

CITY OF WILDOMAR, CA

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023



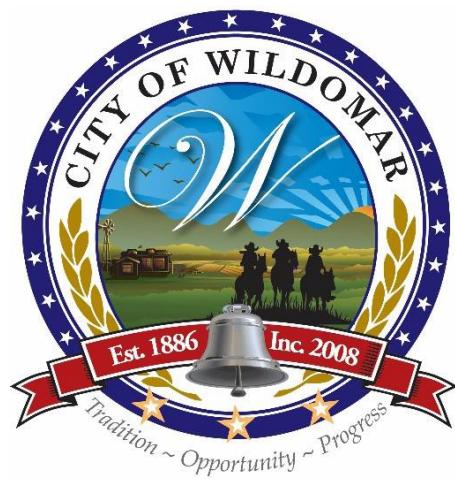
City of Wildomar, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023

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, 2023

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City of Wildomar

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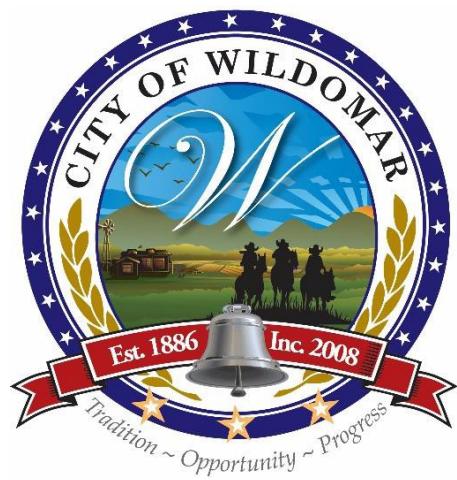
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INTRODUCTORY SECTION



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Letter of Transmittal

April 15, 2024

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 ending June 30, 2023. 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 fifteenth 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, 2023, 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 36,336 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. On June 8th, 2022, the Fiscal Year 2022/23 Amended Budget was adopted. Since the adoption date, several changes have occurred through the FY 2022/23 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 submits 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 governmental activities.

Beginning in March, a series of budget workshops are convened to gather input from the public and to present the proposed budget encompassing all governmental activities to the City Council for their review and feedback. Typically, the governmental activities budget is officially adopted during the Council meeting held in June.

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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.

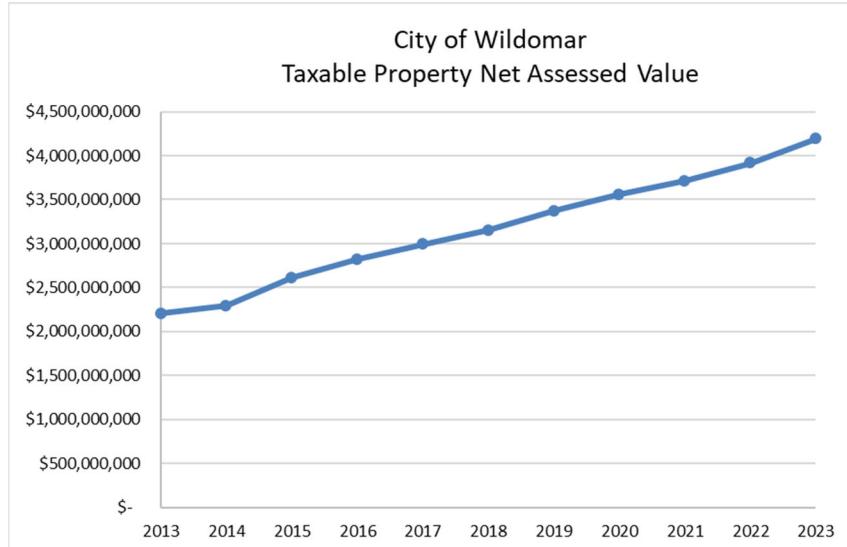
Local Economy

The City of Wildomar, now in its fourteenth year since incorporation, is enjoying steady and sustained growth. The city boasts a median age of 36 and a per capita personal income of \$36,619, marking a notable 16.6% increase compared to the fiscal year 2021-22.

Property valuations have also seen a positive uptick, rising by 7% compared to the fiscal year 2021-22. Bradley Burns sales tax revenue decreased by 1.9% due to reduced sales volume. Additionally, the City has received its sixth 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. In fiscal year 2022-23, the City received \$3,166,686 which represents a 6.9% increase over the prior year.

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

Chart 1.



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Chart 2.

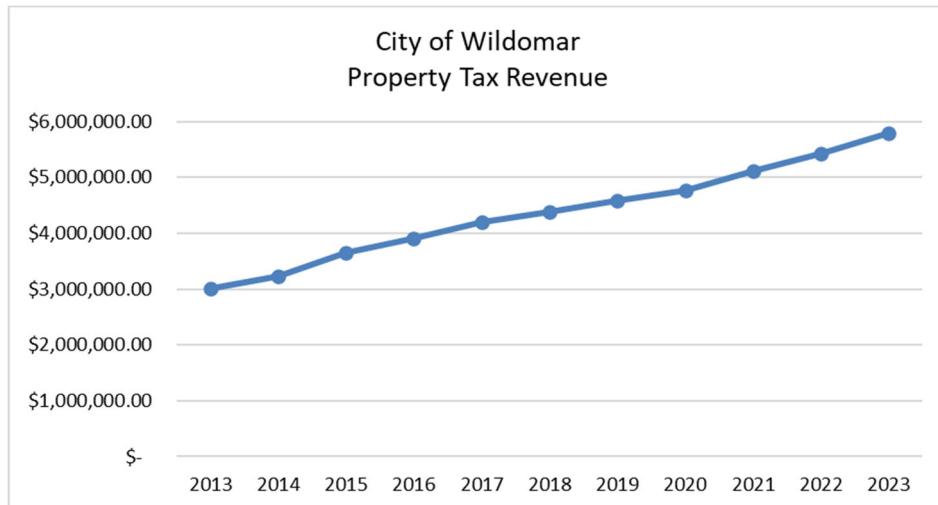
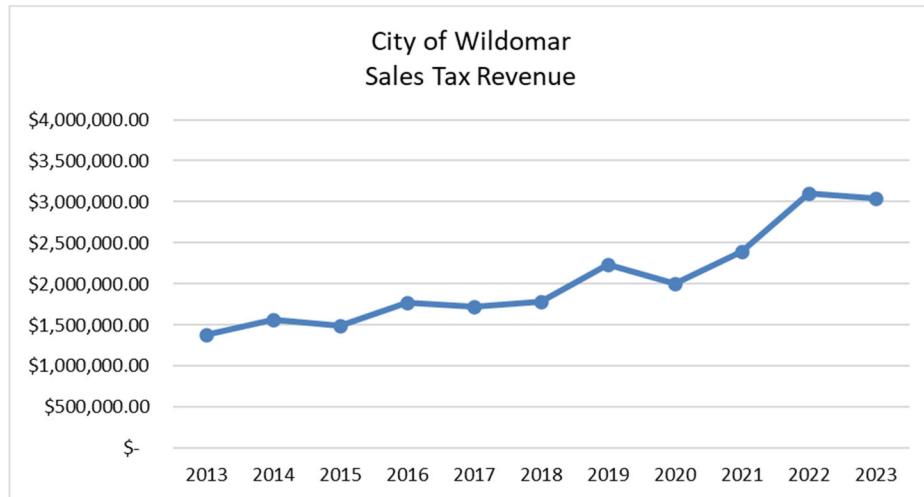


Chart 3.



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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. In actuality, the City saw only slight decreases in the Bradley Burns sales tax. These were offset by increases in the Measure AA sales tax which incorporates online retail sales.

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 in March 2021. All allocated funding must be obligated 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, several projects have been identified that meet these

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requirements and some capital assets have been acquired. Recommendations for future purchases will be presented to the City Council for consideration prior to authorizing the purchase.

Financial Reserves

The fiscal year 2022-23 marked the second year of the City's fifth two-year budget program. As the fiscal year concluded, the General Fund witnessed revenues totaling \$18,018,559 with Lease/Subscription Acquisition of \$115,959 and net transfers in of \$346,959. These figures surpassed expenditures of \$16,240,511, resulting in a net change in fund balance amounting to \$2,240,966. Consequently, the ending fund balance reached \$6,069,630, equivalent to 37.4% of general fund expenditures. This higher fund balance can be attributed to several factors, including increased property tax revenues, as well as heightened activity in licensing and permitting. Furthermore, the implementation of GASB 87: Leases and GASB 96: Subscriptions led to the recording of a lease acquisition worth \$115,959, contributing to the growth of the net fund balance.

The General Fund's actual revenues were under the final adjusted budget by a net total of \$0.23 million. This surplus can be primarily attributed to a combination of the following factors:

- Taxes were \$0.2 million lower than the final budget due to the final sales tax amount received for fiscal year 2022-23 being slightly less than projected.
- Lease Acquisition Inflows related to compliance with GASB 87: *Leases* and GASB 96: *Subscriptions* were \$0.15 million over budget due to the implementation of new software subscriptions.
- Transfers In were \$0.26 million under budget due to fewer allocations to the general fund.

The General Fund's actual expenditures were \$0.77 million less than the adjusted budget, and this reduction can be attributed to several primary sources:

- Police and Fire Services were \$0.29 million less than budgeted due to increased targeted services allocated to Measure AA funding.
- Debt Service Principal Outlays related to compliance with GASB 87: *Leases* and GASB 96: *Subscriptions* were \$0.37 million over budget due to principal retirement and the implementation of new IT subscriptions.
- Building & Safety division expenditures were \$0.15 million less than budgeted due to the delay in hiring several approved staff positions.

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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% transaction 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 the storage, use, or other consumption of tangible personal property purchased from any retailer within the city limits of Wildomar. During the fiscal year 2022-23, this tax generated revenue totaling \$5.37 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. By the end of fiscal year 2023, three cannabis businesses commenced operations within the City. Additionally, one more cannabis business began operations before the conclusion of the 2023-24 fiscal year.

In FY 2022-23, the City explored long-term options to procure a City Hall. The City ultimately decided to purchase the current building and closed escrow in FY2023-24 on November 3rd, 2023. Management is currently working on designs to renovate the building to better suit the City's needs.

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 to build and maintain fiscally sound reserves, and these steps will continue to be reviewed.

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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.

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 2023-24, the City will look to continue to meet the goals of the Vision Statement through the following initiatives:

- 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 pavement improvements.
- Improve homeless outreach and services in Wildomar.
- Ensure that revenue from new Cannabis establishments in the City fund safe reliable services to our community.

Concluding remarks

The City, in its fifteenth 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.

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,

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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 blue ink signature of the name Daniel York.

Daniel York
City Manager

A black ink signature of the name Heidi Schrader.

Heidi Schrader
Administrative Services Director



FISCAL YEAR 2022-2023

As of June 30, 2023

STAFF DIRECTORY

CITY COUNCIL & CEMETERY DISTRICT TRUSTEES

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

*Bridgette Moore
Ashlee DePhillippo
Joseph Morabito
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*

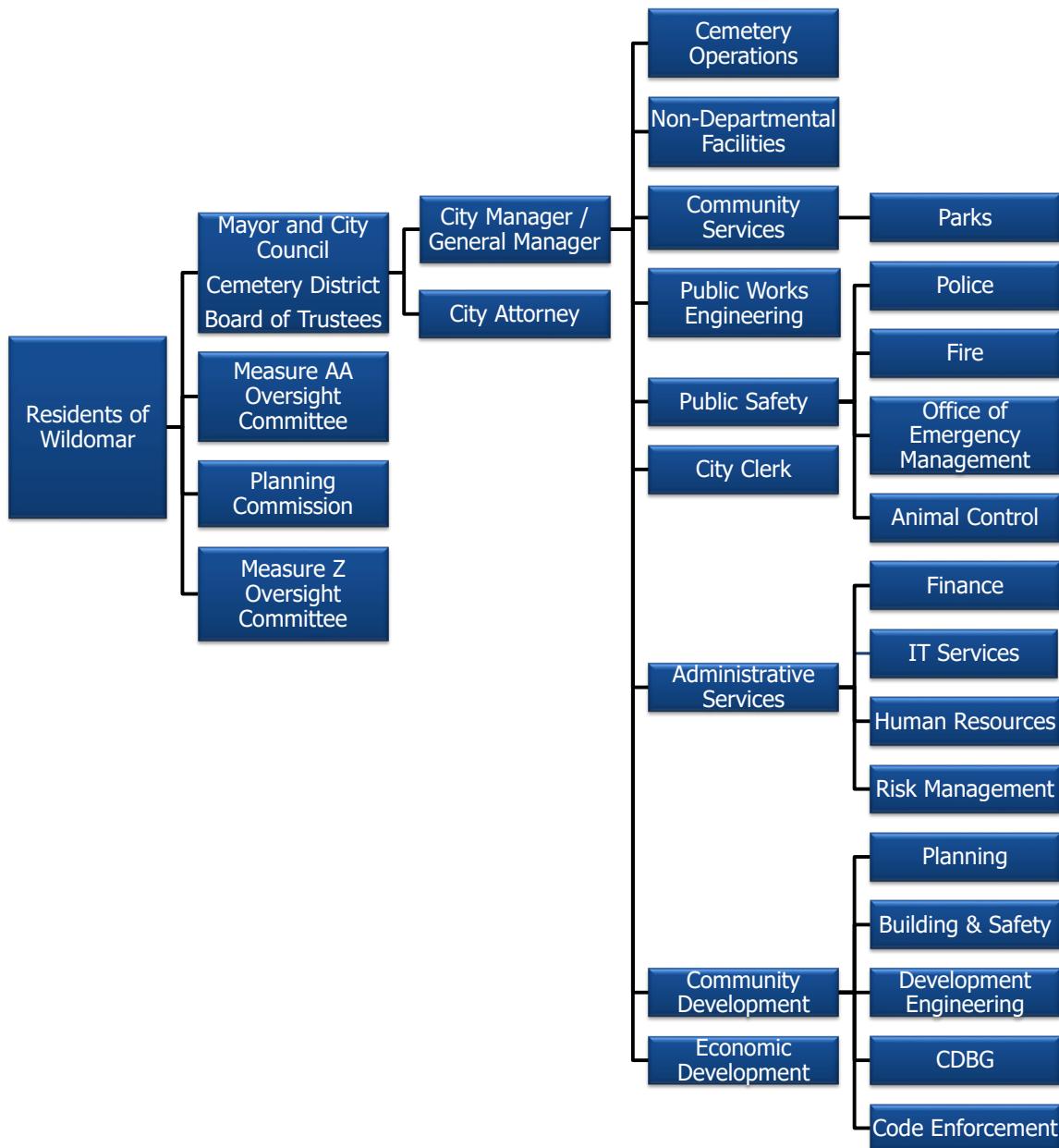
CITY OF WILDOMAR ACFR TEAM

Administrative Services Director
Finance Manager
Accountant I
Accountant I

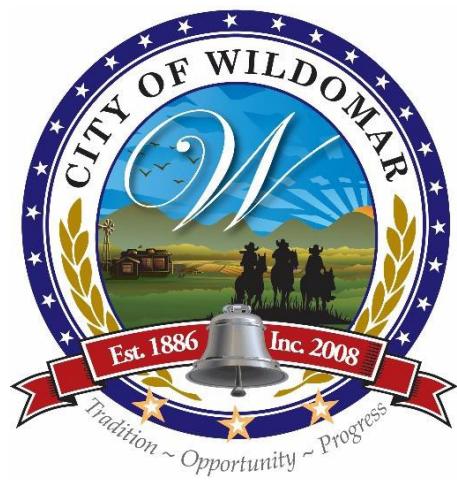
*Heidi Schrader
Adam Jantz
Nicholas Neidiffer
Kayla Snipes*

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.



FINANCIAL SECTION



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Jeffrey McKennan, CPA
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City Council
City of Wildomar
Wildomar, California

Independent Auditor's Report

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, 2023, 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, 2023, 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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the year ended June 30, 2023, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

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, and GAS, 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, and GAS, 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

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 April 15, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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, Maloof & Scott, LLP.

San Bernardino, California
April 15, 2024

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

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 fifteenth fiscal year of operation, which ended on June 30, 2023. 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 x 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. You can think of this relationship between revenues and expenses as the City's operating results. You can think of the City's net position, as measured in the Statement of Net Position, as one way to measure the City's financial health, or financial position. Over time, 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 its residents, not to generate profit.

- The assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2023, by \$73.6 million (net position).
- The City of Wildomar's asset and deferred outflows of resources increased by \$14.6 million in fiscal year 2022/23 while liabilities and deferred inflows of resources increased by \$3.8 million. These increases are primarily attributed to the following asset, liability, and deferred inflow changes:
 - Assets - An increase of \$6.6 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 Act funds.
 - Assets – An increase of \$0.2 million in Grant Receivables related to capital projects that were completed in fiscal year 2022-23.
 - Assets – An increase of \$1.2 million in Due from Other Governments related to the increase of taxes received in the 60-day period following the fiscal year.
 - Assets – An increase of \$6.3 million in Capital Assets related to the construction of capital projects and Right-of-Way purchases.
 - Liabilities – A decrease of \$1.0 million in Accounts Payable related to the timing of invoices submitted and the increase in capital projects being worked on.
 - Liabilities – Deposits payable increased by \$1.9 million related to additional deposits made for developer projects.
 - Liabilities – An increase of \$0.4 million in Net Pension Liability.
 - The City of Wildomar's total net position increased by \$10.8 million. The changes in net position are as follows:
 - The Net Investment in Capital Assets increased by \$6.6 million due to projects being completed in the fiscal year.
 - The Restricted Net Position increased by \$10.5 million related to projects in Community Development, Public Works, Community Service, and Capital Projects.
 - The Unrestricted Net Position decreased by \$6.3 million as the City received additional restricted monies.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

- The revenues in the Statement of Activities increased a net \$3.0 million. The increases are as follows:
 - A net increase in general revenues of \$2.6 million. This is partly related to the additional \$1.4 million received in franchise fees related to the implementation of the new single-hauler franchise agreement. Property taxes also increased by \$0.5 million due to increased property valuations. Investment earnings also increased by \$0.75 million due to higher interest rates and the City's establishment of a new managed investment portfolio.
 - Program revenues increased by \$0.4 million due to the increase in development activity which increased charges for services.
- The expenses in the Statement of Activities increased a net \$3.2 million. This is related to the following:
 - An increase of \$0.6 million due to an increase in community development in fiscal year 2022-23.
 - An increase of \$0.7 million in public safety expenditures due to increased contract rates in fiscal year 2022-23.
 - An increase of \$2.4 million in general government activities due to additional general governmental staff and expenses such as IT services.
 - A decrease in public works of \$0.4 million due to the completion of several capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following 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 necessary 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. Given the scope, and in order 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 reasonably provide 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, 2023

The City's statements provide a manageable yet comprehensive view of the City's economic position, appropriately accounting for all revenue and expenses during the specified fiscal year. To accomplish this, government-wide financial statements are reported utilizing the flow of economic resources (cost of services) measurement focus, and the accrual method of accounting. Using the flow of economic resources measurement focus allows the City to provide financial transparency in so far 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 increases or decreases in the City's net position could be used to gauge the City's financial standing to determine 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. In this format, 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, and 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 community services. As mentioned earlier, tax revenue principally funds these activities. Consequently, a good portion of the City's basic services are 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, 2023

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, like other state and local governments, 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 fund balances for each fund. This helps to ensure and demonstrate finance-related legal compliance.

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 laid out in the notes accompanying the financial 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 government-wide financial statements with an exception---governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources. This means governmental fund financial statements identify current sources and uses of money within the immediate fiscal year. Benefits derived include a detailed *short-term* view of the City's general government operations and the basic services it provides, which assist in determining whether there are sufficient financial resources available to meet the City's current needs.

Since the scope of the governmental funds is different than that of the government-wide financial statements, it is beneficial to compare the information presented for the governmental funds alongside governmental activities. Doing so gives the reader a clearer picture of the long-term impacts current financial decisions might yield. When examined together, the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances statements 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, 2023

The City of Wildomar maintains 69 individual governmental funds. Information is summarized in the governmental fund balance sheet and 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 69 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 fund 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 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 22 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, 2023

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 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 in connection with non-major governmental funds and includes budgetary comparison schedules for the non-major governmental funds to demonstrate compliance with the annual budget as adopted and amended. 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 outflows of resources of the City of Wildomar exceeded its liabilities and deferred outflows of resources as of June 30, 2023, by \$73.6 million (net position). Infrastructure assets of the governmental activities are included in 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 ending June 30, 2023, the net position was \$73.6 million of which \$48.3 million was invested in capital assets such as land, equipment, buildings, and infrastructure. Of the remaining total, \$21.8 million is restricted to specifically stipulated spending agreements originated by law, contract, or other agreements and \$3.5 million is unrestricted. Of note is the fact that the City has only \$1.2 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, 2023

Table 1 Statement of Net Position - Primary Government

City of Wildomar
Statement of Net Position - Summary
As of June 30,

Governmental Activities

	2023	2022
Assets:		
Current and other assets	\$ 43,614,096	\$ 35,531,887
Capital assets	50,377,157	44,126,341
Total assets	<u>93,991,253</u>	<u>79,658,228</u>
Deferred outflows of resources:		
Deferred pension/OPEB-related items	900,317	666,904
Total deferred outflows of resources	<u>900,317</u>	<u>666,904</u>
Liabilities:		
Other liabilities	17,610,724	13,931,469
Long-term liabilities	3,431,839	3,234,795
Total liabilities	<u>21,042,563</u>	<u>17,166,264</u>
Deferred inflows of resources:		
Deferred pension/OPEB-related items	255,029	296,159
Total deferred inflows of resources	<u>255,029</u>	<u>296,159</u>
Net position:		
Net investment in capital assets	48,267,691	41,693,202
Restricted	22,046,654	11,578,037
Unrestricted	3,279,633	9,591,470
Total net position	<u>\$ 73,593,978</u>	<u>\$ 62,862,709</u>

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

Table 2 Statement of Activities - Primary Government

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

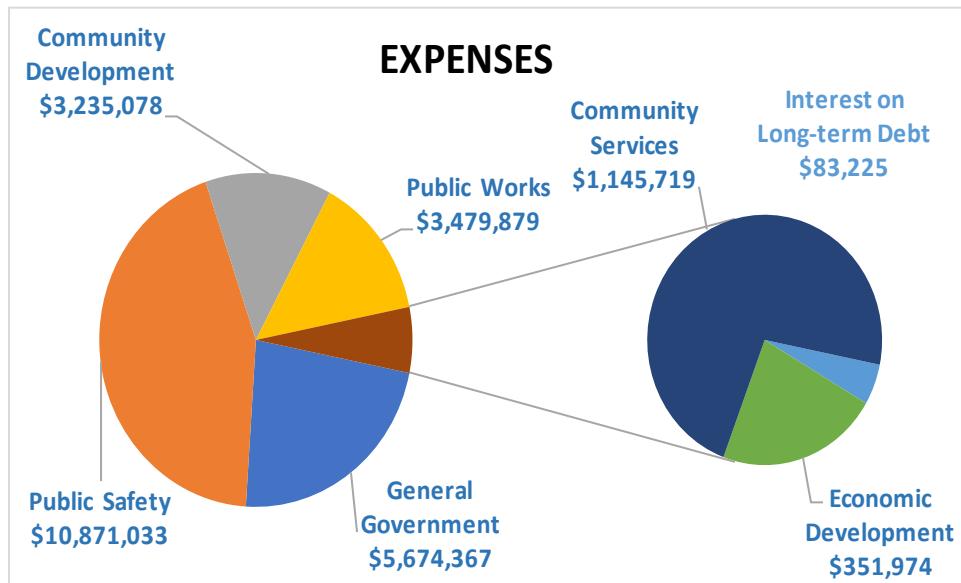
Governmental Activities

	2023	2022
Revenues:		
Program Revenues		
Charges for services	\$ 7,279,623	\$ 5,939,596
Operating grants and contributions	5,547,681	4,156,163
Capital grants and contributions	1,812,721	4,141,262
General Revenues		
Property taxes	5,584,964	5,100,186
Sales tax	8,413,581	8,783,565
Other taxes	6,012,807	4,573,812
Use of money and property	695,396	(50,453)
Other revenues	338,988	73,402
Total revenues	<u>35,685,761</u>	<u>32,717,533</u>
Expenses:		
General government	5,674,367	3,323,123
Public safety	10,871,033	10,121,795
Community development	3,235,078	2,678,691
Economic development	351,974	245,446
Community services	1,145,719	1,279,393
Public works	3,479,879	3,889,897
Interest on long-term interest	83,225	86,648
Total expenses	<u>24,841,275</u>	<u>21,624,993</u>
Increase (decrease) in net position	10,844,486	11,092,540
Beginning net position	62,862,709	51,770,169
Restatement of net position	(113,217)	-
Ending net position	\$ 73,593,978	\$ 62,862,709

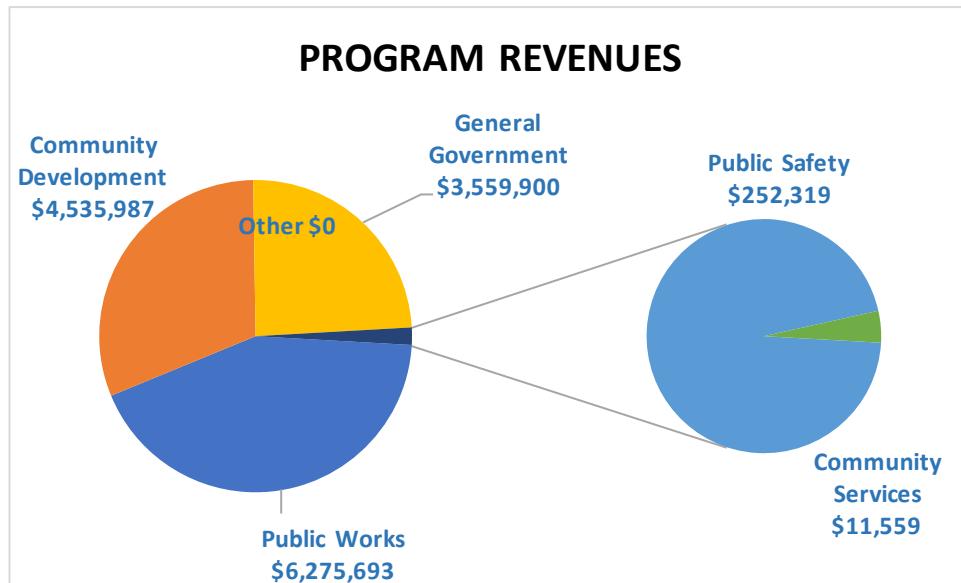
City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

City of Wildomar Expenses-Governmental Activities - \$24,841,275



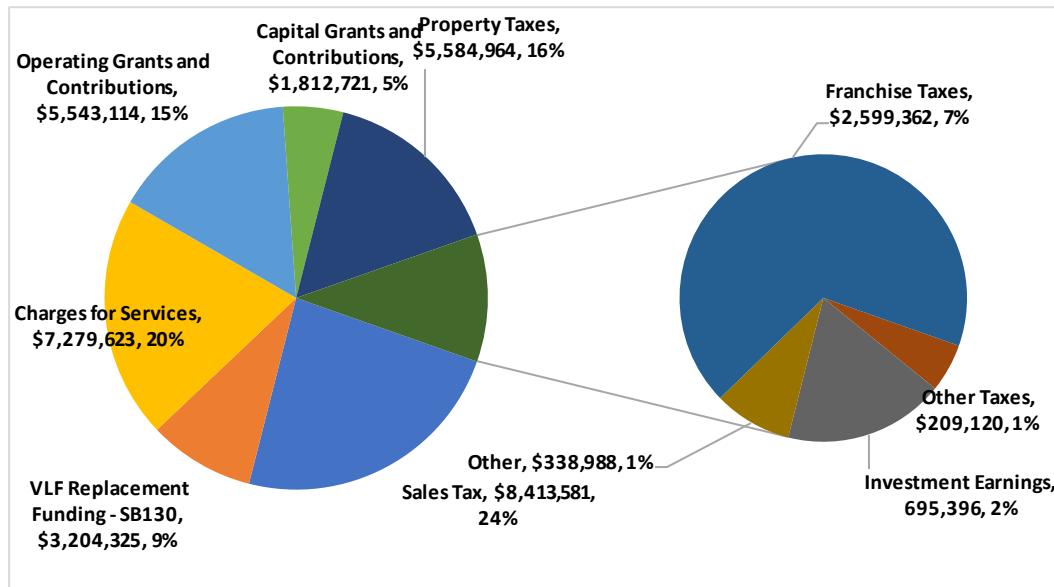
City of Wildomar Program Revenues-Governmental Activities - \$14,635,456



City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

City of Wildomar Revenues by Sources-Governmental Activities - \$35,681,194



Financial Analysis of Governmental Funds

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

Governmental Funds

As stated, governmental fund financial statements identify current sources and uses of money. Benefits derived include a detailed *short-term* view of the City's general government operations and the basic services it provides, which assists 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 \$24.1 million which represents a \$4.7 million or a 24.4% increase from the prior fiscal year balance.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

The General Fund is the primary funding source for the City. At fiscal year-end, the unassigned fund balance of the General Fund was \$6.1 million or 37.4% of the City's general fund expenditures of \$16.2 million. This is an increase of \$2.2 million in the General Fund ending fund balance.

General Fund revenues increased by \$0.7 million over the previous fiscal year 2021-22. Licenses and permits saw the most significant gain in the amount of \$1.3 million due to increased construction activity. Use of money and property revenue increased by \$0.4 million due to higher interest rates on investments. Lease acquisition decreased by \$1.2 million as a result of fewer new leases. Tax revenues were \$0.3 million higher due to valuation increases over the last year. Intergovernmental, fines and forfeitures, and charges for service revenues were \$0.3 million higher in aggregate. Transfers in were \$0.2 million lower due to fewer administrative allocations to the general fund. The remaining miscellaneous revenues and contributions from other government were down \$0.1 million.

Expenditures in public safety increased by \$0.6 million due to increased contract rates. General government increased by \$0.1 million resulting from the addition of staff. Community development increased by \$0.2 million, while economic development, community services, public works, and capital outlay had a combined decrease of \$0.9 million. This led to an overall net increase in expenditures of \$0.1 million.

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 2022-23, fund balance decreased by \$1.0 million to \$6.7 million. This is due to the total revenues of \$1.7 million being offset by \$2.3 million in capital improvements and \$.3 million in other costs.

Measure AA Fund

These funds are raised by the 1.0% transaction 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 2022-23, revenues of \$5.4 million were generated, offset by expenditures of \$3.7 million, increasing the fund balance by \$1.7 million to end the fiscal year at \$7.6 million.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

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 2020-21, the City of Wildomar received major grant funds for the CARES Act and for its Bundy Canyon Road Capital Improvement Project. The City also received smaller grants that covered a variety of areas. In total, during fiscal year 2022-23, the City received grant funds of \$2.3 million offset by \$4.3 million in grant expenditures, decreasing the fund balance by \$2.0 million to -\$3.9 million. The fund balance is in the negative due to the timing of various reimbursement requests.

ARPA

The American Rescue Plan Act (ARPA) funds are Federal monies managed by the US Department of Treasury that were allocated to the City to help recover from the impacts of the Coronavirus pandemic. The City received ARPA funds totaling \$8,905,968. The Treasury rules allow for monies to be spent on measures dealing with COVID-19 directly or by reimbursing City funds for revenue lost due to the pandemic. Under the final rule from the Treasury, agencies may elect to complete a lost revenue calculation to determine the pandemic's impact or take a standard allowance of up to \$10,000,000. The City elected to utilize the standard allowance for its lost revenue.

Under GAAP accounting rules, the City only recognizes ARPA funds as revenue when they are spent on valid activities. Therefore, the current fund balance is \$0.2 million due to interest on the funds received, which does not have restricted use.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

General Fund Financial Highlights

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

Revenues:

- Taxes increased by \$1.4 million primarily related to higher property tax revenues.
- Licenses and permits increased by \$1.4 million due to the final building permit activity and private development fee amounts being higher than projected.
- Use of money & property increased by \$0.3 million due to higher yields on investments.

Expenditures:

- City Manager's Office decreased by \$0.1 million due to the reallocation of staff to other departments.
- City Attorney's Office decreased by \$0.1 million due to the legal services for various issues being charged to specific cost centers.
- Human Resources increased by \$0.2 million due to the addition of another staff position in the schedule of authorized positions.
- Police and Fire services decreased a combined \$0.4 million due to lower-than-expected rate increases as well as increased cost efficiencies from restructuring their general service hours and having more targeted law enforcement services based on the City's needs.
- Community Development combined increased by more than \$0.8 million due to overall increased development activity during fiscal year 2022-23.

General Fund actual revenues were a net \$233,523 less than the final budget. The primary sources for the revenue received being more than budgeted are as follows:

- Taxes received were \$204,920 less than the final budget, primarily due to slightly less sales taxes received.
- Transfers In were \$264,141 less than budgeted due to lower allocations from other funds.

General Fund actual expenditures were a net \$772,489 less than the final budget. The primary source for the net expenditure decrease is as follows:

- Police and Fire Services were a combined \$0.3 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.
- Transfers Out were \$200,000 less than budgeted due to fewer allocations to other funds.
- Principal Debt Service was \$371,412 over budget due to the implementation of GASB:87 *Leases* and GASB:96 *Subscriptions*.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (Table 3) for its governmental activities as of June 30, 2023, is \$50.4 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.

Table 3 Summary of Changes in Capital Assets

City of Wildomar Statement of Activities As of June 30, 2023				
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,032,101	\$ 2,170,659	\$ -	\$ 5,202,760
Construction in progress	11,420,256	6,652,005	(605,961)	17,466,300
Right-of-Way	4,333,725	99,037	-	4,432,762
Total capital assets, not being depreciated	18,786,082	8,921,701	(605,961)	27,101,822
Capital assets, being depreciated, net:				
Right-to-use	970,299	(263,930)	-	706,369
Buildings and improvements	4,030,065	(259,401)	-	3,770,664
Furniture, fixtures and equipment	215,390	(84,797)	-	130,593
Streetlights	1,569,576	(94,788)	-	1,474,788
Traffic signals	135,751	(12,591)	-	123,160
Infrastructure	18,305,961	(1,236,200)	-	17,069,761
Total capital assets, being depreciated, net	25,227,042	(1,951,707)	-	23,275,335
Governmental activities capital assets, net	\$ 44,013,124	\$ 6,969,994	\$ (605,961)	\$ 50,377,157

Long-term liabilities

At year-end, the City had \$2.4 million in outstanding long-term liabilities for Governmental Activities. This is related to a lease-purchase for streetlights, compensated absences, and subscription liabilities. 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, 2023

Table 4 Summary of Changes in long-term liabilities

City of Wildomar Summary of Changes in Long-term Liabilities As of June 30, 2023						
	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year	
Governmental activities:						
Compensated absences	\$ 231,897	\$ 60,598	\$ (39,825)	\$ 252,670	\$ 99,044	
Leases payable	1,050,066	64,228	(358,198)	756,096	452,557	
Subscription liability	-	70,761	(14,858)	55,903	13,416	
Direct borrowing:						
Loan payable	1,383,073	-	(85,606)	1,297,467	90,106	
Total long-term liabilities	\$ 2,665,036	\$ 195,587	\$ (498,487)	\$ 2,362,136	\$ 655,123	

ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Key budget assumptions for forecasting General Fund revenues for fiscal year 2023-2024 and beyond include the following:

- The usage of American Rescue Plan Act monies received by the City to help recover from the COVID-19 pandemic.
- Residential property values are increasing, which will be reflected in higher property taxes.
- The addition of Cannabis business assessments to the local revenues.
- An update of the City's development fee schedules, such as Building, Planning, and Engineering fees, was completed in fiscal year 2023-2024. The update eliminated the deposit-based fee system and will possibly bring increased revenues and streamlined permit processing once fully implemented.

On November 6, 2018, voters approved Measure AA. Effective on April 1, 2019, Measure AA established a 1.0% transaction tax on the gross receipts of any retailer from the sale of tangible property sold within the city limits. In addition, an excise tax of 1.0% is imposed on the storage, use, or other consumption within the city limits of Wildomar of tangible personal property (i.e., vehicles) purchased from any retailer within California. The revenue from this tax in the fourth full year was \$5.4 million, and it is anticipated that the fifth year's revenue will be approximately \$5.1 million. The revenues are used to fund improvements for public safety services, roads, and homeless services.

The Adopted Operating Budget for Fiscal Year 2023-2024 is structurally balanced, addresses some of the City Council's priorities, and attempts to balance both the achievement of community needs and the accomplishment of the Council's goals and objectives.

City of Wildomar

Management's Discussion and Analysis For the Year Ended June 30, 2023

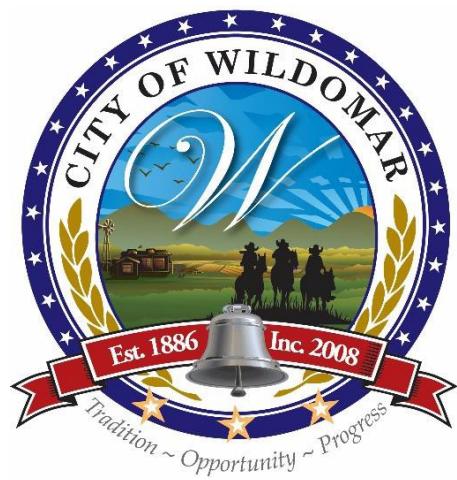
REQUESTS FOR INFORMATION

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.

BASIC FINANCIAL STATEMENTS



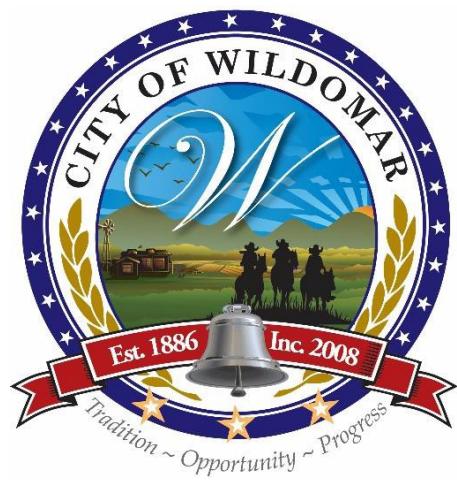
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City of Wildomar

Statement of Net Position June 30, 2023

	Primary Government Governmental Activities	Component Unit Wildomar Cemetery District
ASSETS		
Cash and investments	\$ 36,116,197	\$ 1,229,400
Restricted cash investments	52,332	423,267
Receivables, net:		
Accounts	567,603	-
Developer	777,957	-
Grants	2,271,660	-
Interest	37,801	-
Due from other governments	3,790,546	37,530
Inventories	-	5,560
Net pension asset	-	-
Capital assets, not being depreciated	27,101,822	963,390
Capital assets, net of depreciation	23,275,335	133,609
Total assets	<u>93,991,253</u>	<u>2,792,756</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	778,480	89,842
OPEB related items	121,837	-
Total deferred outflows of resources	<u>900,317</u>	<u>89,842</u>
LIABILITIES		
Accounts payable	3,779,331	34,909
Accrued liabilities	94,295	35,902
Unearned revenue	7,694,176	-
Deposits payable	6,036,108	142,734
Due to other governments	1,202	-
Accrued interest payable	5,612	-
Noncurrent Liabilities:		
Due within one year	655,123	81,015
Due in more than one year:		
Other long-term liabilities	1,707,013	72,647
Net pension liability	414,033	218,495
Total OPEB liability	655,670	-
Total liabilities	<u>21,042,563</u>	<u>585,702</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	5,569	34,873
OPEB related items	249,460	-
Total deferred inflows of resources	<u>255,029</u>	<u>34,873</u>
NET POSITION		
Net investment in capital assets	48,267,691	971,384
Restricted:		
Community development projects	6,684,815	-
Community services	243,400	-
Public works	5,496,286	-
Capital projects	7,135,092	-
Debt service	2,487,061	-
Cemetery trust - nonexpendable	-	423,267
Unrestricted	<u>3,279,633</u>	<u>867,372</u>
Total net position	<u>\$ 73,593,978</u>	<u>\$ 2,262,023</u>

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



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City of Wildomar

Statement of Activities For the Year Ended June 30, 2023

					Net (Expenses) Revenues and Changes in Net Position	
	Program Revenues				Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Wildomar Cemetery District
Governmental Activities:						
General government	\$ 5,674,367	\$ 1,640,579	\$ 1,923,888	\$ -	\$ (2,109,900)	
Public safety	10,871,033	87,048	165,271	-	(10,618,714)	
Community development	3,235,078	4,167,982	368,005	-	1,300,909	
Economic development	351,974	-	-	-	(351,974)	
Community services	1,145,719	11,559	-	-	(1,134,160)	
Public works	3,479,879	1,372,455	3,090,517	1,812,721	2,795,814	
Interest on long-term liabilities	83,225	-	-	-	(83,225)	
Total Governmental Activities	<u>\$ 24,841,275</u>	<u>\$ 7,279,623</u>	<u>\$ 5,547,681</u>	<u>\$ 1,812,721</u>	<u>(10,201,250)</u>	
Component unit:						
Wildomar Cemetery District	\$ 792,936	\$ 218,649	\$ 22,029	\$ -		\$ (552,258)
Total Component Unit	<u>\$ 792,936</u>	<u>\$ 218,649</u>	<u>\$ 22,029</u>	<u>\$ -</u>		<u>(552,258)</u>
General revenues:						
Taxes:						
Property tax, levied for general purpose					5,584,964	699,784
Sales tax					8,413,581	-
Franchise taxes					2,599,362	-
VLF replacement funding - SB130					3,204,325	-
Other taxes					209,120	-
Investment earnings					695,396	10,185
Other					338,988	-
Total general revenues					<u>21,045,736</u>	<u>709,969</u>
Change in net position					10,844,486	157,711
Net position, beginning of year, restated					<u>62,749,492</u>	<u>2,104,312</u>
Net position, end of year					<u>\$ 73,593,978</u>	<u>\$ 2,262,023</u>

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

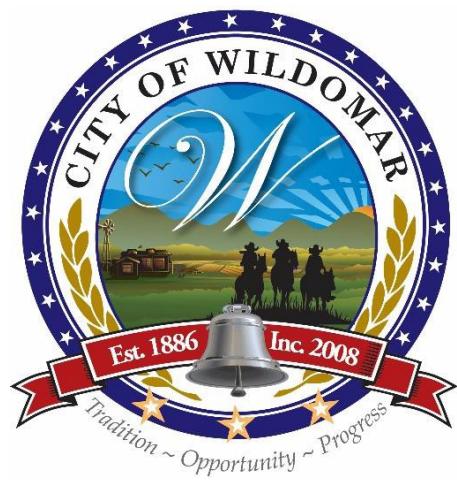
City of Wildomar

Balance Sheet Governmental Funds June 30, 2023

	Special Revenue			
	General	Development Impact Fees	Measure AA	ARPA
ASSETS				
Pooled cash and investments	\$ 5,841,184	\$ 8,605,481	\$ 7,154,302	\$ 7,194,414
Restricted cash and investments	-	-	-	-
Receivables, net:				
Accounts	532,282	260	-	-
Developer	777,957	-	-	-
Grants	-	-	-	-
Interest	37,801	-	-	-
Due from other governments	1,049,339	-	1,009,187	-
Due from other funds	5,210,890	-	-	-
Total assets	\$ 13,449,453	\$ 8,605,741	\$ 8,163,489	\$ 7,194,414
LIABILITIES				
Accounts payable	\$ 2,359,261	\$ 53,787	\$ 549,987	\$ 17,045
Accrued liabilities	77,209	-	-	59
Unearned revenues	64,582	655,478	-	6,974,116
Deposits payable	4,824,447	1,211,661	-	-
Due to other governments	1,202	-	-	-
Due to other funds	-	-	-	-
Total liabilities	7,326,701	1,920,926	549,987	6,991,220
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	53,122	-	-	-
Total deferred inflows of resources	53,122	-	-	-
FUND BALANCES (DEFICIT)				
Restricted for:				
Community development projects	-	6,684,815	-	-
Community services	-	-	243,400	-
Public works	-	-	595,000	-
Capital projects	-	-	4,430,800	203,194
Debt service	-	-	2,344,302	-
Committed	-	-	-	-
Unassigned	6,069,630	-	-	-
Total fund balances	6,069,630	6,684,815	7,613,502	203,194
Total liabilities, deferred inflows of resources and fund balances	\$ 13,449,453	\$ 8,605,741	\$ 8,163,489	\$ 7,194,414

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

Special Revenue		Other Governmental Funds		Total Governmental Funds
Grants				
\$	-	\$	7,320,816	\$ 36,116,197
	-		52,332	52,332
	8,481		26,580	567,603
	-		-	777,957
	2,254,893		16,767	2,271,660
	-		-	37,801
	1,283,517		448,503	3,790,546
	-		-	5,210,890
<u>\$</u>	<u>3,546,891</u>	<u>\$</u>	<u>7,864,998</u>	<u>\$ 48,824,986</u>
\$	520,447	\$	278,804	\$ 3,779,331
	-		17,027	94,295
	-		-	7,694,176
	-		-	6,036,108
	-		-	1,202
	5,108,723		102,167	5,210,890
	5,629,170		397,998	22,816,002
	1,861,468		16,768	1,931,358
	1,861,468		16,768	1,931,358
	-		-	6,684,815
	-		-	243,400
	-		3,392,212	3,987,212
	-		4,010,172	8,644,166
	-		142,759	2,487,061
	-		-	-
	(3,943,747)		(94,911)	2,030,972
	(3,943,747)		7,450,232	24,077,626
<u>\$</u>	<u>3,546,891</u>	<u>\$</u>	<u>7,864,998</u>	<u>\$ 48,824,986</u>



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City of Wildomar

Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position June 30, 2023

Fund balances of governmental funds \$ 24,077,626

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. 50,377,157

Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds. (5,612)

Long-term liabilities that have not been included in the governmental activity.

Compensated absences	(252,670)
Loan payable	(1,297,467)
Leases payable	(756,096)
Subscription liability	(55,903)
Net pension liability	(414,033)
Total OPEB liability	(655,670)

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	778,480
Pension related deferred inflows of resources	(5,569)
OPEB related deferred outflows of resources	121,837
OPEB related deferred inflows of resources	(249,460)

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

1,931,358

Net position of governmental activities \$ 73,593,978

City of Wildomar

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2023

	General	Special Revenue		
		Development Impact Fees	Measure AA	ARPA
REVENUES				
Taxes	\$ 10,005,180	\$ -	\$ 5,366,468	\$ -
Licenses and permits	4,191,857	-	-	-
Intergovernmental	3,301,418	-	-	1,495,560
Charges for services	19,513	-	-	-
Fines and forfeitures	62,973	-	-	-
Use of money and property	353,968	67,983	54,914	203,194
Developer participation	-	1,602,594	-	-
Contributions from other government	56,854	-	-	-
Miscellaneous	26,796	-	25,000	-
Total revenues	18,018,559	1,670,577	5,446,382	1,698,754
EXPENDITURES				
Current:				
General government	3,073,826	131,123	7,942	1,248,949
Public safety	8,447,022	-	2,191,953	-
Community development	2,930,322	3,381	117,861	-
Economic development	351,974	-	-	-
Community services	94,945	20,000	147,411	168,311
Public works	796,607	186,176	1,227,766	-
Capital outlay	161,145	2,302,529	35,756	-
Debt service:				
Principal retirement	371,412	-	-	-
Interest	13,258	-	-	-
Total expenditures	16,240,511	2,643,209	3,728,689	1,417,260
Excess (deficiency) of revenues over (under) expenditures	1,778,048	(972,632)	1,717,693	281,494
OTHER FINANCING RESOURCES (USES)				
Lease/subscription acquisition	115,959	-	-	-
Transfers in	346,959	-	-	-
Transfers out	-	-	-	(78,300)
Total other financing sources (uses)	462,918	-	-	(78,300)
Net change in fund balances	2,240,966	(972,632)	1,717,693	203,194
FUND BALANCES (DEFICIT)				
Fund balances, beginning of year	3,828,664	7,657,447	5,895,809	-
Fund balances, end of year	\$ 6,069,630	\$ 6,684,815	\$ 7,613,502	\$ 203,194

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>		
\$ -	\$ 1,550,000	\$ 16,921,648
-	-	4,191,857
2,311,639	4,862,123	11,970,740
-	328,943	348,456
-	-	62,973
143	15,195	695,397
-	-	1,602,594
-	-	56,854
-	1,256	53,052
<u>2,311,782</u>	<u>6,757,517</u>	<u>35,903,571</u>

35,717	29,609	4,527,166
20	141,107	10,780,102
9,458	-	3,061,022
-	-	351,974
-	474,502	905,169
62,713	1,791,799	4,065,061
4,237,475	335,872	7,072,777
-	87,250	458,662
-	71,545	84,803
<u>4,345,383</u>	<u>2,931,684</u>	<u>31,306,736</u>
<u>(2,033,601)</u>	<u>3,825,833</u>	<u>4,596,835</u>
-	19,030	134,989
-	-	346,959
(872)	(267,787)	(346,959)
(872)	(248,757)	134,989
(2,034,473)	3,577,076	4,731,824
<u>(1,909,274)</u>	<u>3,873,156</u>	<u>19,345,802</u>
<u>\$ (3,943,747)</u>	<u>\$ 7,450,232</u>	<u>\$ 24,077,626</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, 2023

Net change in fund balances - total governmental funds \$ 4,731,824

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 is 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	9,062,610
Depreciation	(2,698,577)

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	85,606
Principal paid on leases payable	358,198
Principal paid on subscription liability	14,858
Lease/subscription acquisition	(134,989)

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	1,578
Net change in compensated absences	(20,773)
Net change in net pension activity	(275,028)
Net change in OPEB liability activity	(63,011)

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. (217,810)

Change in net position of governmental activities \$ 10,844,486

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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, 2023**

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, 2023**

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 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, 2023**

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, 2023**

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, 2023**

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 General Funds.

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, 2023**

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, 2021

Measurement Date (MD): June 30, 2022

Measurement Period (MP): July 1, 2021 to June 30, 2022

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: July 1, 2022

Measurement Date: June 30, 2023

Measurement Period: July 1, 2022 to June 30, 2023

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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 an 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, 2023**

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 and animal control services.
- *Community Development* includes those activities which involve planning, building and safety and code enforcement.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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* 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. 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, 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, but had no impact on the City's financial statements.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has implemented this statement in the current fiscal year (see note 6).

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.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Governmental Accounting Standard Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, 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, 2023**

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
Gas Tax:			
Capital outlay	\$ 1,500	\$ 8,992	\$ (7,492)
Principal retirement	-	457	(457)
Air Quality Management District			
Public works	4,500	4,839	(339)
Transfers out	2,400	2,600	(200)
SLESF:			
Public Safety	-	121	(121)
Transfers out	150,000	165,271	(15,271)
TDA:			
General government	-	4	(4)
Measure A:			
Principal retirement	-	457	(457)
Measure Z Park:			
Community services	472,900	474,502	(1,602)
Principal retirement	-	730	(730)
Interest expense	-	860	(860)
Water Services			
Public works	127,100	138,869	(11,769)
Assessment Districts:			
General government	-	3,641	(3,641)
Public safety	110,900	140,986	(30,086)
Streetlight Fund			
Interest expense	70,600	70,685	(85)
Capital outlay	11,900	17,821	(5,921)

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, 2023, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:	
Primary Government:	
Cash and investments	\$ 36,116,197
Restricted cash and investments	52,332
Component Unit - Wildomar Cemetery District:	
Cash and investments	1,229,400
Restricted cash and investments	423,267
Total cash and investments	<u>\$ 37,821,196</u>

City of Wildomar

Notes to Financial Statements **June 30, 2023**

3) CASH AND INVESTMENTS (continued)

Cash and investments consist of the following:

Petty cash	\$ 100
Deposits with financial institutions	4,441,028
Investments	<u>33,380,068</u>
Total cash and investments	<u>\$ 37,821,196</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, 2023**

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, 2023**

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, 2023, 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, 2023**

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	\$ 4,741,758	N/A	\$ -
CAMP	28,162,711	N/A	\$ 28,162,711
Restricted:			
Money market	52,332	A	52,332
Component Unit -			
Wildomar Cemetery District			
CAMP	423,267	N/A	\$ -
Total	\$ 33,380,068		\$ 52,332
			\$ 33,327,736

Interest Rate Risk

The City's investment policy invest at 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, 2023, the City had the following investments and remaining maturities:

Investment Type	Investment Maturities (in Years)	Fair Value	
		Less than 1 Year	More than 1 Year
Primary government:			
Local Agency Investment Fund	\$ 4,741,758	\$ 4,741,758	
CAMP	28,162,711		\$ 28,162,711
Restricted:			
Money market	52,332		52,332
Component Unit -			
Wildomar Cemetery District			
CAMP	423,267		423,267
Total	\$ 33,380,068	\$ 33,380,068	

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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, 2023, are as follows:

	<u>Fair Value</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Uncategorized</u>
Primary government:			
Local Agency Investment Fund	\$ 4,741,758	\$ -	\$ 4,741,758
CAMP	28,162,711	-	28,162,711
Restricted:			
Money market	52,332	52,332	-
Component Unit -			
Wildomar Cemetery District			
CAMP	423,267	423,267	-
Total	<u>\$ 33,380,068</u>	<u>\$ 475,599</u>	<u>\$ 32,904,469</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, 2023

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	\$ 2,170,659	\$ -	\$ 5,202,760
Construction in progress	11,420,256	6,652,005	(605,961)	17,466,300
Right-of-way	4,333,725	99,037	-	4,432,762
Total capital assets, not being depreciated	18,786,082	8,921,701	(605,961)	27,101,822
Capital assets, being depreciated:				
Right-to-use equipment	1,334,287	64,228	-	1,398,515
Right-to-use subscription	-	70,761	-	70,761
Buildings and improvements	7,545,145	-	-	7,545,145
Furniture, fixtures and equipment	538,385	-	-	538,385
Streetlights	1,910,267	5,920	-	1,916,187
Traffic signals	251,824	-	-	251,824
Infrastructure	57,136,468	605,961	-	57,742,429
Total capital assets, being depreciated	68,716,376	746,870	-	69,463,246
Less accumulated depreciation/amortization for:				
Right-to-use equipment	(363,988)	(389,799)	-	(753,787)
Right-to-use subscription	-	(9,120)	-	(9,120)
Buildings and improvements	(3,515,080)	(259,401)	-	(3,774,481)
Furniture, fixtures and equipment	(322,995)	(84,797)	-	(407,792)
Streetlights	(340,691)	(100,708)	-	(441,399)
Traffic signals	(116,073)	(12,591)	-	(128,664)
Infrastructure	(38,830,507)	(1,842,161)	-	(40,672,668)
Total accumulated depreciation/amortization	(43,489,334)	(2,698,577)	-	(46,187,911)
Total capital assets, being depreciated, net	25,227,042	(1,951,707)	-	23,275,335
Governmental activities capital assets, net	\$ 44,013,124	\$ 6,969,994	\$ (605,961)	\$ 50,377,157

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

Governmental activities:	
General government	\$ 397,177
Public safety	90,931
Community development	18,438
Parks and recreation	231,257
Public works	1,960,774
Total governmental activities depreciation expense	\$ 2,698,577

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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	963,390	-	-	963,390
Capital assets, being depreciated:	206,901	22,281	-	229,182
Right-to-use equipment	349,598	-	-	349,598
Buildings and improvements	160,153	-	-	160,153
Furniture, fixtures and equipment	716,652	22,281	-	738,933
Less accumulated depreciation/amortization for:				
Right-to-use equipment	(59,115)	(64,491)	-	(123,606)
Buildings and improvements	(338,297)	(809)	-	(339,106)
Furniture, fixtures and equipment	(135,806)	(6,806)	-	(142,612)
Total accumulated depreciation/amortization	(533,218)	(72,106)	-	(605,324)
Total capital assets, being depreciated, net	183,434	(49,825)	-	133,609
Governmental activities capital assets, net	\$ 1,146,824	\$ (49,825)	\$ -	\$ 1,096,999

6) LONG-TERM LIABILITIES

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

Primary government – City

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Compensated absences	\$ 231,897	\$ 60,598	\$ (39,825)	\$ 252,670	\$ 99,044
Leases payable	1,050,066	64,228	(358,198)	756,096	452,557
Subscription liability	-	70,761	(14,858)	55,903	13,416
Direct borrowing:					
Loan payable	1,383,073	-	(85,606)	1,297,467	90,106
Total	\$ 2,665,036	\$ 195,587	\$ (498,487)	\$ 2,362,136	\$ 655,123

City of Wildomar

Notes to Financial Statements **June 30, 2023**

6) LONG-TERM LIABILITIES (continued)

Component unit – Wildomar Cemetery District:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Compensated absences	\$ 23,374	\$ 4,673	\$ -	\$ 28,047	\$ 7,012
Leases payable	<u>161,422</u>	<u>22,281</u>	<u>(58,088)</u>	<u>125,615</u>	<u>74,003</u>
Total	<u>\$ 184,796</u>	<u>\$ 26,954</u>	<u>\$ (58,088)</u>	<u>\$ 153,662</u>	<u>\$ 81,015</u>

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, 2023, had an outstanding accrued balance of unpaid vacation, sick and associated employee related costs of \$252,670 and \$28,047, 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 Bank 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 will be 5.19%. The balance of the loan is \$1,297,467 as of June 30, 2023.

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
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	110,603	45,688	156,291
2029-2033	<u>797,006</u>	<u>140,739</u>	<u>937,745</u>
Total	<u>\$ 1,297,467</u>	<u>\$ 421,732</u>	<u>\$ 1,719,199</u>

City of Wildomar

Notes to Financial Statements **June 30, 2023**

6) LONG-TERM LIABILITIES (continued)

Leases payable

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, 2023, the value of the lease liability was \$602,114 and \$125,615 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, 2023 was \$1,172,442 with accumulated amortization of \$669,967 (City \$569,472 and District \$100,495). 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, 2023, the value of the lease liability is \$85,286. 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 \$135,792 with accumulated amortization of \$56,073. The leases have an unguaranteed residual value of \$79,718.

Between January 2019 and July 2022, 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, 2023, the value of the lease liability is \$13,542. The City is required to make monthly fixed payments between \$197 and \$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, 2023 was \$30,880 with accumulated amortization of \$17,476.

During the fiscal year, the City entered into three leases for 48 months each as lessee for the use of additional vehicles. An initial lease liability was recorded in the amount of \$64,228. As of June 30, 2023, the value of the lease liability is \$55,154. The City is required to make monthly fixed payments between \$678 and \$696. The leases have interest rates ranging between 17.2224% - 18.5451%. The total value of the right-to-use assets as of June 30, 2023 was \$59,401 with accumulated amortization of \$10,271.

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 452,557	\$ 18,014	\$ 470,571
2025	251,659	11,423	263,082
2026	29,125	5,912	35,037
2027	22,755	1,446	24,201
Total	\$ 756,096	\$ 36,795	\$ 792,891

City of Wildomar

Notes to Financial Statements **June 30, 2023**

6) LONG-TERM LIABILITIES (continued)

Subscription liability

During the current fiscal, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments).

On July 1, 2022, the City entered into various subscriptions of 60 months for the use of software. An initial subscription liability was recorded in the amount of \$70,761. As of June 30, 2023, the value of the subscription liability is \$55,903. The City is required to make annual fixed payments ranging from \$15,149 to \$60,660. The subscriptions have interest rates ranging from 2.8760% to 3.4450%. The value of the right-to-use asset as of June 30, 2023, of \$70,761 with accumulated amortization of \$9,120 is included on the capital asset note. The City does not have any extension option(s).

The interest payments are due yearly.

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 13,416	\$ 1,733	\$ 15,149
2025	13,686	1,463	15,149
2026	14,157	992	15,149
2027	14,644	505	15,149
Total	\$ 55,903	\$ 4,693	\$ 60,596

City of Wildomar

Notes to Financial Statements **June 30, 2023**

7) INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

Due To/From Other Funds

DUE FROM	General Fund	DUE TO		
		Grants	Other Governmental Funds	Total
		\$ 5,108,723	\$ 102,167	\$ 5,210,890
	Total	\$ 5,108,723	\$ 102,167	\$ 5,210,890

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

Interfund Transfers

TRANSFERS IN	General Fund	TRANSFERS OUT		
		ARPA	Grants	Other Governmental Funds
		\$ 78,300	\$ 872	\$ 267,787
				\$ 346,959

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, 2023**

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, 2023 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2.7 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	14.030%	7.470%

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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, 2023 were \$317,263. The actual employer payments of \$270,085 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the proportionate share of the employer's contributions of \$167,892 by \$102,193, 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, 2023, were \$25,627. The actual employer payments of \$23,696 made to CalPERS by the District during the measurement period ended June 30, 2022 differed from the proportionate share of the employer's contributions of \$24,270 by \$574, 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2023**

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, 2021 valuation were based on the results of an actuarial experience study for the period from 2001 to 2019, 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, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Actuarial Cost Method
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increase	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, 2023**

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 Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
 Total	 <u>100.0%</u>	

¹ An expected inflation of 2.30% used for this period.

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

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

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

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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, 2023, 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, 2023**

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 table show the Plan's proportionate share of the net pension liability/(asset) over the measurement period for the City.

	City total pension liability (a)	City fiduciary net position (b)	City net pension liability/(asset) (c) = (a) - (b)
Balance at: 6/30/2021 (VD)	\$ 3,070,555	\$ 3,183,192	\$ (112,637)
Balance at: 6/30/2022 (MD)	<u>3,650,773</u>	<u>3,236,740</u>	<u>414,033</u>
Net change	<u>\$ (580,218)</u>	<u>\$ (53,548)</u>	<u>\$ (526,670)</u>

Valuation date (VD); Measurement date (MD)

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

	District total pension liability (a)	District fiduciary net position (b)	District net pension liability/(asset) (c) = (a) - (b)
Balance at: 6/30/2021 (VD)	\$ 680,793	\$ 545,587	\$ 135,206
Balance at: 6/30/2022 (MD)	<u>686,397</u>	<u>467,902</u>	<u>218,495</u>
Net change	<u>\$ (5,604)</u>	<u>\$ 77,685</u>	<u>\$ (83,289)</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, 2022 and 2023 fiscal year end was as follows:

	Wildomar Cemetery	
	City	District
Proportion - June 30, 2022	-0.00208%	0.00250%
Proportion - June 30, 2023	0.00358%	0.00189%
Change - increase (decrease)	0.00566%	-0.00061%

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	City	Wildomar Cemetery District
1% Decrease	5.90%	5.90%
Net pension liability (asset)	\$ 911,699	\$ 312,063
Current discount rate	6.90%	6.90%
Net pension liability (asset)	\$ 414,033	\$ 218,495
1% Increase	7.90%	7.90%
Net pension liability (asset)	\$ 4,577	\$ 141,512

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
· 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, 2023**

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, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (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, 2021), the City and District's net pension liabilities/(assets) were \$(112,637) and \$135,206, respectively. For the measurement period ending June 30, 2022 (the measurement date), the City and District incurred a pension expense/(credit) of \$592,290 and \$(39,761), respectively.

As of June 30, 2023, 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	\$ 317,263	\$ -
Changes of assumptions	42,426	-
Differences between expected and actual experience	8,315	5,569
Differences between projected and actual investment earnings	75,840	-
Differences between employer's contributions and proportionate share of contributions	111,516	-
Changes in employer's proportion	223,120	-
Total	\$ 778,480	\$ 5,569

City of Wildomar

Notes to Financial Statements **June 30, 2023**

8) PENSION PLAN (continued)

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

As of June 30, 2023, the Cemetery District has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Pension contributions subsequent to measurement date	\$ 25,627	\$ -
Change of assumptions	22,389	-
Differences between expected and actual experience	1,449	-
Differences between projected and actual investment earnings	40,022	-
Differences between employer's contributions and proportionate share of contributions	355	-
Changes in employer's proportion	<u>-</u>	<u>34,873</u>
 Total	 <u>\$ 89,842</u>	 <u>\$ 34,873</u>

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$317,263 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:

<u>Year Ended</u> <u>June 30,</u>	<u>Deferred</u> <u>outflows/inflows</u> <u>of resources</u>
2024	\$ 181,762
2025	147,835
2026	79,665
2027	46,386
2028	-
Thereafter	<u>-</u>
 Total	 <u>\$ 455,648</u>

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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 an Annual Comprehensive Financial Report. The Annual Comprehensive 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.

Employees Covered

As of June 30, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	29
Inactive employees or beneficiaries currently receiving benefits	5
Total	<u>34</u>

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2023, the City contributed \$28,712 to the Plan.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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

Total OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Actuarial Assumptions

Discount rate	4.13%
Salary increases	2.80% plus merit
Investment Rate of Return	4.13%
Mortality rate	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
Healthcare Trend Rate	6.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. 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 projected benefit payments to determine the total OPEB liability.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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

Changes in the OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease) Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2022 <i>(Valuation Date June 30, 2022)</i>	\$ 569,759	\$ -	\$ 569,759
Changes Recognized for the Measurement Period:			
Service cost	82,071	-	82,071
Interest	26,079	-	26,079
Actual and expected experience difference	10,094	-	10,094
Changes of assumptions	(3,621)	-	(3,621)
Contribution - employer	-	28,712	(28,712)
Change of benefit terms	-	-	-
Benefit payments	(28,712)	(28,712)	-
Administrative expense	-	-	-
Net changes	85,911	-	85,911
Balance at June 30, 2023 <i>(Measurement Date June 30, 2023)</i>	<u>\$ 655,670</u>	<u>\$ -</u>	<u>\$ 655,670</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB Liability	\$ 756,133	\$ 655,670	\$ 574,192

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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

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

The following presents the total OPEB liability of the City 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, 2023:

	Current Healthcare Cost Trend Rates		
	1% Decrease		1% Increase
Total OPEB Liability	\$ 549,467	\$ 655,670	\$ 794,229

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, 2023, the City recognized OPEB expense of \$91,723. As of fiscal year, ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 24,485	\$ 130,600
Differences between expected and actual experience	<u>97,352</u>	<u>118,860</u>
Total	<u><u>\$ 121,837</u></u>	<u><u>\$ 249,460</u></u>

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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

The \$0 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 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
2024	\$ (17,979)
2025	(24,261)
2026	(24,261)
2027	(24,261)
2028	(24,261)
Thereafter	<u>(12,600)</u>
Total	<u>\$ (127,623)</u>

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 4.09%.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

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 Public Agency Risk Sharing Authority of California (PARSAC) 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, 2023, 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, 2023**

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 Restricted 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, 2023. These deficits are expected to be eliminated through future revenues.

Fund	Amount
Grants Special Revenue Fund	\$ (3,943,747)
Community Development Block Grant	
Special Revenue Fund	(33,706)
2022-1 Special Tax A Special Revenue Fund	(4,218)
2022-2 Special Tax A Special Revenue Fund	(3,276)
Capital Projects Fund	(30,047)
Measure Z	(23,664)

12) JOINTLY GOVERNED ORGANIZATION

The City, in conjunction with four other governmental entities, created the Southwest Communities Financing Authority (Financing Authority) on November 30, 2004. The Financing Authority was formed to issue bonds for the construction of an animal shelter to be used by the member agencies. The Financing Authority's board is composed of one member from each participating entity. The City has the following fiscal obligations: debt repayment of any bonds issued, administrative costs, and operation of the animal shelter. The debt service payments and the animal shelter operating costs will be prorated to each member based on the percentage of the animals housed at the facility, on an annual basis. The administrative costs will be borne equally by all members. For the year ended June 30, 2023, the City's share of the payments was \$120,678 and was paid from the General Fund.

13) SUBSEQUENT EVENT

On November 3, 2023, the City purchased property for \$5,310,000. The City Council approved the purchase with Resolution 2023-40. The City occupies a majority of the Building and uses the space it occupies as City Hall and as office space for City staff.

City of Wildomar

Notes to Financial Statements **June 30, 2023**

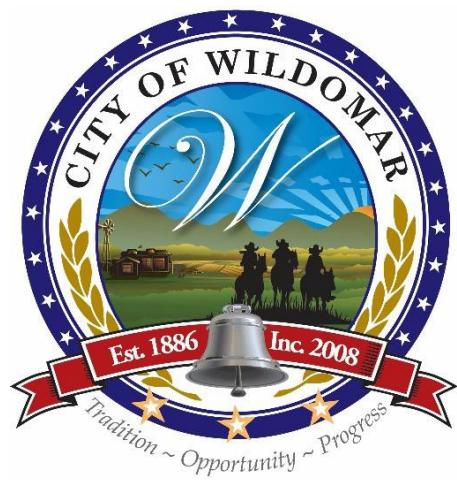
14) PRIOR PERIOD ADJUSTMENT

Government-Wide Statements, Governmental Funds Statements

During fiscal year a prior period restatement was needed to adjust the beginning balance of the City's net position and fund balances of certain funds. The amount of the adjustment was due to an error in accumulated depreciation that occurred in the prior years.

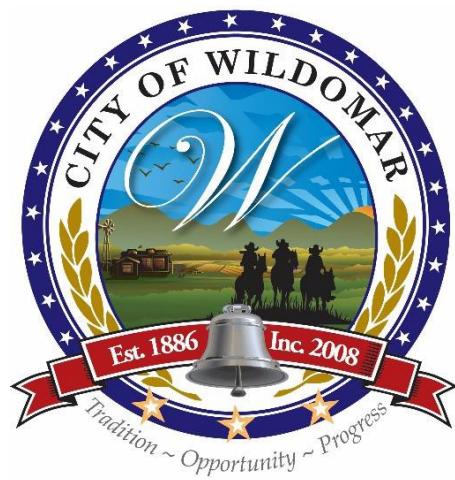
The effects of the prior period restatements in each statement affected is shown below:

<i>Government-wide Statements - Statement of Activities</i>	<i>Governmental Activities</i>
Net position, beginning of the year, prior to restatement	\$ 62,862,709
Prior period restatement	<u>(113,217)</u>
Net position, beginning of the year, as restated	<u>\$ 62,749,492</u>



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REQUIRED SUPPLEMENTARY INFORMATION



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City of Wildomar

Budgetary Comparison Schedule by Department **General Fund** **For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,828,664	\$ 3,828,664	\$ 3,828,664	\$ -
Resources (Inflows):				
Taxes	8,831,000	10,210,100	10,005,180	(204,920)
Licenses and permits	2,890,300	4,289,200	4,191,857	(97,343)
Intergovernmental	3,157,000	3,221,400	3,301,418	80,018
Charges for services	289,000	20,900	19,513	(1,387)
Fines and forfeitures	77,000	57,300	62,973	5,673
Use of money and property	24,100	275,600	353,968	78,368
Developer participation	-	-	-	-
Contributions from other government	-	-	56,854	56,854
Miscellaneous	17,600	29,400	26,796	(2,604)
Lease/subscription acquisition		-	115,959	115,959
Transfers in	509,900	611,100	346,959	(264,141)
Amounts Available for Appropriations	19,624,564	22,543,664	22,310,141	(233,523)
Charges to Appropriations (Outflows):				
General Government				
City Council	274,000	302,300	207,827	94,473
City Manager	604,000	475,100	438,037	37,063
City Clerk	329,300	396,900	321,359	75,541
City Attorney	280,900	170,900	174,602	(3,702)
Administrative Services	913,000	966,600	872,427	94,173
Human Resources	120,200	290,200	236,126	54,074
Non-departmental	971,700	959,700	823,447	136,253
Public Safety				
Police	5,577,200	5,382,300	5,281,430	100,870
Fire	2,372,100	2,982,800	2,789,972	192,828
Animal Control	367,300	377,200	375,584	1,616
OEM	27,800	100	35	65
Community Development				
Administration	-	49,300	37,382	11,918
Building and Safety	721,100	682,000	529,561	152,439
Planning	291,500	242,900	251,975	(9,075)
Development Engineering	479,400	682,300	728,930	(46,630)
Code Enforcement	348,700	520,100	502,338	17,762
Deposit based projects	290,300	792,100	857,263	(65,163)
Planning Commission	18,100	22,300	22,875	(575)
Economic Development	334,700	434,500	351,974	82,526
Community Services				
Community Services - Administration	64,600	111,900	73,682	38,218
Marna O'Brien Park	-	-	30	(30)
Windsong Park	-	-	165	(165)
Heritage Park	-	300	245	55
Ball Fields	20,000	18,000	13,259	4,741
Other parks	3,100	8,000	7,564	436
Public Works	803,900	868,200	796,607	71,593
Debt service				
Principal	128,300	-	371,412	(371,412)
Interest	-	-	13,258	(13,258)
Capital outlay	-	77,000	161,145	(84,145)
Transfers out	50,000	200,000	-	200,000
Total Charges to Appropriations	15,391,200	17,013,000	16,240,511	772,489
Budgetary Fund Balance, June 30	\$ 4,233,364	\$ 5,530,664	\$ 6,069,630	\$ 538,966

City of Wildomar

Budgetary Comparison Schedule by Department
Development Impact Fees
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,657,447	\$ 7,657,447	\$ 7,657,447	\$ -
Resources (Inflows):				
Use of money and property	-	39,500	67,983	28,483
Developer participation	1,448,200	2,855,900	1,602,594	(1,253,306)
Miscellaneous	-	-	-	-
Amounts Available for Appropriations	<u>9,105,647</u>	<u>10,552,847</u>	<u>9,328,024</u>	<u>(1,224,823)</u>
Charges to Appropriations (Outflows):				
General government	-	120,700	131,123	(10,423)
Community development	-	3,500	3,381	119
Community services	19,000	19,000	20,000	(1,000)
Public works	-	991,400	186,176	805,224
Capital outlay	-	4,151,800	2,302,529	1,849,271
Transfers out	48,800	-	-	-
Total Charges to Appropriations	<u>67,800</u>	<u>5,286,400</u>	<u>2,643,209</u>	<u>2,643,191</u>
Budgetary Fund Balance, June 30	<u>\$ 9,037,847</u>	<u>\$ 5,266,447</u>	<u>\$ 6,684,815</u>	<u>\$ 1,418,368</u>

City of Wildomar

Budgetary Comparison Schedule by Department
Measure AA
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,895,809	\$ 5,895,809	\$ 5,895,809	\$ -
Resources (Inflows):				
Taxes	3,589,500	5,667,600	5,366,468	(301,132)
Use of money and property	1,800	101,800	54,914	(46,886)
Miscellaneous	-	25,000	25,000	-
Amounts Available for Appropriations	<u>9,487,109</u>	<u>11,690,209</u>	<u>11,342,191</u>	<u>(348,018)</u>
Charges to Appropriations (Outflows):				
General government	3,600	12,800	7,942	4,858
Public safety	2,477,300	2,374,800	2,191,953	182,847
Community development	70,700	156,700	117,861	38,839
Community services	157,000	154,100	147,411	6,689
Public works	1,320,400	1,563,900	1,227,766	336,134
Capital outlay	35,000	35,800	35,756	44
Transfers out	-	438,000	-	438,000
Total Charges to Appropriations	<u>4,064,000</u>	<u>4,736,100</u>	<u>3,728,689</u>	<u>1,007,411</u>
Budgetary Fund Balance, June 30	<u>\$ 5,423,109</u>	<u>\$ 6,954,109</u>	<u>\$ 7,613,502</u>	<u>\$ 659,393</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – ARPA
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	3,500,000	4,453,000	1,495,560	(2,957,440)
Use of money and property	-	173,300	203,194	29,894
Amounts Available for Appropriations	3,500,000	4,626,300	1,698,754	(2,927,546)
Charges to Appropriations (Outflows):				
General government	26,400	8,207,600	1,248,949	6,958,651
Public safety	1,000	-	-	-
Community services	217,600	168,400	168,311	89
Public works	97,500	-	-	-
Capital outlay	5,000	-	-	-
Transfers out	50,000	65,000	78,300	(13,300)
Total Charges to Appropriations	397,500	8,441,000	1,495,560	6,945,440
Budgetary Fund Balance, June 30	<u>\$ 3,102,500</u>	<u>\$ (3,814,700)</u>	<u>\$ 203,194</u>	<u>\$ 4,017,894</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Grants
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,909,274)	\$ (1,909,274)	\$ (1,909,274)	\$ -
Resources (Inflows):				
Intergovernmental	9,381,500	8,102,000	2,311,639	(5,790,361)
Use of money and property	-	-	143	143
Amounts Available for Appropriations	<u>7,472,226</u>	<u>6,192,726</u>	<u>402,508</u>	<u>(5,790,218)</u>
Charges to Appropriations (Outflows):				
General government	5,000	51,500	35,717	15,783
Public safety	-	-	20	(20)
Community development	-	6,700	9,458	(2,758)
Public works	-	64,300	62,713	1,587
Capital outlay	9,364,900	4,303,600	4,237,475	66,125
Transfers out	<u>3,400</u>	<u>3,400</u>	<u>872</u>	<u>2,528</u>
Total Charges to Appropriations	<u>9,373,300</u>	<u>4,429,500</u>	<u>4,346,255</u>	<u>83,245</u>
Budgetary Fund Balance, June 30	<u>\$ (1,901,074)</u>	<u>\$ 1,763,226</u>	<u>\$ (3,943,747)</u>	<u>\$ (5,706,973)</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, 2023

Primary government - City

Fiscal year	Proportion of the net pension liability ¹	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%	(112,637)	2,461,081	-4.58%	103.67%
2023	0.00885%	414,033	2,894,632	14.30%	88.66%

Component Unit - Wildomar Cemetery District

Fiscal year	Proportion of the net pension liability ¹	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%
2023	0.00467%	218,495	-	0%	68.17%

¹ Proportion of net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors 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, 2023

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)	\$ -	\$ 564,727	34.80%
2016	85,106	(85,106)	-	890,684	9.56%
2017	111,100	(111,100)	-	868,158	12.80%
2018	115,449	(115,449)	-	1,028,756	11.22%
2019	122,136	(122,136)	-	1,110,538	11.00%
2020	147,645	(147,645)	-	1,131,704	13.05%
2021	185,722	(185,722)	-	1,291,013	14.39%
2022	270,085	(270,085)	-	2,461,081	10.97%
2023	317,263	(317,263)	-	2,894,632	10.96%

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%
2023	25,627	(25,627)	-	-	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, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. 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	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 82,071	\$ 47,113	\$ 41,325	\$ 83,815	\$ 81,374	\$ 20,525
Interest	26,079	12,327	12,914	19,183	15,806	10,658
Actual and expected experience difference	10,094	97,168	3,213	(198,100)	-	53,286
Changes in assumptions	(3,621)	(79,408)	34,979	(103,812)	-	-
Changes in benefit terms	-	(13,264)	-	(9,717)	-	-
Benefit payments	<u>(28,712)</u>	<u>(19,761)</u>	<u>(21,854)</u>	<u>231,095</u>	<u>(9,433)</u>	<u>(6,622)</u>
Net Change in Total OPEB Liability	85,911	44,175	70,577	22,464	87,747	77,847
Total OPEB Liability - Beginning	569,759	525,584	455,007	432,543	344,796	266,949
Total OPEB Liability - Ending (a)	<u>\$ 655,670</u>	<u>\$ 569,759</u>	<u>\$ 525,584</u>	<u>\$ 455,007</u>	<u>\$ 432,543</u>	<u>\$ 344,796</u>
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)	<u>\$ 655,670</u>	<u>\$ 569,759</u>	<u>\$ 525,584</u>	<u>\$ 455,007</u>	<u>\$ 432,543</u>	<u>\$ 344,796</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 3,057,921	\$ 2,794,338	\$ 1,268,959	\$ 1,234,997	\$ 1,023,774	\$ 993,955
Net OPEB liability as a percentage of covered payroll	21.4%	20.4%	41.4%	36.8%	42.2%	34.7%

Notes to Schedule:

The City does not accumulate assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Contributions are fixed and not based on a measure of pay, therefore covered-employee payroll is used in the schedule.

Changes in assumptions: For measurement date June 30, 2023, the discount rate was changed from 4.09% to 4.13%

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	-	1,023,774	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%
2023	N/A	N/A	-	3,057,921	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, 2023**

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:

Department	Appropriations	Expenditures	Excess
General Government:			
City attorney	\$ 170,900	\$ 174,602	\$ (3,702)
Community Development:			
Planning	242,900	251,975	(9,075)
Development engineering	682,300	728,930	(46,630)
Deposit based projects	792,100	857,263	(65,163)
Planning commission	22,300	22,875	(575)
Community Services			
Marna O'Brien park	-	30	(30)
Windsong park	-	165	(165)
Debt service:			
Principal retirement	-	371,412	(371,412)
Interest	-	13,258	(13,258)
Capital outlay	77,000	161,145	(84,145)

Other major funds with expenditures exceeding appropriations:

Department	Appropriations	Expenditures	Excess
Development Impact Fees:			
General government	\$ 120,700	\$ 131,123	\$ (10,423)
Community services	19,000	20,000	(1,000)
ARPA			
Transfers out	65,000	78,300	(13,300)
Grants:			
Public safety	-	20	(20)
Community development	6,700	9,458	(2,758)

SUPPLEMENTARY INFORMATION

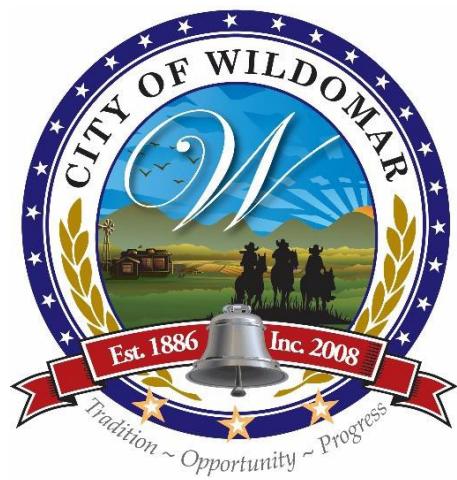
City of Wildomar

Combining Balance Sheet
Non-major Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Air Quality Management District			
	Gas Tax	Measure A	SLESF	
ASSETS				
Pooled cash and investments	\$ 1,791,415	\$ 278,468	\$ 1,070,281	\$ -
Restricted cash and investments	-	-	-	-
Receivables, net:				
Accounts	4,940	-	-	-
Grants	-	-	-	-
Due from other governments	<u>225,435</u>	<u>12,217</u>	<u>180,313</u>	<u>-</u>
Total assets	<u>\$ 2,021,790</u>	<u>\$ 290,685</u>	<u>\$ 1,250,594</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 80,487	\$ -	\$ 80,575	\$ -
Accrued liabilities	-	-	9,795	-
Due to other funds	-	-	-	-
Total liabilities	<u>80,487</u>	<u>-</u>	<u>90,370</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Restricted for:				
Public works	1,941,303	290,685	1,160,224	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,941,303</u>	<u>290,685</u>	<u>1,160,224</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,021,790</u>	<u>\$ 290,685</u>	<u>\$ 1,250,594</u>	<u>\$ -</u>

Continued

Special Revenue Funds						
TDA	Community Development Block Grant	Measure Z Park	2022-1 Special Tax A	2022-2 Special Tax A	Waste Services Fund	
\$ 13,801	\$ -	\$ -	\$ -	\$ -	\$ 1,524,016	
-	-	-	-	-	-	
		250				
-	16,767	-				
-	-	22,953				
<u>\$ 13,801</u>	<u>\$ 16,767</u>	<u>\$ 23,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524,016</u>	
\$ 13,801	\$ -	\$ 28,854	\$ 181	\$ -	\$ 14,942	
-	-	7,232	-	-	-	
-	33,705	10,781	4,037	3,276	-	
<u>13,801</u>	<u>33,705</u>	<u>46,867</u>	<u>4,218</u>	<u>3,276</u>	<u>14,942</u>	
-	16,768	-	-	-	-	
-	16,768	-	-	-	-	
-	-	-	-	-	1,509,074	
-	-	-	-	-	-	
-	(33,706)	(23,664)	(4,218)	(3,276)	-	
-	(33,706)	(23,664)	(4,218)	(3,276)	1,509,074	
<u>\$ 13,801</u>	<u>\$ 16,767</u>	<u>\$ 23,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524,016</u>	



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City of Wildomar

Combining Balance Sheet Non-major Governmental Funds June 30, 2023

Concluded

	Capital Project Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Capital Projects	Assessment Districts	Streetlight Fund		
ASSETS					
Pooled cash and investments					
Restricted cash and investments	\$ -	\$ 2,551,408	\$ 91,427	\$ 7,320,816	
Receivables, net:					
Accounts					
Grants	21,390	-	-		26,580
Accrued interest	-	-	-		16,767
Due from other governments	-	7,585	-		448,503
Total assets	<u>\$ 21,390</u>	<u>\$ 2,558,993</u>	<u>\$ 143,759</u>	<u>\$ 7,864,998</u>	
LIABILITIES					
Accounts payable	\$ 1,069	\$ 57,895	\$ 1,000	\$ 278,804	
Accrued liabilities	-	-	-		17,027
Due to other funds	<u>50,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,167</u>
Total liabilities	<u>51,437</u>	<u>57,895</u>	<u>1,000</u>	<u>397,998</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-		16,768
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,768</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Public works	-	-	-		3,392,212
Capital projects	-	2,501,098	-		4,010,172
Debt service	-	-	142,759		142,759
Unassigned	<u>(30,047)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,911)</u>
Total fund balances	<u>(30,047)</u>	<u>2,501,098</u>	<u>142,759</u>	<u>7,450,232</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,390</u>	<u>\$ 2,558,993</u>	<u>\$ 143,759</u>	<u>\$ 7,864,998</u>	

City of Wildomar

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Air Quality Management District			
	Gas Tax	Measure A	SLESF	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,755,338	48,356	1,026,180	165,271
Charges for services	-	-	-	-
Use of money and property	1,620	339	1,269	121
Miscellaneous	356	-	-	-
Total Revenues	1,757,314	48,695	1,027,449	165,392
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	121
Community services	-	-	-	-
Public works	282,833	4,839	643,584	-
Capital outlay	8,992	-	21,242	-
Debt service:				
Principal retirement	457	-	457	-
Interest	-	-	-	-
Total Expenditures	292,282	4,839	665,283	121
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,465,032	43,856	362,166	165,271
OTHER FINANCING SOURCES (USES)				
Lease acquisition	6,730	-	6,730	-
Transfers out	-	(2,600)	(56,800)	(165,271)
Total Other Financing Sources (Uses)	6,730	(2,600)	(50,070)	(165,271)
Net change in fund balances	1,471,762	41,256	312,096	-
FUND BALANCES (DEFICIT)				
Fund balances, beginning of year	469,541	249,429	848,128	-
Fund balances, end of year	\$ 1,941,303	\$ 290,685	\$ 1,160,224	\$ -

Continued

Special Revenue Funds						
TDA	Community Development Block Grant	Measure Z Park	2022-1 Special Tax A	2022-2 Special Tax A	Waste Services Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,550,000	
275,000	-	368,005	-	-	-	
-	-	17,759	-	-	94,348	
4	-	18	-	-	3,595	
-	-	900	-	-	-	
275,004	-	386,682	-	-	1,647,943	
4	-	25,964	-	-	-	
-	-	-	-	-	-	
-	-	474,502	-	-	-	
-	-	-	2,339	1,158	138,869	
275,000	-	7,017	-	-	-	
-	-	730	-	-	-	
-	-	860	-	-	-	
275,004	-	509,073	2,339	1,158	138,869	
-	-	(122,391)	(2,339)	(1,158)	1,509,074	
-	-	5,570	-	-	-	
-	-	-	(512)	(839)	-	
-	-	5,570	(512)	(839)	-	
-	-	(116,821)	(2,851)	(1,997)	1,509,074	
-	(33,706)	93,157	(1,367)	(1,279)	-	
\$ -	\$ (33,706)	\$ (23,664)	\$ (4,218)	\$ (3,276)	\$ 1,509,074	

City of Wildomar

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2023

Concluded

	Capital Project Funds		Debt Service Fund	Total Non-Major Governmental Funds
	Capital Projects	Assessment Districts	Streetlight Fund	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,550,000
Intergovernmental	21,390	1,202,583	-	4,862,123
Charges for services	-	42,838	173,998	328,943
Use of money and property	-	3,641	4,588	15,195
Miscellaneous	-	-	-	1,256
Total Revenues	21,390	1,249,062	178,586	6,757,517
EXPENDITURES				
Current:				
General government	-	3,641	-	29,609
Public safety	-	140,986	-	141,107
Community services	-	-	-	474,502
Public works	40,355	673,103	4,719	1,791,799
Capital outlay	-	5,800	17,821	335,872
Debt service:				
Principal retirement	-	-	85,606	87,250
Interest	-	-	70,685	71,545
Total Expenditures	40,355	823,530	178,831	2,931,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,965)	425,532	(245)	3,825,833
OTHER FINANCING SOURCES (USES)				
Lease acquisition	-	-	-	19,030
Transfers out	-	(41,765)	-	(267,787)
Total Other Financing Sources (Uses)	-	(41,765)	-	(248,757)
Net change in fund balances	(18,965)	383,767	(245)	3,577,076
FUND BALANCES (DEFICIT)				
Fund balances, beginning of year	(11,082)	2,117,331	143,004	3,873,156
Fund balances, end of year	\$ (30,047)	\$ 2,501,098	\$ 142,759	\$ 7,450,232

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Gas Tax – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 469,541	\$ 469,541	\$ 469,541	\$ -
Resources (Inflows):				
Intergovernmental	1,653,100	1,796,200	1,755,338	(40,862)
Use of money and property	-	-	1,620	1,620
Miscellaneous	-	-	356	356
Lease acquisition	-	-	6,730	6,730
Transfers in	50,000	438,000	-	(438,000)
Amounts Available for Appropriations	<u>2,172,641</u>	<u>2,703,741</u>	<u>2,233,585</u>	<u>(470,156)</u>
Charges to Appropriations (Outflows):				
Public works	1,903,900	1,051,400	282,833	768,567
Capital outlay	-	1,500	8,992	(7,492)
Principal retirement	-	-	457	(457)
Transfers out	61,000	61,000	-	61,000
Total Charges to Appropriations	<u>1,964,900</u>	<u>1,113,900</u>	<u>292,282</u>	<u>821,618</u>
Budgetary Fund Balance, June 30	\$ 207,741	\$ 1,589,841	\$ 1,941,303	\$ 351,462

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Air Quality Management District – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 249,429	\$ 249,429	\$ 249,429	\$ -
Resources (Inflows):				
Intergovernmental	46,000	46,000	48,356	2,356
Use of money and property	-	100	339	239
Amounts Available for Appropriations	<u>295,429</u>	<u>295,529</u>	<u>298,124</u>	<u>2,595</u>
Charges to Appropriations (Outflows):				
Public works	4,500	4,500	4,839	(339)
Transfers out	2,400	2,400	2,600	(200)
Total Charges to Appropriations	<u>6,900</u>	<u>6,900</u>	<u>7,439</u>	<u>(539)</u>
Budgetary Fund Balance, June 30	<u>\$ 288,529</u>	<u>\$ 288,629</u>	<u>\$ 290,685</u>	<u>\$ 2,056</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Measure A – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 848,128	\$ 848,128	\$ 848,128	\$ -
Resources (Inflows):				
Intergovernmental	710,000	810,000	1,026,180	216,180
Use of money and property	100	100	1,269	1,169
Lease acquisition	-	-	6,730	6,730
Amounts Available for Appropriations	<u>1,558,228</u>	<u>1,658,228</u>	<u>1,882,307</u>	<u>224,079</u>
Charges to Appropriations (Outflows):				
Public works	600,600	1,057,800	643,584	414,216
Capital outlay	-	60,300	21,242	39,058
Principal retirement	-	-	457	(457)
Transfers out	<u>56,800</u>	<u>56,800</u>	<u>56,800</u>	<u>-</u>
Total Charges to Appropriations	<u>657,400</u>	<u>1,174,900</u>	<u>722,083</u>	<u>452,817</u>
Budgetary Fund Balance, June 30	<u>\$ 900,828</u>	<u>\$ 483,328</u>	<u>\$ 1,160,224</u>	<u>\$ 676,896</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – SLESF – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	150,000	165,300	165,271	(29)
Use of money and property	-	-	121	121
Amounts Available for Appropriations	<u>150,000</u>	<u>165,300</u>	<u>165,392</u>	<u>92</u>
Charges to Appropriations (Outflows):				
Public safety	-	-	121	(121)
Transfers out	<u>150,000</u>	<u>150,000</u>	<u>165,271</u>	<u>(15,271)</u>
Total Charges to Appropriations	<u>150,000</u>	<u>150,000</u>	<u>165,392</u>	<u>(15,392)</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ 15,300</u>	<u>\$ -</u>	<u>\$ (15,300)</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – TDA – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	275,000	275,000	-
Use of money and property	-	-	4	4
Amounts Available for Appropriations	-	275,000	275,004	4
Charges to Appropriations (Outflows):				
General government	-	-	4	(4)
Capital outlay	-	275,000	275,000	-
Total Charges to Appropriations	-	275,000	275,004	(4)
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Community Development Block Grant – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (33,706)	\$ (33,706)	\$ (33,706)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	-	-
Amounts Available for Appropriations	(33,706)	(33,706)	(33,706)	-
Charges to Appropriations (Outflows):				
Capital outlay	-	65,500	-	65,500
Total Charges to Appropriations	-	65,500	-	65,500
Budgetary Fund Balance, June 30	\$ (33,706)	\$ (99,206)	\$ (33,706)	\$ 65,500

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Measure Z Park – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 93,157	\$ 93,157	\$ 93,157	\$ -
Resources (Inflows):				
Intergovernmental	400,600	400,600	368,005	(32,595)
Charges for services	37,500	38,000	17,759	(20,241)
Use of money and property	200	200	18	(182)
Miscellaneous	-	-	900	900
Lease acquisition	-	-	5,570	5,570
Amounts Available for Appropriations	531,457	531,957	485,409	(46,548)
Charges to Appropriations (Outflows):				
General government	28,600	33,300	25,964	7,336
Community services	445,800	472,900	474,502	(1,602)
Public works	100	300	-	300
Capital outlay	-	7,500	7,017	483
Principal retirement	-	-	730	(730)
Interest expense	-	-	860	(860)
Total Charges to Appropriations	474,500	514,000	509,073	4,927
Budgetary Fund Balance, June 30	<u>\$ 56,957</u>	<u>\$ 17,957</u>	<u>\$ (23,664)</u>	<u>\$ (41,621)</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Waste Services – Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	-	1,600,000	1,550,000	(50,000)
Charges for services	-	94,400	94,348	(52)
Use of money and property	-	12,000	3,595	(8,405)
Amounts Available for Appropriations	-	1,706,400	1,647,943	(58,457)
Charges to Appropriations (Outflows):				
Public works	-	127,100	138,869	(11,769)
Total Charges to Appropriations	-	127,100	138,869	(11,769)
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ 1,579,300</u>	<u>\$ 1,509,074</u>	<u>\$ (70,226)</u>

City of Wildomar

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Capital Projects – Capital Projects Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts \$ (11,082)	Variance with Final Budget \$ -
	Original \$ (11,082)	Final \$ (11,082)		
Budgetary Fund Balance, July 1	<u>\$ (11,082)</u>	<u>\$ (11,082)</u>	<u>\$ (11,082)</u>	<u>\$ -</u>
Resources (Inflows):				
Intergovernmental	-	858,600	21,390	(837,210)
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
Amounts Available for Appropriations	<u>58,918</u>	<u>917,518</u>	<u>10,308</u>	<u>(907,210)</u>
Charges to Appropriations (Outflows):				
General government	70,000	70,000	-	70,000
Public works	<u>-</u>	<u>269,800</u>	<u>40,355</u>	<u>229,445</u>
Total Charges to Appropriations	<u>70,000</u>	<u>339,800</u>	<u>40,355</u>	<u>299,445</u>
Budgetary Fund Balance, June 30	<u>\$ (11,082)</u>	<u>\$ 577,718</u>	<u>\$ (30,047)</u>	<u>\$ (607,765)</u>

City of Wildomar

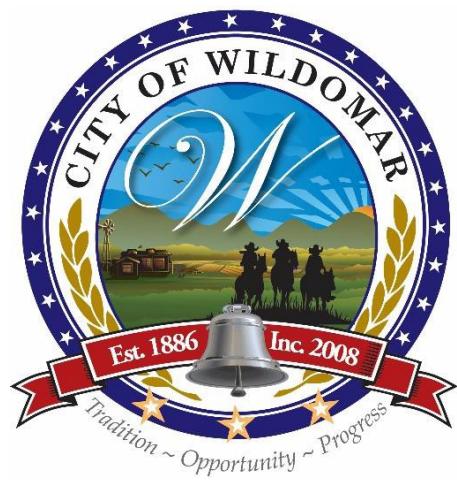
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Assessment Districts – Capital Projects Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,117,331	\$ 2,117,331	\$ 2,117,331	\$ -
Resources (Inflows):				
Intergovernmental	1,294,300	1,217,300	1,202,583	(14,717)
Charges for services	-	42,900	42,838	(62)
Use of money and property	-	-	3,641	3,641
Amounts Available for Appropriations	3,411,631	3,377,531	3,366,393	(11,138)
Charges to Appropriations (Outflows):				
General government	-	-	3,641	(3,641)
Public safety	-	110,900	140,986	(30,086)
Public works	627,300	917,000	673,103	243,897
Capital outlay	3,500	6,000	5,800	200
Transfers out	23,600	53,600	41,765	11,835
Total Charges to Appropriations	654,400	1,087,500	865,295	222,205
Budgetary Fund Balance, June 30	\$ 2,757,231	\$ 2,290,031	\$ 2,501,098	\$ 211,067

City of Wildomar

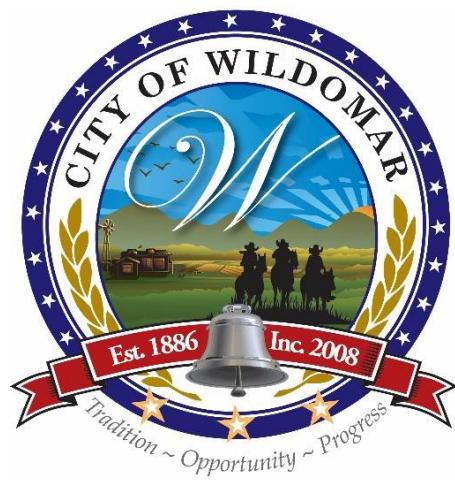
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Streetlight Fund – Debt Service Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 143,004	\$ 143,004	\$ 143,004	\$ -
Resources (Inflows):				
Charges for services	177,100	177,100	173,998	(3,102)
Use of money and property	1,500	1,500	4,588	3,088
Amounts Available for Appropriations	321,604	321,604	321,590	(14)
Charges to Appropriations (Outflows):				
Public works	5,900	6,900	4,719	2,181
Capital outlay	11,900	11,900	17,821	(5,921)
Principal retirement	85,700	85,700	85,606	94
Interest	70,600	70,600	70,685	(85)
Total Charges to Appropriations	174,100	175,100	178,831	(3,731)
Budgetary Fund Balance, June 30	<u>\$ 147,504</u>	<u>\$ 146,504</u>	<u>\$ 142,759</u>	<u>\$ (3,745)</u>



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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. As a newly incorporated City, information relative to the exact city boundaries prior to incorporation is not readily available in most cases. Therefore, trend information will be developed over time and reported annually.

- 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 . . .

- 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
- Principal 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 related to the These schedules contain information about the City's operations and resources in order to help the reader understand how the City's financial information related to the . . .

- 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				
	2023	2022	2021	2020	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 48,267,691	\$ 41,693,202	\$ 37,642,188	\$ 31,157,018	\$ 29,815,490
Restricted for:					
Community Development Projects	6,684,815	7,657,447	6,487,516	5,429,042	5,077,926
Community Services	243,400	93,157	226,671	263,153	
Public Safety	-	-	-	-	-
Public Works	5,496,286	1,567,098	490,110	304,417	124,743
Capital Projects	7,135,092	2,117,331	1,758,079	1,436,063	1,324,591
Cemetery	-	-	-	-	-
Debt Service	2,487,061	143,004	150,957	147,170	333,651
Nonexpendable	-	-	-	-	-
Unrestricted	3,279,633	9,591,470	5,014,648	2,020,017	1,157,175
Total Governmental Activities Net Position	<u>\$ 73,593,978</u>	<u>\$ 62,862,709</u>	<u>\$ 51,770,169</u>	<u>\$ 40,756,880</u>	<u>\$ 37,833,576</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 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				
2018	2017	2016	2015	2014
\$ 27,511,461	\$ 24,487,895	\$ 23,919,815	\$ 23,067,562	\$ 24,394,130
5,049,328	4,807,087	3,541,211	2,579,164	2,640,489
-	-	18,180	5,198	226
79,976	367,868	249,576	714,148	1,352,511
1,045,702	409,383	232,411	136,195	-
-	-	-	1,690,565	1,649,080
-	-	-	90,000	90,000
652,571	134,019	457,120	(1,016,700)	(921,235)
<u>\$ 34,339,038</u>	<u>\$ 30,206,252</u>	<u>\$ 28,418,313</u>	<u>\$ 27,266,132</u>	<u>\$ 29,205,201</u>

City of Wildomar

Changes in Net Position (Accrual Basis of Accounting)

	Fiscal Year				
	2023	2022	2021	2020	2019
EXPENSES					
Governmental Activities:					
General Government	\$ 5,674,367	\$ 3,323,123	\$ 2,827,798	\$ 3,061,012	\$ 3,404,115
Public Safety	10,871,033	10,121,795	7,983,251	9,104,994	7,953,196
Community Development	3,235,078	2,678,691	2,407,683	2,270,421	2,738,282
Economic Development	351,974	245,446	212,698	166,124	-
Parks and Recreation	1,145,719	1,279,393	936,156	908,428	219,647
Public Works	3,479,879	3,889,897	7,124,538	3,953,145	3,823,531
Interest on long-term debt	83,225	86,648	45,351	118,152	-
Total Governmental Activities Expenses	\$ 24,841,275	\$ 21,624,993	\$ 21,537,475	\$ 19,582,276	\$ 18,138,771
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	\$ 1,640,579	\$ 2,024,722	\$ 1,375,137	\$ 898,082	\$ 380,352
Public Safety	87,048	75,392	103,853	97,219	45,395
Community Development	4,167,982	2,870,909	2,162,593	1,708,190	2,075,499
Economic Development	-	1,322	-	-	-
Parks and Recreation	11,559	11,508	2,907	7,099	11,291
Public Works	1,372,455	955,743	848,664	750,290	423,706
Total Charges for Services	\$ 7,279,623	\$ 5,939,596	\$ 4,493,154	\$ 3,460,880	\$ 2,936,243
Operating Contributions and Grants:					
General Government	\$ 1,923,888	\$ 907,561	\$ 360,997	\$ 369,968	\$ 515,621
Public Safety	165,271	161,285	156,727	155,948	148,747
Community Development	368,005	379,425	473,279	940,616	597,995
Economic Development	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Public Works	3,090,517	2,707,892	3,183,238	1,960,065	2,008,341
Total Operating Contributions and Grants	\$ 5,547,681	\$ 4,156,163	\$ 4,174,241	\$ 3,426,597	\$ 3,270,704
Capital Contributions and Grants:					
Community Development	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	1,812,721	4,141,262	7,851,995	1,812,906	4,106,559
Interest on long-term debt	-	-	-	-	-
Total Capital Contributions and Grants	\$ 1,812,721	\$ 4,141,262	\$ 7,851,995	\$ 1,812,906	\$ 4,106,559
Total Governmental Activities Program Revenues	\$ 14,640,025	\$ 14,237,021	\$ 16,519,390	\$ 8,700,383	\$ 10,313,506
TOTAL NET REVENUES (EXPENSES)	\$ (10,201,250)	\$ (7,387,972)	\$ (5,018,085)	\$ (10,881,893)	\$ (7,825,265)

*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 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					
2018	2017	2016	2015	2014	
\$ 2,469,147	\$ 2,494,133	\$ 2,465,875	\$ 2,320,203	\$ 2,110,310	
5,957,516	5,517,602	5,109,023	4,834,799	4,087,138	
2,660,031	2,389,801	2,569,072	3,058,008	2,881,440	
-	-	-	-	-	
219,647	219,647	219,647	425,006	405,589	
3,508,423	3,272,317	3,649,428	4,435,300	2,570,554	
-	-	-	-	522,724	
\$ 14,814,764	\$ 13,893,500	\$ 14,013,045	\$ 15,073,316	\$ 12,577,755	
\$ 898,352	\$ 1,539,067	\$ 636,577	\$ 233,193	\$ 706,214	
10,581	10,466	11,630	10,266	1,480	
2,054,708	2,397,374	2,773,440	2,491,406	285,075	
-	-	-	-	-	
15,570	7,832	4,673	9,005	40	
239,777	230,197	299,806	332,187	8,866	
\$ 3,218,988	\$ 4,184,936	\$ 3,726,126	\$ 3,076,057	\$ 1,001,675	
\$ 479,537	\$ 502,469	\$ 340,463	\$ 575,922	\$ 518,426	
116,667	139,416	143,942	97,546	100,000	
545,537	387,589	339,399	343,060	1,921,554	
-	-	-	-	10,136	
3,230,361	3,398,998	2,497,709	1,351,679	2,229,719	
\$ 4,372,102	\$ 4,428,472	\$ 3,321,513	\$ 2,368,207	\$ 4,779,835	
\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	
-	-	884,658	1,049,064	-	
-	-	-	-	-	
\$ -	\$ -	\$ 884,658	\$ 1,049,064	\$ 1,900,000	
\$ 7,591,090	\$ 8,613,408	\$ 7,932,297	\$ 6,493,328	\$ 7,681,510	
\$ (7,223,674)	\$ (5,280,092)	\$ (6,080,748)	\$ (8,579,988)	\$ (4,896,245)	

City of Wildomar

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

	Fiscal Year				
	2023	2022	2021	2020	2019
TOTAL NET REVENUES (EXPENSES) - Carry Forward	<u><u>\$ (10,201,250)</u></u>	<u><u>\$ (7,387,972)</u></u>	<u><u>\$ (5,018,085)</u></u>	<u><u>\$ (10,881,893)</u></u>	<u><u>\$ (7,825,265)</u></u>
GENERAL REVENUES AND OTHER CHARGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property Taxes, levied for general purpose	\$ 5,584,964	\$ 5,100,186	\$ 4,875,249	\$ 4,608,569	\$ 4,434,404
Sales Taxes	8,413,581	8,783,565	6,695,060	5,054,702	2,872,982
Franchise Taxes	2,599,362	1,238,074	1,206,707	1,080,234	1,077,164
Business Licenses Taxes	-	-	-	-	-
Motor Vehicle in Lieu Tax	3,204,325	3,004,100	2,837,391	2,718,513	2,580,800
Other Taxes	209,120	331,638	244,476	165,446	154,049
Investments Earnings	695,396	(50,453)	38,793	109,658	67,542
Other	338,988	73,402	133,698	68,075	132,862
Contributions from Other Entities	-	-	-	-	-
Special Item	-	-	-	-	-
Total Governmental Activities	<u><u>\$ 21,045,736</u></u>	<u><u>\$ 18,480,512</u></u>	<u><u>\$ 16,031,374</u></u>	<u><u>\$ 13,805,197</u></u>	<u><u>\$ 11,319,803</u></u>
CHANGES IN NET POSITION	<u><u>\$ 10,844,486</u></u>	<u><u>\$ 11,092,540</u></u>	<u><u>\$ 11,013,289</u></u>	<u><u>\$ 2,923,304</u></u>	<u><u>\$ 3,494,538</u></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 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				
2018	2017	2016	2015	2014
<u>\$ (7,223,674)</u>	<u>\$ (5,280,092)</u>	<u>\$ (6,080,748)</u>	<u>\$ (8,579,988)</u>	<u>\$ (4,896,245)</u>
\$4,232,672	\$4,002,949	\$ 3,774,015	\$ 4,042,882	\$ 3,465,511
1,780,008	1,666,324	1,772,493	1,492,041	1,561,683
1,057,586	1,015,225	1,056,712	1,061,333	972,108
-	-	-	-	14,041
2,392,884	15,755	13,778	-	-
165,129	255,866	140,501	-	106,039
19,432	10,659	6,590	5,015	3,605
1,897,363	101,253	71,073	114,382	54,338
-	-	-	-	-
-	-	1,185,337	-	-
<u>\$ 11,545,074</u>	<u>\$ 7,068,031</u>	<u>\$ 8,020,499</u>	<u>\$ 6,715,653</u>	<u>\$ 6,177,325</u>
<u>\$ 4,321,400</u>	<u>\$ 1,787,939</u>	<u>\$ 1,939,751</u>	<u>\$ (1,864,335)</u>	<u>\$ 1,281,080</u>

City of Wildomar

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

	Fiscal Year				
	2023	2022	2021	2020	2019
GENERAL FUND					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	-	17,533
Deposits	-	-	-	-	-
Restricted					
Debt Service	-	-	-	-	-
Unassigned	6,069,630	3,828,664	2,444,793	878,286	1,425,789
Total General Fund	\$ 6,069,630	\$ 3,828,664	\$ 2,444,793	\$ 878,286	\$ 1,443,322
ALL OTHER GOVERNMENTAL FUNDS					
Reserved:					
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:					
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	-	20,899
Cemetery Endowment	-	-	-	-	-
Restricted for:					
Community development projects	6,684,815	7,657,447	6,487,516	5,429,042	239,224
Community services	243,400	93,157	226,671	263,153	-
Public safety	-	-	-	-	583,766
Public works	3,987,212	1,567,098	490,110	304,417	124,743
Capital projects	8,644,166	2,117,331	1,758,079	1,436,063	1,324,591
Debt service	2,487,061	143,004	150,957	147,170	-
Cemetery	-	-	-	-	333,651
Committed	-	5,895,809	3,275,440	1,911,578	-
Unassigned	(4,038,658)	(1,956,708)	1,466,456	(575,345)	(802,696)
Total All Other Governmental Funds	\$ 18,007,996	\$ 15,517,138	\$ 13,855,229	\$ 8,916,078	\$ 1,824,178
Total Fund Balances - all funds	\$ 24,077,626	\$ 19,345,802	\$ 16,300,022	\$ 9,794,364	\$ 3,267,500

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

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Source: City Finance Department

Fiscal Year					
2018	2017	2016	2015	2014	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,184	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,552,339	869,757	946,503	773,060	770,686	
\$ 1,552,339	\$ 869,757	\$ 957,687	\$ 773,060	\$ 770,686	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,167	3,509	
-	-	1,107	-	62	
-	-	-	90,000	90,000	
5,049,328	4,807,087	3,541,211	2,579,164	2,640,489	
-	-	-	-	-	
-	-	18,180	5,198	226	
79,976	367,868	249,576	714,148	1,352,511	
1,045,702	409,383	232,411	136,195	-	
-	-	-	-	-	
-	-	-	1,688,398	1,645,509	
-	-	-	-	-	
(3,666,121)	(1,663,955)	(1,486,366)	(1,616,354)	(1,183,295)	
\$ 2,508,885	\$ 3,920,383	\$ 2,556,119	\$ 3,598,916	\$ 4,549,011	
\$ 4,061,224	\$ 4,790,140	\$ 3,513,806	\$ 4,371,976	\$ 5,319,697	

City of Wildomar

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

	Fiscal Year				
	2023	2022	2021	2020	2019
REVENUES					
Taxes	\$ 16,921,648	\$ 15,415,484	\$ 12,983,948	\$ 10,874,493	\$ 8,505,203
Licenses and Permits	4,191,857	2,914,180	2,185,629	1,665,127	1,883,515
Intergovernmental	11,970,740	10,931,122	8,662,540	9,035,650	12,304,486
Charges for Services	348,456	206,855	193,945	156,216	37,022
Investment Earnings	-	-	-	-	67,542
Fines and Forfeitures	62,973	56,705	84,020	84,703	49,358
Use of Money and Property	695,397	(50,452)	38,797	109,659	-
Contributions	56,854	1,963,765	-	-	-
Developer Participation	1,602,594	101,562	1,333,216	895,215	526,149
Miscellaneous	53,052	74,023	133,755	229,314	133,490
Total Revenues	\$ 35,903,571	\$ 31,613,244	\$ 25,615,850	\$ 23,050,377	\$ 23,506,765
EXPENDITURES					
Current:					
General Government	\$ 4,527,166	\$ 3,178,267	\$ 2,714,432	\$ 2,647,322	\$ 3,212,685
Public Safety	10,780,102	10,031,985	7,946,947	9,069,699	7,922,498
Community Development	3,061,022	2,844,354	2,407,683	2,270,421	2,738,282
Economic Development	351,974	271,791	212,698	166,124	-
Parks and Recreation	905,169	1,057,508	706,244	678,516	-
Public Works	4,065,061	5,000,008	3,965,255	2,846,944	2,446,387
Capital Outlay	7,072,777	4,621,702	3,445,435	2,755,005	5,480,443
Debt Service:					
Cost of Issuance	-	-	-	-	37,000
Principal Retirement	458,662	365,551	77,268	-	-
Interest and Fiscal Charges	84,803	85,792	79,023	78,146	-
Total Expenditures	\$ 31,306,736	\$ 27,456,958	\$ 21,554,985	\$ 20,512,177	\$ 21,837,295
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	4,596,835	4,156,286	4,060,865	2,538,200	1,669,470
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 346,959	\$ 319,839	\$ 301,362	\$ 416,945	\$ 924,641
Transfers Out	(346,959)	(319,839)	(301,362)	(416,945)	(924,641)
Proceeds from Loan	-				1,525,470
Other Debts Issued	134,989	1,334,287			-
Contributions from Other Entities	-				-
Total Other Financing Sources (Uses)	\$ 134,989	\$ 1,334,287	\$ -	\$ -	\$ 1,525,470
Net Change in Fund Balances	4,731,824	5,490,573	4,060,865	2,538,200	3,194,940
Fund Balances, Beginning of Year	19,345,802	13,855,229	9,794,364	7,256,164	4,061,224
Restatements	-	-	-	-	-
Fund Balances, Beginning of Year, as Restated:	19,345,802	13,855,229	9,794,364	7,256,164	4,061,224
Fund Balances, End of Year	\$ 24,077,626	\$ 19,345,802	\$ 13,855,229	\$ 9,794,364	\$ 7,256,164
DEBT SERVICE AS A PERCENTAGE OF NON CAPITAL EXPENDITURES					
	2.50%	2.30%	0.00%	0.00%	0.00%

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Source: City Finance Department

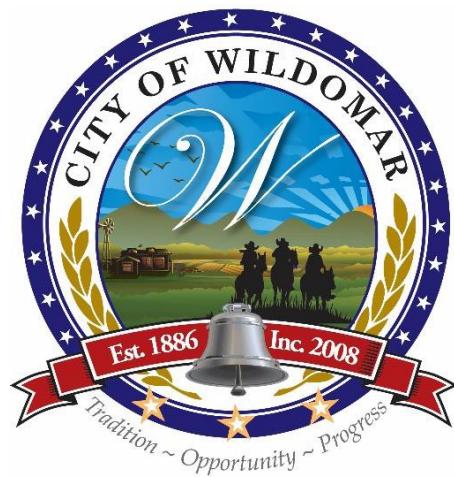
Fiscal Year					
2018		2017		2016	

\$ 7,229,816	\$ 6,940,365	\$ 6,743,720	\$ 6,596,256	\$ 6,119,382
2,003,200	2,345,877	2,754,563	2,460,535	1,602,381
7,033,686	4,650,707	3,612,975	3,660,760	3,148,003
38,769	18,614	14,895	27,077	213,328
19,431	10,659	6,590	5,015	3,605
45,552	41,039	52,654	51,882	81,387
-	-	-	-	-
-	-	-	-	-
867,838	1,510,618	598,955	181,553	688,214
8,919	114,933	87,850	123,387	54,338
\$ 17,247,211	\$ 15,632,812	\$ 13,872,202	\$ 13,106,465	\$ 11,910,638

\$ 2,601,884	\$ 2,382,977	\$ 2,426,059	\$ 2,410,577	\$ 2,049,831
5,926,817	5,488,113	5,079,535	4,834,799	4,447,176
2,660,031	2,389,801	2,569,072	3,100,691	2,881,440
-	-	-	-	-
-	-	-	27,866	188,047
3,375,478	1,953,548	1,982,458	2,460,664	1,383,266
3,411,917	2,142,039	1,399,541	1,008,509	555,885
-	-	-	-	-
-	-	-	109,040	483,243
-	-	-	-	39,481
\$ 17,976,127	\$ 14,356,478	\$ 13,456,665	\$ 13,952,146	\$ 12,028,369

(728,916)	1,276,334	415,537	(845,681)	(117,731)
\$ 1,270,977	\$ 343,787	\$ 517,123	\$ 544,116	\$ 522,000
(1,270,977)	(343,787)	(517,123)	(544,116)	(522,000)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -				
(728,916)	1,276,334	415,537	(845,681)	(117,731)
4,790,140	3,513,806	2,591,411	5,319,697	5,437,428
-	-	506,858	(102,040)	-
4,790,140	3,513,806	3,098,269	5,217,657	5,437,428
\$ 4,061,224	\$ 4,790,140	\$ 3,513,806	\$ 4,371,976	\$ 5,319,697

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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
2023	\$ 3,613,639,008	\$ 269,448,817	\$ 355,422,558	\$ (152,084,250)	\$ 4,187,621,652	0.06414
2022	3,353,379,918	238,817,009	372,949,652	(143,634,639)	3,914,676,493	0.06414
2021	3,194,123,965	206,450,586	365,302,589	(141,156,996)	3,712,810,278	0.06414
2020	2,998,915,691	367,930,286	266,202,102	(135,401,055)	3,555,294,341	0.06414
2019	2,869,319,248	366,065,458	207,467,159	(133,658,124)	3,368,179,579	0.06414
2018	2,672,591,727	348,827,091	205,071,044	(128,090,594)	3,152,766,645	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

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

City of Wildomar

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

Agency	Fiscal Year			
	2023	2022	2021	2020
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	0.06201	0.06319	0.06111	0.06277
Metropolitan Water Dist Original Area	0.00350	0.00350	0.00350	0.00350
Mt. San Jacinto Jr College	0.01320	0.01320	0.01320	0.08244
Perris Union High School	0.08859	0.08859	0.08569	0.01320
Total Overriding Assessments	0.16730	0.16848	0.16350	0.16191
Total Direct & Overlapping Tax Rates	1.16730	1.16848	1.16350	1.16191

* 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 within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of 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					
2019	2018	2017	2016	2015	2014
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	0.06414 0.93586	0.06742 0.93258	0.06860 0.93140
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.06303 0.00350 0.05243 0.01320	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 -
0.13216	0.13425	0.11031	0.10990	0.09928	0.10741
1.13216	1.13425	1.11031	1.10990	1.09928	1.10741

City of Wildomar

Principal Property Tax Payers

Taxpayer	2022-23		2013-14	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Oak Springs Partners	\$ 86,052,381	2.05%		
MG Santa Rosa Apartments	81,502,368	1.95%		
GSC Smith Ranch	35,162,006	0.84%		
LG Oak Creek	31,257,841	0.75%	\$ 15,817,000	0.70%
Universal Health Services Of Rancho Springs	24,931,576	0.60%	27,341,881	1.20%
Wildomar Industrial Park	23,927,167	0.57%	11,049,387	0.49%
CK HS Partners 18	22,734,343	0.54%	5,425,224	0.24%
Sovran Acquisition Ltd Partnership	20,089,173	0.48%		
Krupalu	18,360,000	0.44%		
Cft Nv Dev	18,061,551	0.43%		
Mcw Rc Ca Bear Creek Village Center	16,818,057	0.40%	14,339,534	0.63%
Rainbow Mountain	14,496,385	0.35%		
Equilon Enterprises	13,636,890	0.33%		
Beazer Homes Holdings Corp	13,212,425	0.32%		
ACI Real Estate Spe 143	12,546,000	0.30%		
VSHS	11,894,608	0.28%	9,335,660	0.41%
Csp 30121 Antelope Road	10,563,313	0.25%		
George Clinton Keith Dev	9,775,365	0.23%		
Wal Mart Real Estate Business Trust	9,239,679	0.22%	7,062,498	0.31%
Ambient Pacific Occ	8,994,395	0.21%		
Wang Margaret Dream Trust Dtd 7/24/12	8,400,000	0.20%		
Wildomar Renaissance Plaza	8,180,815	0.20%		
Wildomar Meadows	8,094,068	0.19%		
Elsinore Valley Municipal Water District	6,832,658	0.16%		
2018 1 lh Borrower Lp	6,325,609	0.15%		
Universal Health Realty Income			42,162,585	1.86%
Wnra Wildomar			35,470,000	1.56%
Inland Valley Medical Partners			14,204,896	0.63%
Stonebridge Medical Center			12,981,790	0.57%
Lennar Homes Of Calif Inc.			9,488,003	0.42%
A S Prop At Clinton Keith			8,739,970	0.38%
Ck Self Storage			8,712,809	0.38%
Strata Oak			8,437,440	0.37%
Oak Springs Ranch			7,665,000	0.34%
New Albertsons Inc.			7,644,966	0.34%
Spring Meadow Ranch			7,000,000	0.31%
Prichard Ronald D			6,975,500	0.31%
Baxter Central Ltd. Partnership			6,737,912	0.30%
Meritage Homes Of Calif Inc.			6,093,023	0.27%
Rs Wildomar			5,304,000	0.23%
Beaumont Gossett			4,584,032	0.20%
CV Communities			4,565,577	0.20%
Word Of Life World Outreach Center			3,943,198	0.17%
Total Top 25 Taxpayers	521,088,673	12.44%	291,081,885	12.82%
Total Taxable Value	4,187,621,652	100.00%	2,271,001,217	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	
2023	\$ 5,088,718	\$ 4,951,886	97.31%	\$ 157,886	\$ 5,109,772	100.41%	
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%	

The City was not on the tax rolls until fiscal year 2009-2010, therefore there is no total tax levy. However, the City still received its portion of property tax collections from Riverside County.

Source: County of Riverside, City Finance Department

City of Wildomar

Ratios of Outstanding Debt by Type

Fiscal Year	Leases Payable	Subscription Liability	Loan Payable	County Repayment ⁽¹⁾	Total Governmental Activities	% of Actual Assessed Value of Property ⁽²⁾	Per Capita
2023	\$ 756,096	\$ 55,903	\$ 1,297,467	\$ -	\$ 2,109,466	0.00%	\$ 58.05
2022	1,050,066	-	1,383,073	-	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

⁽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.

The City was incorporated in fiscal year 2008-2009. No information prior to fiscal Year 2008-2009 is available.

Source: City Finance Department

City of Wildomar

Direct and Overlapping Governmental Activities Debt As of June 30, 2023

	\$ 4,218,077,691		
	\$ 4,218,077,691	Percent Applicable to City (1)	City's Share of Debt
<u>Overlapping Tax and Assessment Debt</u>			
Metropolitan Water District	\$ 19,215,000	0.116%	\$ 22,289
Mount San Jacinto Community College District General Funds Obligations	247,850,000	3.541%	8,776,369
Perris Union High School District	298,735,042	0.206%	615,394
Menifee Union School District	120,934,720	0.328%	396,666
Lake Elsinore Unified School District	47,410,000	25.693%	12,181,051
Lake Elsinore Unified School District Community Facilities District No. 99-1	3,321,000	100%	3,321,000
Lake Elsinore Unified School District Community Facilities District No. 2002-1	2,963,000	44.393%	1,315,365
Lake Elsinore Unified School District Community Facilities District No. 2003-1 A	2,995,113	100%	2,995,113
Lake Elsinore Unified School District Community Facilities District No. 2004-1, 2, 3 & 4	19,339,000	39.767-100	18,047,002
Lake Elsinore Unified School District Community Facilities District No. 2005-3, 5 & 7	9,677,000	100%	9,677,000
Lake Elsinore Unified School District Community Facilities District No. 2006-3A & 4	12,420,000	100%	12,420,000
Lake Elsinore Unified School District Community Facilities District No. 2007-2	2,915,000	100%	2,915,000
Lake Elsinore Unified School District Community Facilities District No. 2013-1 & 2	13,495,000	100%	13,495,000
Perris Union High School District Community Facilities District No. 92-1	31,050,000	0.259%	80,420
Riverside County Flood Control, Zone 4	5,380,000	0.418%	22,488
Elsinore Valley Municipal Water District Community Facilities Districts	5,540,000	100%	5,540,000
Total Overlapping Tax and Assessment Debt			\$ 91,820,157

<u>Overlapping General Fund Debt</u>			
Riverside County General Funds Obligation	\$ 686,776,829	1.165%	\$ 8,000,950
Riverside County Pension Obligations	748,540,000	1.165%	8,720,491
Western Municipal Water District Certificates of Participation	4,075,058	1.173%	47,800
Perris Union High School District General Fund Obligation	40,481,898	0.206%	83,393
Menifee Union School District Certificates of Participation	45,258,119	0.355%	160,666
Total Overlapping General Fund Debt			\$ 17,013,301

<u>Direct Debt</u>			
City Of Wildomar	\$ 2,109,466	100%	\$ 2,109,466
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>			
Total Direct Debt	\$ 186,997,321	2.153 - 18.555%	\$ 13,841,829
Total Overlapping Debt			\$ 122,663,067
Combined Total Debt			\$ 122,663,067 (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%
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AB:(\$500)

Source: California Municipal Statistics

City of Wildomar

Legal Debt Margin Information (dollars in thousands)

	Fiscal Year				
	2023	2022	2021	2020	2019
Assessed Valuation	\$ 4,187,621,652	\$ 3,914,676,493	\$ 3,712,810,278	\$ 3,555,294,341	\$ 3,368,179,579
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	\$ 628,143,248	\$ 587,201,474	\$ 556,921,542	\$ 533,294,151	\$ 505,226,937
Total Net Debt Applicable to Limit General Obligation Bonds:	-	-	-	-	-
Legal Debt Margin	<u>\$ 628,143,248</u>	<u>\$ 587,201,474</u>	<u>\$ 556,921,542</u>	<u>\$ 533,294,151</u>	<u>\$ 505,226,937</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				
2018	2017	2016	2015	2014
\$ 3,152,766,645	\$ 2,990,875,859	\$ 2,820,562,416	\$ 2,609,896,984	\$ 2,293,353,635
15%	15%	15%	15%	15%
\$ 472,914,997	\$ 448,631,379	\$ 423,084,362	\$ 391,484,548	\$ 344,003,045
<u>\$ 472,914,997</u>	<u>\$ 448,631,379</u>	<u>\$ 423,084,362</u>	<u>\$ 391,484,548</u>	<u>\$ 344,003,045</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
2022-23	36,336	\$ 1,330,572	\$ 36,619	4.2%	36	85%	17%
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%

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 Nine Years Ago**

Business Name	2022-23		2013-14
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Lake Elsinore Unified School District*	2,181	12.25%	1995
Inland Valley Medical Center **	828	4.65%	780
Southern California Edison	224	1.26%	20
Stater Bros Markets	124	0.70%	45
Albertson's	122	0.69%	95
Cornerstone Community Church & School	108	0.61%	90
Wildomar Senior Leisure Community	105	0.59%	
Animal Friends of the Valleys	88	0.49%	
Sycamore Academy-Sci-Cultural Arts	83	0.47%	
FCP Inc	64	0.36%	200
Jack in the Box - (2 locations)			60
P K Mechanical Systems			50
Coldwell Banker			52
Mc Donald's			52
Total Top 10 Employers	3,927	22.06%	3,439
Total City Labor Force (1)	17,800		

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, 2023

Function	2023	2022	2021	2020	2019
City Manager					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
City Clerk					
Full- Time Equiv	1.0	2.0	1.0	1.0	1.0
City Manager Administration					
Full- Time Equiv	-	-	3.0	3.0	3.0
Economic Development					
Full- Time Equiv	2.0	2.0	-	-	-
Asst. City Manager					
Full- Time Equiv	-	-	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	3.0	2.0	-	-
Cemetery					
Full- Time Equiv	5.0	5.0	3.0	3.0	3.0
Development Engineering					
Full- Time Equiv	2.0	2.0	-	-	-
Community Services					
Full- Time Equiv	-	-	-	-	-
Administrative Services Director					
Full- Time Equiv	1.0	1.0	-	-	-
Finance					
Full- Time Equiv	5.0	5.0	4.0	3.0	3.0
Code Enforcement					
Full- Time Equiv	4.0	4.0	-	-	-
Public Works					
Full- Time Equiv	3.0	3.0	2.0	-	-
Associate Planner					
Full- Time Equiv	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
TOTAL	<u>29.0</u>	<u>30.0</u>	<u>19.0</u>	<u>14.0</u>	<u>14.0</u>

Source: City Finance Department

2018	2017	2016	2015	2014
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
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	1.0
-	-	1.0	1.0	1.0
2.0	3.0	2.0	2.0	2.0
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3.0	2.0	1.0	1.0	-
-	-	-	-	-
-	-	-	1.0	1.0
1.0	1.0	1.0	1.0	-
12.0	12.0	11.0	11.0	10.0

City of Wildomar

Operating Indicators by Function/Program

Function	2023	2022	2021	2020	2019
Police Services					
Calls for Service	12,452	18,027	18,218	19,898	16,576
DUI Arrests	37	73	87	44	34
Traffic Citations	1,107	1,245	1,830	485	N/A
Fire Services					
Responses to Calls for Service	3,068	3,534	3,307	3,252	3,102
Average Response Time-Minutes	5.4	5.4	5.2	5.1	5.1
% of Calls - Medical	79.50%	78.50%	76.32%	74.26%	75.94%
% of Calls - All Other	20.50%	21.50%	23.67%	25.74%	24.06%
Building & Safety					
Building Permits Issued	1,460	1,161	1,192	981	1,104
Community Development/ Planning					
Zoning Inquiries/ Counter Assistance	3,452	3,327	3,000	2,925	3,020
Developer Applications/ Projects	21	65	25	30	45
Building Plan Check Permits	421	414	1,000	1,052	1,560
Planning Director Hearings	0	0	0	2	3
Planning Commission Meetings	9	10	9	13	9
Cemetery					
Burial Services	49	61	45	41	21

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.

2018	2017	2016	2015	2014
17,628	17,374	15,916	8,782	4,353
44	32	38	2	8
573	334	246	287	375
3,266	3,173	3,075	2,962	2,696
5.2	4.7	4.7	4.9	4.7
76.00%	75.26%	77.66%	75.19%	76.71%
24.00%	24.74%	22.34%	24.81%	23.29%
1,158	1,235	1,685	1,321	789
4,656	4,400	4,300	3,800	3,600
71	43	40	48	40
1,674	1,650	1,650	1,000	1,000
1	3	2	5	5
16	7	10	11	10
35	12	25	31	34

City of Wildomar

Capital Asset Statistics by Function/Program

Function	2023	2022	2021	2020	2019
Public Works					
Streets (miles)					
Paved - Public	126.15	124.9	123.36	123.36	123.36
Paved - Private	11.67	11.4	9.1	9.1	9.1
Unpaved - Public	5.84	5.84	3.87	3.87	3.87
Unpaved - Private	46.05	46.05	47.1	47.1	47.1
Traffic Signals	27.3	24.3	24.3	24.3	24.3
Community Services					
Parks	6	5	5	4	4
Park Acreage	61.85	41.85	41.85	14.85	14.85
Cemetery	1	1	1	1	1

Source: City Public Works Department, Community Services Department

2018	2017	2016	2015	2014
123.36	119	119	119	119
9.1	9.1	9.1	9.1	9.1
3.87	3.4	3.4	3.4	3.4
47.1	47.1	47.1	47.1	47.1
24.3	23.3	23.3	23.3	23.3
4	3	3	3	3
14.85	14.4	14.4	14.4	14.4
1	1	1	1	1

City of Wildomar

Miscellaneous Statistics As of June 30,2023

Geographic Location	Wildomar is located along Interstate 15 in Riverside County.
Population	36,336
Area in Square Miles	24
Form of Government	Council-Manager
Date of Incorporation	July 1, 2008
Number of Full Time Employees	29
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:	6 Parks owned by the City
Schools:	
Elementary	4
Middle Schools	1
High Schools	1

Source: City Finance Department and California Department of Finance

