



Measure AA Annual Report

Fiscal Year 2023-2024

December 5th, 2024

Oversight Advisory Committee

Kathleen Kovich, Chair

Eric Bunge, Vice Chair

Carlos Hernandez, Committee Member

David Johansen, Committee Member

Hannah Rinehart, Committee Member

Measure AA FY 2023-2024 Annual Committee Report

Report from the Committee

On November 6, 2018, Wildomar residents voted on a 1-cent sales tax (Measure AA) to fund the services from police, fire, homelessness programs, and the maintenance and improvement of city roads. The election results were certified by the Riverside County Register of Voters and the Measure was approved by 58.67% of the Wildomar residents who voted.

At the February 13, 2019 City Council meeting, the Council adopted Resolution 2019-12 which established the organization, objectives, and responsibilities of the committee per the requirements of Ordinance No. 161, which was the ordinance enacting the voter-approved Transaction and Use Tax referred to as Measure AA.

The inaugural Measure AA committee members were appointed by the City Council at their June 10, 2019 meeting, and began their bi-annual review meetings on August 22, 2019. The committee met three times in the 2019-2020 fiscal year. At the June 11, 2020 meeting, the committee voted to meet on a quarterly basis. In accordance with this decision, the members of the committee met quarterly during the 2023-2024 fiscal year.

The current committee members at the time of this report are:

Kathleen Kovich, Chair
Eric Bunge, Vice Chair
Carlos Hernandez, Committee Member
David Johansen, Committee Member
Hannah Rinehart, Committee Member

The committee has reviewed the budgetary and financial information provided to them by staff, asked questions about the information for clarity and understanding, and accepted the staff's reports. The enclosed audited financial statements were completed by the firm of Rogers, Anderson, Malody, & Scott, LLP, Certified Public Accountants of Riverside, CA. Their opinion is as follows:

"In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."

The following pages cover the services funded for the Police Department, Fire Department, the Homelessness Program / Code Enforcement, and the Public Works Road Engineering and Maintenance program.

Measure AA FY 2023-2024 Annual Committee Report

Financial Summary

The original fiscal year 2023-2024 revenue and expenditure budgets for Measure AA were approved by the City Council on June 14th, 2023 as part of the City's FY2023-24 & FY2024-25 Biennial Budget. At July 1st, 2023 the Measure AA Fund had a positive Fund Balance of \$7,613,501.

The original adopted budget consisted of \$5,554,700 in revenue and \$7,979,000 in expenditures. During FY2023-24 the City Council approved several adjustments to the budgeted amounts. The final 4th Quarter Adjusted Budget Report projected estimated revenues of \$6,110,500 and total appropriations of \$8,124,200. Of the revenues, \$5,750,000 was projected sales and use tax revenue. With the approved budget changes the estimated ending fund balance was \$5,599,801.

During FY2023-24 the actual sales and use tax revenues collected were \$5,793,328 or \$43,328 above the estimated sales tax revenues budgeted at 4th quarter. Additional revenues of \$371,457 from interest income and \$4,600 from developer income were also added to the fund for a revenue total of \$6,169,387. Combined with the July 1st, 2023 Fund Balance, Measure AA had \$13,782,888 in available resources.

Actual expenditures were \$5,844,698 or \$2,279,501 below the estimated final expenditures budgeted. The year-end fund balance was \$7,938,190 or \$2,338,389 above the final budgeted estimate. The following summarizes the fiscal data included in the *FY2023-2024 Audited Annual Financial Report for Measure AA*.

Fund Balance July 1st, 2023	\$ 7,613,501
Plus Revenues	\$ 6,169,387
Less Expenditures	\$ (5,844,698)
Fund Balance June 30th, 2024	<u>\$ 7,938,190</u>

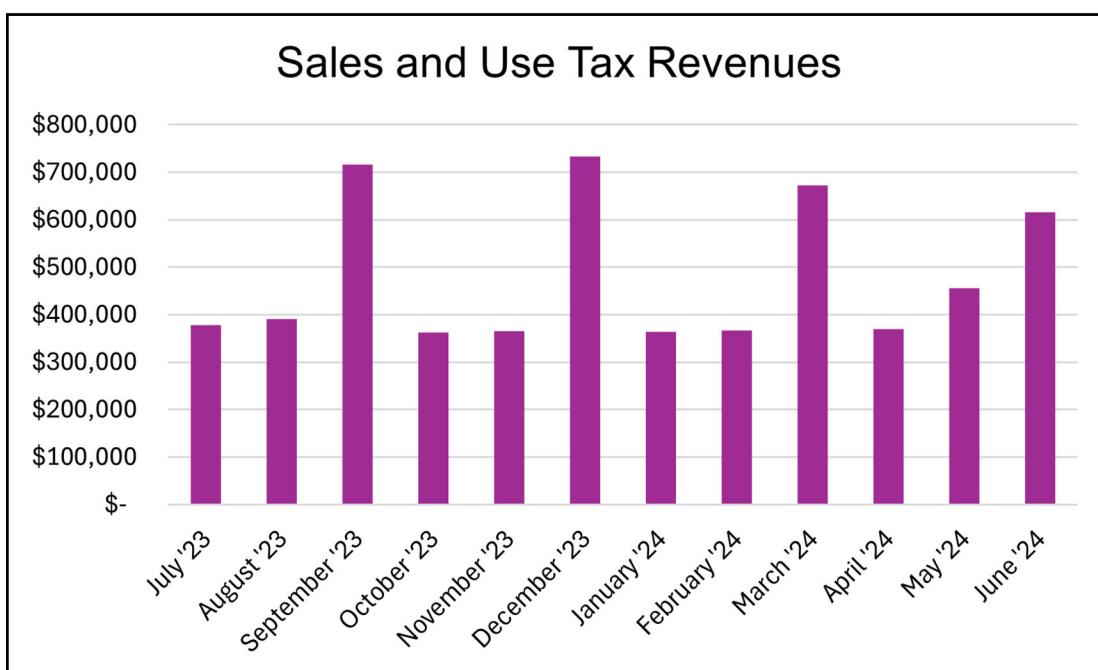
Measure AA FY 2023-2024 Annual Committee Report

Revenues

The Measure AA actual revenues totaled \$6,169,387. There was an favorable variance of \$58,887 above the final budget of \$6,110,500. Revenues for the fiscal year consisted of sales and use tax remittances totaling \$5,793,328, interest income of \$371,459, and a developer cash in lieu payment of \$4,600 for the City traffic improvements.

Sales and Use Tax Revenues for FY 2023-2024

July - Sept. Sales and Use Tax Revenues	\$1,486,088
Oct. - Dec. Sales and Use Tax Revenues	\$1,462,095
Jan. - Mar. Sales and Use Tax Revenues	\$1,403,565
Apr. - Jun. Sales and Use Tax Revenues	\$1,441,581
Interest Income	\$ 371,459
Other	\$ 4,600



Measure AA FY 2023-2024 Annual Committee Report

Police Department

Original Budget	\$950,200
Adjusted Budget	\$980,400
Actual Expenses	\$982,150

The Measure AA funded police services began on July 1, 2019, and included the addition of traffic enforcement patrols, which required a specialized motorcycle. The motorcycle was purchased using AA funds and in FY2023-24, a replacement motorcycle was purchased. In FY2020-21 the City added a Community Services Officer and Community Patrol Officer. In FY2021-22 the City initiated a contract with Flock Safety to place Automated License Plate Reader Cameras throughout the City to identify criminal activity in the City. In the years after, the City has maintained the contract with Flock to continue these camera services.

The actual expenditures are categorized as follows:

Police Department Services	\$889,107
PD Motorcycle, fuel, maintenance, equipment, and supplies	\$ 54,431
Automatic License Plate Reader (Flock) Cameras	\$ 38,612

An unfavorable budget variance of \$1,750 occurred at year-end from the Police Department services due to slightly higher than anticipated rates.

<u>Motor Traffic Officer</u>	
Motor Officer Traffic Stops	745
<u>Community Patrol Officer</u>	
Search Warrants	96
Surveillance Operations	142
Arrests	122
<u>Community Service Officer</u>	
Additional Patrol Hours	210

Fire Department

Original Budget	\$1,736,200
Adjusted Budget	\$1,736,200
Actual Expenses	\$1,527,980

The Measure AA fire department services began on January 6, 2020, with the purchase of a medic squad truck. The medic squad team and support services are funded with Measure AA revenue. In 2021, the City began providing weed abatement services utilizing shared County staff. In May 2023, the City contracted with Riverside County for a dedicated Fire Marshal to provide fire prevention services. A portion of this position is allocated to Measure AA for weed abatement services.

The actual expenditures are categorized as follows:

Fire Department Services	\$1,524,475
Furniture, Equipment, and Admin	\$ 3,505

A favorable budget variance of \$208,220 was achieved at year-end from the Fire Department activities. The favorable variance was due to the County Fire Department's use of top-step cost estimates for the budgeted positions.

Medic Squad Call Responses	2,295
Weed Abatement Inspections	976

Code Enforcement Homelessness Program

Original Budget	\$243,400
Adjusted Budget	\$419,800
Actual Expenses	\$201,759

The Homelessness Program began on April 1, 2020 to provide services to unsheltered individuals within the City limits. Prior to FY 2022-23, outreach services were performed by a contractor. The contract came to an end March 2023 and the City's Code Enforcement department took over coordinating homeless services. In spring of 2024, the City of Wildomar partnered with the City of Murrieta and Project Touch to provide supplemental outreach and supportive housing for unsheltered residents.

The actual expenditures are categorized as follows:

Homelessness Administration	\$ 11,946
Code Enforcement Services	\$ 121,542
Contractual Services	\$ 55,145
Radio Communications and Vehicles	\$ 13,126

A favorable budget variance of \$218,041 when compared to the adjusted budget was achieved at year-end from the Code Enforcement - Homelessness Program activities. The favorable variance is due to lower occupancy of the City's available beds during the beginning of the housing services agreement.

Total Contacts	105
Refused Services	31

Public Works Road Engineering and Maintenance Services

Original Budget	\$5,025,800
Adjusted Budget	\$4,957,900
Actual Expenses	\$3,105,202

The Public Works-Road Maintenance services began on July 1, 2019. The City has been able to add an additional maintenance crew that allows for concentration on road maintenance work. The City is also authorized to charge some capital activity to Measure AA for road and street capital projects.

The actual expenditures are categorized as follows:

Street Maintenance Engineering and Repair	\$1,924,451
Slurry Seal Program	\$1,135,184
Speed Trailers	\$ 23,979
Bundy Canyon Widening	\$ 20,991
Street Maintenance Legal Services	\$ 597

A favorable budget variance of \$1,852,698 was achieved at year-end from the Public Works Road Engineering and Maintenance enhanced services. The savings were achieved due to lower-than-anticipated expenditures on capital projects.

Potholes Repaired (sq ft)	10,718
Signs Installed	165
Trees Trimmed	120
Posts Installed	52
Hours Removing Dumps	95

Financial Audit and Measure AA Committee Admin Expenditures Attributed Directly to Measure AA

Original Budget	\$ 23,400
Adjusted Budget	\$ 29,900
Actual Expenses	\$ 27,608

Each year certain expenditures will not be tied to any of the individual programs as they are administrative in nature and directly related to the Measure AA Fund. The City works to ensure that those expenditures are directly tied to the Measure AA approved expenditures before payment.

The actual expenditures are categorized as follows:

Auditor Services for Measure AA Report	\$ 4,720
Banking & Admin Cost	\$ 11,125
City Clerk	\$ 11,763

A favorable budget variance of \$2,292 occurred during the fiscal year due to fewer administrative costs for Measure AA than originally expected.

Measure AA FY 2023-2024 Annual Committee Report

Conclusion

The Measure AA Advisory and Oversight Committee submits this report to the City Council, and finds the actual use of funds consistent with the City Council's approved budgets for public services.

City of Wildomar Wildomar Measure AA Fund

Budgetary Comparison Schedule For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year	\$ 7,613,501	\$ 7,613,501	\$ 7,613,501	\$ -
Resources (inflows):				
Taxes	5,404,700	5,750,000	5,793,328	43,328
Investment earnings	150,000	355,900	371,459	15,559
Developer	-	4,600	4,600	-
Amounts available for appropriations	<u>13,168,201</u>	<u>13,724,001</u>	<u>13,782,888</u>	<u>58,887</u>
Charges to appropriations (outflow):				
Current:				
General government	14,700	21,200	15,852	5,348
Public safety	2,619,000	2,616,600	2,426,248	190,352
Community development	183,400	218,300	149,687	68,613
Culture and recreation	11,400	140,100	35,781	104,319
Public works	5,080,000	4,994,900	3,115,863	1,879,037
Capital outlay	70,500	133,100	101,267	31,833
Total Charges to Appropriations	<u>7,979,000</u>	<u>8,124,200</u>	<u>5,844,698</u>	<u>2,279,502</u>
Budgetary fund balance, end of year	<u>\$ 5,189,201</u>	<u>\$ 5,599,801</u>	<u>\$ 7,938,190</u>	<u>\$ 2,338,389</u>

Measure AA FY 2023-2024 Annual Committee Report

Fiscal Year 2023-2024
Audited Financial Statement

**WILDOMAR MEASURE AA FUND
CITY OF WILDOMAR, CALIFORNIA**
FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE, 30 2024

Prepared By:

**The City of Wildomar
Finance Department**

City of Wildomar
Wildomar Measure AA Fund
Fund Financial Statements

For the year ended June 30, 2024

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements:	
Fund Financial Statements	
Balance Sheet - Governmental Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance -	
Governmental Fund	5
Notes to Financial Statements	6
Required Supplementary Information:	
Notes to Required Supplementary Information	11
Budgetary Comparison Schedule	12
Report on Internal Control over Financial Reporting and on Compliance and other	
Matters Based on an Audit of Financial Statements Performed in Accordance with	
Government Auditing Standards	13



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants



Proud Member of
AlliottGlobalAlliance™

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Measure AA Fund (the Fund), a special revenue fund of the City of Wildomar, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Fund 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure AA Special Revenue Fund and do not purport to, and do not, present fairly the financial position of the City of Wildomar, California, as of June 30, 2024, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Fund'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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.

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the fund financial statements. Such missing information, although not a part of the fund financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the fund financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the fund financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the fund 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 fund financial statements, and other knowledge we obtained during our audit of the fund 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of the Fund'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 Fund's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Rogers, Anderson, Maloofy & Scott, LLP".

San Bernardino, California
November 26, 2024

FUND FINANCIAL STATEMENTS

City of Wildomar
Wildomar Measure AA Fund

Balance Sheet
Governmental Fund
June 30, 2024

ASSETS

Cash and investments	\$ 7,108,290
Due from other governments	<u>1,441,581</u>
Total assets	<u>\$ 8,549,871</u>

LIABILITIES

Accounts payable	\$ 611,681
Total liabilities	<u>611,681</u>

FUND BALANCE

Committed for:	
Public safety, street maintenance and homelessness solutions	<u>7,938,190</u>
Total fund balance	<u>7,938,190</u>
Total liabilities and fund balance	<u>\$ 8,549,871</u>

City of Wildomar
Wildomar Measure AA Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the year ended June 30, 2024

REVENUES

Taxes	\$ 5,793,328
Investment earnings	371,459
Developer	<u>4,600</u>
Total revenues	<u>6,169,387</u>

EXPENDITURES

Current:

General government	15,852
Public safety	2,426,248
Community development	149,687
Culture and recreation	35,781
Public works	3,115,863
Capital outlay	<u>101,267</u>

Total expenditures	<u>5,844,698</u>
--------------------	------------------

Net change in fund balance	324,689
----------------------------	---------

FUND BALANCE

Beginning of year	<u>7,613,501</u>
End of year	<u>\$ 7,938,190</u>

City of Wildomar
Wildomar Measure AA Fund

Notes to the Financial Statements
For the year ended June 30, 2024

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Wildomar Measure AA Fund (the Fund) was established on November 6, 2018 (Ordinance No. 161), pursuant to voter-approved local transactions (sales) and use tax that are intended to be used for the enhancement of police and fire services, road maintenance and homelessness solutions within the City of Wildomar (the City).

The Measure AA Fund is included as a special revenue fund of the City and, accordingly, the accompanying fund financial statements are included as a special revenue fund of the fund financial statements prepared by the City. The accompanying financial statements are intended to reflect the financial position and operations for the Measure AA Fund, under the *current financial resources* measurement focus and the modified accrual basis of accounting, only and do not purport to, and do not, present the financial position of the City of Wildomar, California. Separate financial statements are prepared for the City of Wildomar, and may be obtained from the City.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

C. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Fund Balance

Cash and Investments

The Fund currently pools its cash and investments with the City of Wildomar and follows the City's investment policies. 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 investments are shown as both restricted and unrestricted cash and investments in the governmental funds.

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.

City of Wildomar
Wildomar Measure AA Fund

Notes to the Financial Statements
For the year ended June 30, 2024

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Fund Balance (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet 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 outflow of resources (expense/expenditure) until then. Currently, the Fund does not report any deferred outflows of resources.

In addition to liabilities, 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 inflow of resources (revenue) until that time. Currently, the Fund does not report any deferred inflows of resources.

Fund Balance

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. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution or 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. 2011-32 approved on June 21, 2011.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

City of Wildomar
Wildomar Measure AA Fund

Notes to the Financial Statements
For the year ended June 30, 2024

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Fund Balance (continued)

When both restricted and unrestricted resources are available for use, it is the Fund's policy to use restricted resources first, and then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

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.
- **Culture and Recreation** which 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.

City of Wildomar
Wildomar Measure AA Fund

Notes to the Financial Statements
For the year ended June 30, 2024

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Fund Balance (continued)

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the fund. Encumbrances represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

2) CASH AND INVESTMENTS

The Measure AA Fund's cash is pooled with the City of Wildomar's cash and investments in order to generate optimum interest earnings. The information required by accounting standards related to authorized investments, credit risk, etc. is available in the annual comprehensive financial report of the City. Currently, the Fund has \$7,108,290 in pooled cash and investments.

3) FAIR VALUE MEASUREMENTS

Accounting standards currently provide the framework for measuring fair value. The framework provides a 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).

City of Wildomar
Wildomar Measure AA Fund

Notes to the Financial Statements
For the year ended June 30, 2024

3) FAIR VALUE MEASUREMENTS (continued)

- 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.

As explained in Note 2, the Measure AA Fund has its investments pooled with the City. The cash and investments reflected is a portion of the City's overall cash and investments. Refer to the City's financial statements for additional information relating to categorization of investment types.

4) COMMITMENTS AND CONTINGENCIES

As of June 30, 2024, in the opinion of the City's Administration, there are no outstanding matters which would have a significant effect on the financial condition of the Measure AA Fund.

REQUIRED SUPPLEMENTARY INFORMATION

City of Wildomar
Wildomar Measure AA Fund

Notes to Required Supplementary Information
For the year ended June 30, 2024

Budgetary Comparison Information

General Budget Policies

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, where 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. There were no functions which had expenditures exceeding budgeted appropriations. A separate budget document may be obtained from the City.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the Fund. Encumbrances represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Wildomar
Wildomar Measure AA Fund

Budgetary Comparison Schedule
For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning of year	\$ 7,613,501	\$ 7,613,501	\$ 7,613,501	\$ -
Resources (inflows):				
Taxes	5,404,700	5,750,000	5,793,328	43,328
Investment earnings	150,000	355,900	371,459	15,559
Developer	-	4,600	4,600	-
Amounts available for appropriations	<u>13,168,201</u>	<u>13,724,001</u>	<u>13,782,888</u>	<u>58,887</u>
Charges to appropriations (outflow):				
Current:				
General government	14,700	21,200	15,852	5,348
Public safety	2,619,000	2,616,600	2,426,248	190,352
Community development	183,400	218,300	149,687	68,613
Culture and recreation	11,400	140,100	35,781	104,319
Public works	5,080,000	4,994,900	3,115,863	1,879,037
Capital outlay	<u>70,500</u>	<u>133,100</u>	<u>101,267</u>	<u>31,833</u>
Total Charges to Appropriations	<u>7,979,000</u>	<u>8,124,200</u>	<u>5,844,698</u>	<u>2,279,502</u>
Budgetary fund balance, end of year	<u>\$ 5,189,201</u>	<u>\$ 5,599,801</u>	<u>\$ 7,938,190</u>	<u>\$ 2,338,389</u>



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants



Proud Member of
AlliottGlobalAlliance™

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure AA Fund (the Fund), a special revenue fund of the City of Wildomar, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated November 26, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Maloof & Scott, LLP.

San Bernardino, California
November 26, 2024

Measure AA FY 2023-2024 Annual Committee Report

Fiscal Year 2023-2024
Committee Member Assessments

City of Wildomar

Measure AA Oversight Advisory Committee



Annual Committee Member Questionnaire

For FY2023/2024

November 4th, 2024

Dear Measure AA Committee Member,

With the passage of Measure AA in November 2018 a citizens' oversight committee has been established to independently review and advise upon the City's expenditure of proceeds generated by the transactions and use tax. The committee meets at least twice each calendar year and more frequently if necessary, to discharge the responsibilities of the committee. All meetings of the committee shall be held in accordance with the provisions of the Ralph M. Brown Act (Cal. [Gov. Code](#) Section 54950 et seq.).

The committee shall consist of five members, who are residents of the City of Wildomar. The citizens' oversight committee shall annually review and report on: (1) the City's proposed and actual expenditure of proceeds generated by the transaction and use tax; and (2) the independent annual audit required under this chapter. The committee's report shall be submitted to the City Council for review and discussion at a public meeting of the City Council.

The questionnaire included in this packet covers the 2023-2024 fiscal year. We respectfully request that you complete all the questions with as much detail as you believe is needed. The questionnaires from each member will be included in the final report that will be submitted to the City Council for their review and acceptance.

The deadline for the completion of the questionnaire is **Friday, November 22nd**, as the questionnaires are to be included along with the draft annual report. It is anticipated that, if the approval of the draft report by the Committee occurs at the December meeting, the final report would be presented to the City Council at the January meeting.

We appreciate your involvement in this very important process. Please let us know if you have any questions or concerns about the questionnaire.

Cordially,



Adam Jantz
Finance Manager

Kathleen Novak

Committee Member, Measure AA Committee

Members - Please complete the following questionnaire:

Have you received all the information regarding Measure AA that you have requested or needed to make informed decisions?

Yes. All information requested was received in a timely manner. All reports were accepted.

Has staff explained to your satisfaction the information provided in the meetings?

Yes. All questions were answered.

Matthew Koenig

Committee Member, Measure AA Committee

Has staff explained to your satisfaction the information provided in your requests?

Yes. Information provided was detailed and satisfactory. The design of the report is easy to understand and well put together.

How can staff enhance the information provided to the committee?

I think it would be in the interest of the Committee members to attend the Council budgeting meeting when the Measure AA budget is created.

Kathleen Konick

Committee Member, Measure AA Committee

In your opinion has the City spent the Measure AA funds as approved by the City Council?

Yes.

Are there any other items, related to Measure AA, that you would like to bring to the City's attention?

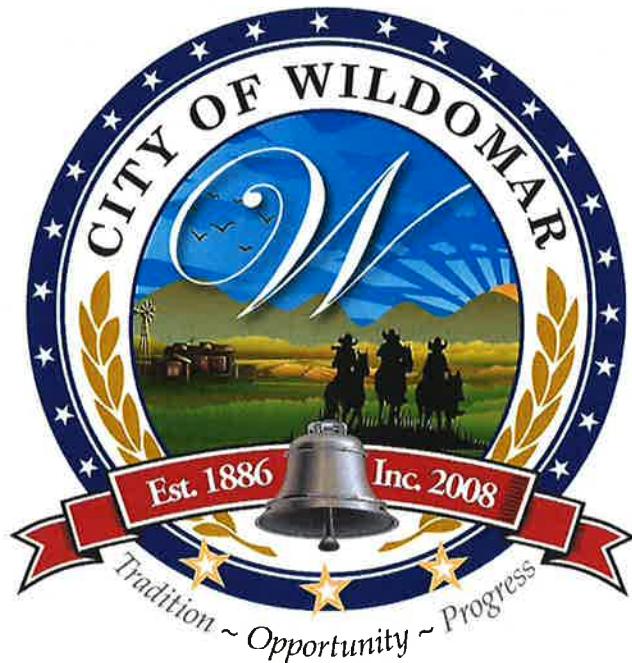
No

Kathleen Konick

Measure AA Committee Member

City of Wildomar

Measure AA Oversight Advisory Committee



Annual Committee Member Questionnaire

For FY2023/2024

November 4th, 2024

Dear Measure AA Committee Member,

With the passage of Measure AA in November 2018 a citizens' oversight committee has been established to independently review and advise upon the City's expenditure of proceeds generated by the transactions and use tax. The committee meets at least twice each calendar year and more frequently if necessary, to discharge the responsibilities of the committee. All meetings of the committee shall be held in accordance with the provisions of the Ralph M. Brown Act (Cal. Gov. Code Section 54950 et seq.).

The committee shall consist of five members, who are residents of the City of Wildomar. The citizens' oversight committee shall annually review and report on: (1) the City's proposed and actual expenditure of proceeds generated by the transaction and use tax; and (2) the independent annual audit required under this chapter. The committee's report shall be submitted to the City Council for review and discussion at a public meeting of the City Council.

The questionnaire included in this packet covers the 2023-2024 fiscal year. We respectfully request that you complete all the questions with as much detail as you believe is needed. The questionnaires from each member will be included in the final report that will be submitted to the City Council for their review and acceptance.

The deadline for the completion of the questionnaire is **Friday, November 22nd**, as the questionnaires are to be included along with the draft annual report. It is anticipated that, if the approval of the draft report by the Committee occurs at the December meeting, the final report would be presented to the City Council at the January meeting.

We appreciate your involvement in this very important process. Please let us know if you have any questions or concerns about the questionnaire.

Cordially,



Adam Jantz
Finance Manager

Members - Please complete the following questionnaire:

Have you received all the information regarding Measure AA that you have requested or needed to make informed decisions?

Yes

Has staff explained to your satisfaction the information provided in the meetings?

Yes, staff have been throughout and helpful both in meetings and VIA email.

Has staff explained to your satisfaction the information provided in your requests?

Yes, staff have been timely when responding to requests and diligent with follow up items.

How can staff enhance the information provided to the committee?

Staff is doing a great job as is.

In your opinion has the City spent the Measure AA funds as approved by the City Council?

Yes.

Are there any other items, related to Measure AA, that you would like to bring to the City's attention?

Not at this time.

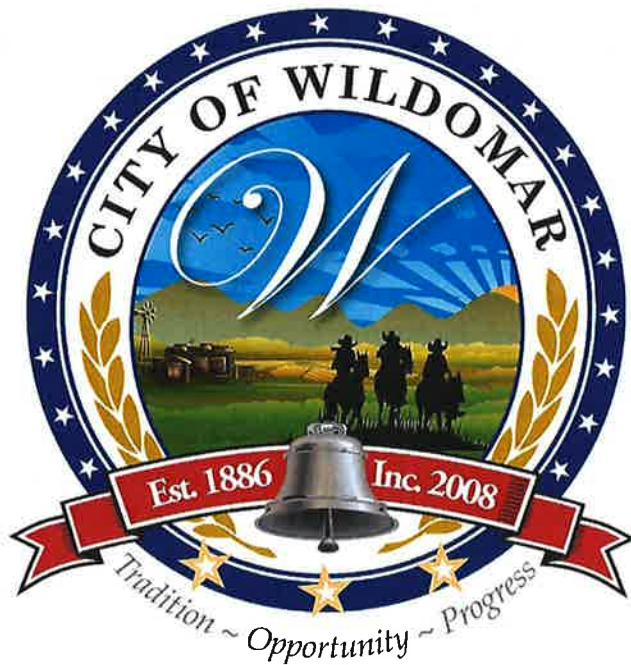
Eric Bunge

Digitally signed by Eric Bunge
Date: 2024.11.20 07:06:24 -08'00'

Measure AA Committee Member

City of Wildomar

Measure AA Oversight Advisory Committee



Annual Committee Member Questionnaire

For FY2023/2024

November 4th, 2024

Dear Measure AA Committee Member,

With the passage of Measure AA in November 2018 a citizens' oversight committee has been established to independently review and advise upon the City's expenditure of proceeds generated by the transactions and use tax. The committee meets at least twice each calendar year and more frequently if necessary, to discharge the responsibilities of the committee. All meetings of the committee shall be held in accordance with the provisions of the Ralph M. Brown Act (Cal. Gov. Code Section 54950 et seq.).

The committee shall consist of five members, who are residents of the City of Wildomar. The citizens' oversight committee shall annually review and report on: (1) the City's proposed and actual expenditure of proceeds generated by the transaction and use tax; and (2) the independent annual audit required under this chapter. The committee's report shall be submitted to the City Council for review and discussion at a public meeting of the City Council.

The questionnaire included in this packet covers the 2023-2024 fiscal year. We respectfully request that you complete all the questions with as much detail as you believe is needed. The questionnaires from each member will be included in the final report that will be submitted to the City Council for their review and acceptance.

The deadline for the completion of the questionnaire is **Friday, November 22nd**, as the questionnaires are to be included along with the draft annual report. It is anticipated that, if the approval of the draft report by the Committee occurs at the December meeting, the final report would be presented to the City Council at the January meeting.

We appreciate your involvement in this very important process. Please let us know if you have any questions or concerns about the questionnaire.

Cordially,



Adam Jantz
Finance Manager

Members - Please complete the following questionnaire:

Have you received all the information regarding Measure AA that you have requested or needed to make informed decisions?

Yes

Has staff explained to your satisfaction the information provided in the meetings?

Yes

Has staff explained to your satisfaction the information provided in your requests?

Yes

How can staff enhance the information provided to the committee?

I cant think of something as staff has been completely productive.

In your opinion has the City spent the Measure AA funds as approved by the City Council?

Yes

Are there any other items, related to Measure AA, that you would like to bring to the City's attention?

Not at this time.

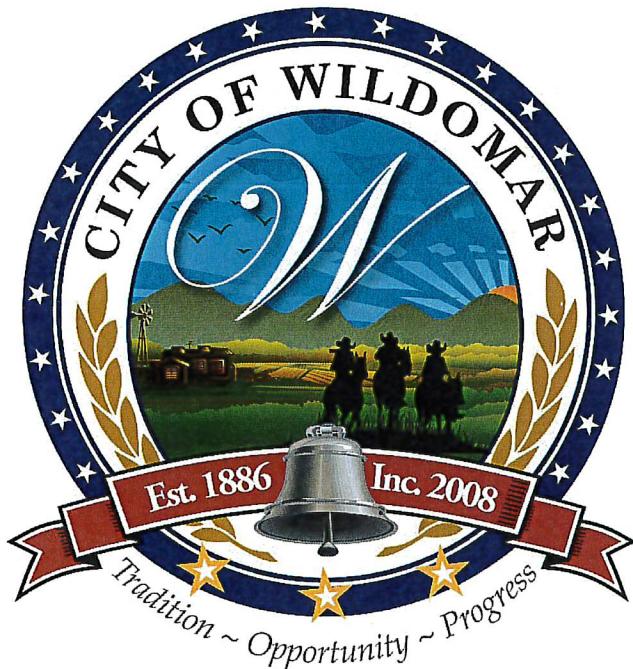
Carlos Hernandez Digitally signed by Carlos Hernandez
Date: 2024.11.18 15:44:33 -08'00'

Measure AA Committee Member

DAVID JOHANSEN
Committee Member, Measure AA Committee

City of Wildomar

Measure AA Oversight Advisory Committee



Annual Committee Member Questionnaire

For FY2023/2024

DAVID JOHANSEN

Committee Member, Measure AA Committee

November 4th, 2024

Dear Measure AA Committee Member,

With the passage of Measure AA in November 2018 a citizens' oversight committee has been established to independently review and advise upon the City's expenditure of proceeds generated by the transactions and use tax. The committee meets at least twice each calendar year and more frequently if necessary, to discharge the responsibilities of the committee. All meetings of the committee shall be held in accordance with the provisions of the Ralph M. Brown Act (Cal. Gov. Code Section 54950 et seq.).

The committee shall consist of five members, who are residents of the City of Wildomar. The citizens' oversight committee shall annually review and report on: (1) the City's proposed and actual expenditure of proceeds generated by the transaction and use tax; and (2) the independent annual audit required under this chapter. The committee's report shall be submitted to the City Council for review and discussion at a public meeting of the City Council.

The questionnaire included in this packet covers the 2023-2024 fiscal year. We respectfully request that you complete all the questions with as much detail as you believe is needed. The questionnaires from each member will be included in the final report that will be submitted to the City Council for their review and acceptance.

The deadline for the completion of the questionnaire is **Friday, November 22nd**, as the questionnaires are to be included along with the draft annual report. It is anticipated that, if the approval of the draft report by the Committee occurs at the December meeting, the final report would be presented to the City Council at the January meeting.

We appreciate your involvement in this very important process. Please let us know if you have any questions or concerns about the questionnaire.

Cordially,



Adam Jantz
Finance Manager

DAVID JOHANSEN

Committee Member, Measure AA Committee

Members - Please complete the following questionnaire:

Have you received all the information regarding Measure AA that you have requested or needed to make informed decisions?

As a new commission member, I have made no requests for information regarding measure AA yet. However, I feel that the staff is competent and would provide anything I requested. I intend to make some requests in the future as outlined below.

Has staff explained to your satisfaction the information provided in the meetings?

The staff has been helpful and explained the information provided in our meeting.

DAVID JOHANSEN

Committee Member, Measure AA Committee

Has staff explained to your satisfaction the information provided in your requests?

I've made no information requests from the staff.

How can staff enhance the information provided to the committee?

Moving forward, I would like to receive a briefing directly from the administrators involved over the departments who receive Measure AA funds; such as Riverside Sheriff's Department, Cal Fire, Homeless Outreach, and Road Planning. Direct recommendations from each department to the commission, as to what they feel they need, what is, or isn't working well, and any feedback from them would be helpful to the commission and the city as a whole.

DAVID JOHANSEN

Committee Member, Measure AA Committee

In your opinion has the City spent the Measure AA funds as approved by the City Council?

I believe the City of Wildomar has used measure AA funds in an appropriate manner, as approved by the city council.

Are there any other items, related to Measure AA, that you would like to bring to the City's attention?

Police staffing for the City of Wildomar is half that of the City of Lake Elsinore. The City of Wildomar has a population approximately half that of the City of Lake Elsinore, which places us at comparable staffing levels to them. Our crime rate remains relatively low when compared to surrounding areas. The police response time remains within an acceptable time period.

I believe staffing for Police/Fire is adequate but could be enhanced with the addition of a second Deputy Sheriff Motor Traffic Officer to assist in the high number of traffic accident investigations and traffic enforcement along very high traffic areas, such as Clinton Keith/ 15 freeway area.

Cal fire staffing levels are dictated by the State of California and are in compliance with that minimum staffing level.

The city should continue to repair city roads rapidly, as many of them are in disrepair and/or damaged.

The recent passage of Proposition 36 could require additional police services and this impact should be monitored through our continued partnership with the Riverside Sheriff's Department.

DAVID JOHANSEN

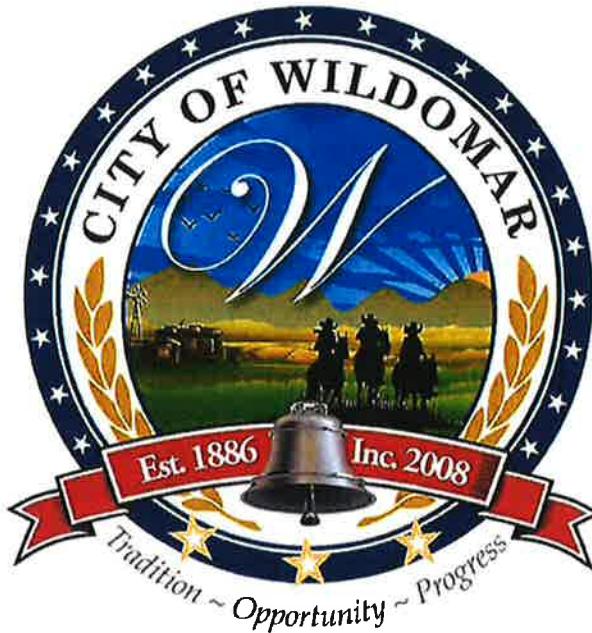
Don Johansen

11-7-24

Measure AA Committee Member

City of Wildomar

Measure AA Oversight Advisory Committee



Annual Committee Member Questionnaire
For FY2023/2024

November 4th, 2024

Dear Measure AA Committee Member,

With the passage of Measure AA in November 2018 a citizens' oversight committee has been established to independently review and advise upon the City's expenditure of proceeds generated by the transaction and use tax. The committee meets at least twice each calendar year and more frequently if necessary, to discharge the responsibilities of the committee. All meetings of the committee shall be held in accordance with the provisions of the Ralph M. Brown Act (Cal. Gov. Code Section 54950 et seq.).

The committee shall consist of five members, who are residents of the City of Wildomar. The citizens' oversight committee shall annually review and report on: (1) the City's proposed and actual expenditure of proceeds generated by the transaction and use tax; and (2) the independent annual audit required under this chapter. The committee's report shall be submitted to the City Council for review and discussion at a public meeting of the City Council.

The questionnaire included in this packet covers the 2023-2024 fiscal year. We respectfully request that you complete all the questions with as much detail as you believe is needed. The questionnaires from each member will be included in the final report that will be submitted to the City Council for their review and acceptance.

The deadline for the completion of the questionnaire is **Friday, November 22nd**, as the questionnaires are to be included along with the draft annual report. It is anticipated that, if the approval of the draft report by the Committee occurs at the December meeting, the final report would be presented to the City Council at the January meeting.

We appreciate your involvement in this very important process. Please let us know if you have any questions or concerns about the questionnaire.

Cordially,



Adam Jantz
Finance Manager

Members - Please complete the following questionnaire:

Have you received all the information regarding Measure AA that you have requested or needed to make informed decisions?

I have not requested any information regarding Measure AA as this will be my first meeting.

Has staff explained to your satisfaction the information provided in the meetings?

I have not yet been present for a Measure AA meeting.

Has staff explained to your satisfaction the information provided in your requests?

I have not yet requested any information.

How can staff enhance the information provided to the committee?

I have not yet been a part of a Measure AA meeting to answer this question.

In your opinion has the City spent the Measure AA funds as approved by the City Council?

I have not yet been given any information as to how Measure AA funds have been spent or approved.

Are there any other items, related to Measure AA, that you would like to bring to the City's attention?

There is a common concern among residents in Wildomar as to the maintenance of streets and roads within the city, specifically the western side of the city of Wildomar. How is the city allocating funds from Measure AA for maintaining local streets, roads, and potholes within the city?


Hannah Rinehart

Measure AA Committee Member

Hannah Rinehart