping Tax and Assessment Debt	2.34%		
Direct Debt (\$0)	0.00%		
Combined Total Debt.....	3.20%		
Ratios to Redevelopment Successor Agency Incremental Valuation (\$255,614,906):			
Total Overlapping Tax Increment Debt	5.92%		

Source: California Municipal Statistics

City of Wildomar

Legal Debt Margin Information **(dollars in thousands)**

	Fiscal Year				
	2022	2021	2020	2019	2018
Assessed Valuation	\$ 3,821,511,940	\$ 3,624,720,144	\$ 3,497,647,024	\$ 3,309,193,741	\$ 3,098,399,268
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	\$ 573,226,791	\$ 543,708,022	\$ 524,647,054	\$ 496,379,061	\$ 464,759,890
Total Net Debt Applicable to Limit General Obligation Bonds:	-	-	-	-	-
Legal Debt Margin	<u>\$ 573,226,791</u>	<u>\$ 543,708,022</u>	<u>\$ 524,647,054</u>	<u>\$ 496,379,061</u>	<u>\$ 464,759,890</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

The City of Wildomar has no general obligation bond indebtedness.

Source: City Finance Department, MuniServices

Fiscal Year				
2017	2016	2015	2014	2013
\$ 2,990,875,859	\$ 2,820,562,416	\$ 2,609,896,984	\$ 2,293,353,632	\$ 2,204,572,095
15%	15%	15%	15%	15%
\$ 448,631,379	\$ 423,084,362	\$ 391,484,548	\$ 344,003,045	\$ 330,685,814
-	-	-	-	-
<u>\$ 448,631,379</u>	<u>\$ 423,084,362</u>	<u>\$ 391,484,548</u>	<u>\$ 344,003,045</u>	<u>\$ 330,685,814</u>
0.00%	0.00%	0.00%	0.00%	0.00%

City of Wildomar

Demographic and Economic Statistics Last Ten Years

Fiscal Year	Population (1)	Personal Income (In Thousands) (2)	Per Capita Personal Income (2)	City Unemployment Rate (%) (3)	Median Age (4)	%High School Diploma	% Bachelors Degree
2021-22	36,632	\$ 1,150,045	\$ 31,395	3.1%	35	84%	16%
2020-21	37,013	1,011,653	27,332	6.9%	34	85%	17%
2019-20	37,183	941,562	25,322	14.1%	35	85%	17%
2018-19	36,066	878,083	24,347	3.3%	35	85%	17%
2017-18	36,287	837,603	23,083	3.9%	35	83%	17%
2016-17	35,782	776,541	21,702	6.1%	34	84%	16%
2015-16	35,168	812,908	23,115	6.8%	34	88%	14%
2014-15	33,696	764,899	22,700	4.0%	34	84%	16%
2013-14	33,718	761,555	22,586	7.0%	34	83%	17%
2012-13	33,174	762,836	22,995	9.0%	32	85%	17%

Source: MuniServices, LLC, / Avenu Insights & Analytics

Wildomar was incorporated in July 2008, therefore data availability is limited

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
- 4.) Median Age reflects the U.S. Census data estimation table.

City of Wildomar

Principal Employers **Current and Seven Years Ago**

Business Name	2021-22		2012-13
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Lake Elsinore Unified School District*	2,088	11.66%	2000
Inland Valley Medical Center **	825	4.61%	784
Southern California Edison	213	1.19%	20
Stater Bros Markets	109	0.61%	100
Albertson's	105	0.59%	85
Cornerstone Community Church & School	101	0.56%	45
Wildomar Senior Leisure Community	85	0.47%	
Animal Friends of the Valleys	83	0.46%	
Sycamore Academy-Sci-Cultural Arts	65	0.36%	
FCP Inc	62	0.35%	200
Jack in the Box - (2 locations)			60
P K Mechanical Systems			50
Coldwell Banker			52
Mc Donald's			50
Total Top 10 Employers	3,736	20.87%	3,446
 Total City Labor Force (1)	17,900		

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2012-13, previously published ACFR, limited data available

Results based on direct correspondence with city's local businesses.

* Count is districtwide

** Count includes another location, not within the City Limits.

*** Includes the Cornerstone Christian School

(1) Total City Labor Force provided by EDD Labor Force Data.

City of Wildomar

Full-Time Equivalent City Governmental Employees by Function/Program As of June 30, 2022

Function	2022	2021	2020	2019	2018
City Manager					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
City Clerk					
Full- Time Equiv	2.0	1.0	1.0	1.0	1.0
City Manager Administration					
Full- Time Equiv	-	3.0	3.0	3.0	2.0
Economic Development					
Full- Time Equiv	2.0	-	-	-	-
Asst. City Manager					
Full- Time Equiv	-	1.0	1.0	1.0	1.0
Planning Director					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
Building/Safety					
Full- Time Equiv	3.0	2.0	-	-	-
Cemetery					
Full- Time Equiv	5.0	3.0	3.0	3.0	2.0
Community Development					
Full- Time Equiv	2.0	-	-	-	-
Admin. Services Director					
Full- Time Equiv	1.0	-	-	-	-
Finance					
Full- Time Equiv	5.0	4.0	3.0	3.0	3.0
Code Enforcement					
Full- Time Equiv	4.0	-	-	-	-
Public Works					
Full- Time Equiv	3.0	2.0	-	-	-
Associate Planner					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
TOTAL	<u>30.0</u>	<u>19.0</u>	<u>14.0</u>	<u>14.0</u>	<u>12.0</u>

Source: City Finance Department

2017	2016	2015	2014	2013
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
2.0	2.0	1.0	2.0	2.0
-	-	-	-	-
1.0	1.0	1.0	1.0	-
1.0	1.0	1.0	1.0	1.0
-	1.0	1.0	1.0	1.0
3.0	2.0	2.0	2.0	2.0
-	-	-	-	1.0
-	-	-	-	-
2.0	1.0	1.0	-	-
-	-	1.0	1.0	-
-	-	1.0	1.0	-
1.0	1.0	1.0	-	-
12.0	11.0	12.0	11.0	9.0

City of Wildomar

Operating Indicators by Function/Program

Function	2022	2021	2020	2019	2018
Police Services					
Calls for Service	18,027	18,218	19,898	16,576	17,628
DUI Arrests	73	87	44	34	44
Traffic Citations	1,245	1,830	485	N/A	573
Fire Services					
Responses to Calls for Service	3,534	3,307	3,252	3,102	3,266
Average Response Time-Minutes	5.4	5	5	5	5
% of Calls - Medical	78.50%	76.32%	74.26%	75.94%	76.00%
% of Calls - All Other	21.50%	23.67%	25.74%	24.06%	24.00%
Building & Safety					
Building Permits Issued	1,161	1,192	981	1,104	1,158
Community Development/ Planning					
Zoning Inquiries/ Counter Assistance	3,327	3,000	2,925	3,020	4,656
Developer Applications/ Projects	65	25	30	45	71
Building Plan Check Permits	414	1,000	1,052	1,560	1,674
Planning Director Hearings	0	-	2	3	1
Planning Commission Meetings	10	9	13	9	16
Cemetery					
Burial Services	61	45	41	21	35

Source: City Finance Department, City Community Development Department, City Building Department, Riverside County Sheriff's Department, Riverside County Fire/CAL-Fire, Cemetery

(1) Information not available at time of publication.

N/A = Not available.

City of Wildomar

Operating Indicators by Function/Program

2017	2016	2015	2014	2013
17,374	15,916	8,782	4,353	3,954
32	38	2	8	2
334	246	287	375	N/A
3,173	3,075	2,962	2,696	2,854
5	5	5	5	5
75.26%	77.66%	75.19%	76.71%	78.87%
24.74%	22.34%	24.81%	23.29%	21.13%
1,235	1,685	1,321	789	120
4,400	4,300	3,800	3,600	3,500
43	40	48	40	40
1,650	1,650	1,000	1,000	N/A
3	2	5	5	5
7	10	11	10	6
12	25	31	34	30

City of Wildomar

Capital Asset Statistics by Function/Program

Function	2022	2021	2020	2019	2018
Public Works					
Streets (miles)					
Paved - Public	124.90	123.36	123.36	123.36	123.36
Paved - Private	11.40	9.10	9.10	9.10	9.10
Unpaved - Public	5.84	3.87	3.87	3.87	3.87
Unpaved - Private	46.05	47.10	47.10	47.10	47.10
Traffic Signals	24.30	24.30	24.30	24.30	24.30
Community Services					
Parks	5.00	5.00	4.00	4.00	4.00
Park Acreage	41.85	41.85	14.85	14.85	14.85
Cemetery	1.00	1.00	1.00	1.00	1.00

Source: City Public Works Department, Community Services Department

2017	2016	2015	2014	2013
119.00	119.00	119.00	119.00	119.00
9.10	9.10	9.10	9.10	9.10
3.40	3.40	3.40	3.40	3.40
47.10	47.10	47.10	47.10	47.10
23.30	23.30	23.30	23.30	23.30
3.00	3.00	3.00	3.00	3.00
14.40	14.40	14.40	14.40	14.40
1.00	1.00	1.00	1.00	1.00

City of Wildomar

Miscellaneous Statistics As of June 30,2022

Geographic Location	Wildomar is located along Interstate 15 in Riverside County.
Population	36,632
Area in Square Miles	24
Form of Government	Council-Manager
Date of Incorporation	July 1, 2008
Number of Full Time Employees	30
Public Safety:	
Police Department	Under contract with the Riverside County Sheriff's Department
Fire Department	Under contract with the Riverside County Fire Department (Cal-Fire)
Library	1 Branch, Riverside County Library System
Recreation:	5 Parks owned by the City
Schools:	
Elementary	4
Middle Schools	1
High Schools	1

Source: City Finance Department and California Department of Finance

