



CITY OF WILDOMAR, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020





STAFF DIRECTORY

CITY COUNCIL & CEMETERY DISTRICT TRUSTEES

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

Dustin Nigg
Bridgette Moore
Ben Benoit
Joseph Morabito
Marsha Swanson

EXECUTIVE MANAGEMENT

City Manager
Assistant City Manager
City Clerk
City Attorney
Administrative Services Director
Finance Manager and Risk Manager
Planning Director
Public Works Director/City Engineer
Economic Development Director
Parks, Community Svcs, & Cemetery District Manager
Chief of Police
Fire Chief

Gary Nordquist
Dan York
Janet Morales
Thomas Jex
James Riley
Robert Howell
Matthew Bassi
Dan York
Kimberly Davidson
Daniel Torres
Michael Lujan
Ty Davis

CITY OF WILDOMAR CAFR TEAM

Administrative Services Director
Finance Manager and Risk Manager
Administrative Analyst II
Intern II

James Riley
Robert Howell
Adam Jantz
Nicholas Neidiffer



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF WILDOMAR, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Prepared By:

**The City of Wildomar
Finance Department**



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Comprehensive Annual Financial Report
Year Ended June 30, 2020

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of Transmittal	i - ix
Staff Directory	x
City Organization Chart	xi
Governmental Finance Officers Association Certificate of Achievement	xii
II. FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Management Discussion & Analysis	3 - 18
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Balance Sheet - Governmental Funds	21 - 22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24 - 25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Notes to Financial Statements	27 - 61
Required Supplementary Information:	
Budgetary Comparison Schedule by Department - General Fund	62
Budgetary Comparison Schedule - Development Impact Fees	63
Budgetary Comparison Schedule - Measure AA	64
Schedule of the City's Proportionate Share of the Net Pension Liability - CalPERS Pension Plan	65
Schedule of Contributions - CalPERS Pension Plan	66
Schedule of Changes in Net OPEB Liability and Related Ratios	67
Schedule of Contributions - OPEB	68
Notes to Required Supplementary Information	69
Supplementary Information:	
Non-Major Governmental Funds	
Combining Balance Sheet	70 - 72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73 - 75

City of Wildomar
Comprehensive Annual Financial Report
Year Ended June 30, 2020

Table of Contents - Continued

	PAGE
Supplementary Information - Continued:	
Budgetary Comparison Schedules - Special Revenue Funds	
Grants	76
Gas Tax	77
Air Quality Management District	78
Measure A	79
SLESF	80
TDA	81
Community Development Block Grant	82
Measure Z Park	83
Budgetary Comparison Schedules - Capital Projects Fund	
Assessment Districts	84
Capital Reinvestment	85
Budgetary Comparison Schedules - Debt Service Fund	
Streetlight Fund	86
III. STATISTICAL SECTION	
Table of Contents	87
Financial Trends:	
Net Position by Component	88 - 89
Changes in Net Position	90 - 93
Fund Balances of Governmental Funds	94 - 95
Changes in Fund Balances of Governmental Funds	96 - 97
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	98
Direct and Overlapping Property Tax Rates	99 - 100
Principal Property Tax Payers	101
Property Tax Levies and Collections	102
Debt Capacity:	
Ratio of Outstanding Debt by Type	103
Direct and Overlapping Governmental Activities Debt	104
Legal Debt Margin Information	105 - 106
Demographic and Economic Statistics:	
Demographic and Economic Status	107
Operating Information:	
Principal Employers	108
Full-time Equivalent City Government Employees by Function / Program	109 - 110
Operating Indicators by Function / Program	111 - 112
Capital Asset Statistics by Function / Program	113 - 114
Miscellaneous Statistics	115

INTRODUCTORY SECTION



THIS PAGE INTENTIONALLY LEFT BLANK

Dustin Nigg, Mayor, Dist. 2
Ben J. Benoit, Mayor Pro Tem, Dist. 1
Bridgette Moore, Council Member, Dist. 4
Joseph Morabito, Council Member, Dist. 3
Marsha Swanson, Council Member, Dist. 5



23873 Clinton Keith Rd, Ste 201
Wildomar, CA 92595
951/677-7751 Phone
951/698-1463 Fax
www.CityofWildomar.org

Letter of Transmittal

January 29, 2021

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. 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 twelfth year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report.

To provide a reasonable basis for making these representations, the management of the City of Wildomar continues to establish a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Wildomar's financial statements in conformity with generally accepted accounting principles (GAAP) and with the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB). Because 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 that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Wildomar's financial statements have been audited by Teaman, Ramirez & Smith, Inc., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Wildomar, for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor'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, incorporated as a City on July 1, 2008. The city is approximately 70 miles north of San Diego and 60 miles southeast of Los Angeles. The City boundaries encompass 24 square miles, providing a "Community Ranch" lifestyle for its 37,183 residents.

The City Council consists of 5 Council Members, elected by district on a non-partisan basis and annually select amongst them, a Mayor and Mayor Pro Tem. Bi-annual elections are held in November of even numbered years. The terms of office are 4 years but are overlapping so that the City is provided with a continuity of knowledge in the City's business and legislative matters.

The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as 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 acting as the Board of Trustees.

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 Wildomar Cemetery District is a component unit of the City of Wildomar. The operations of the 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 2019/20 and 2020/21 at a Public Hearing held on June 26, 2019. Since that adoption date, several changes have occurred through the FY 2019/20 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.

All departments of the City of Wildomar are required to submit requests for appropriation for all governmental activities to the City Manager by the end of April. The City Manager and the Administrative Services Department use these requests as the starting point for developing a proposed budget for the governmental activities.

A budget workshop is held in March to receive input from the public. The City Manager presents the proposed budget for all governmental activities to the City Council at the Council meeting in June for review. The City Council is required to hold a public hearing on the proposed budget which is generally held at the June meeting. The governmental activities budget is generally adopted at the Council meeting in June.

Factors Affecting Financial Condition

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

Local Economy

The City of Wildomar, in its twelfth year of incorporation, is experiencing consistent, stable growth. The City's median age is 35 with a per capita personal income of \$25,322, which is a 4.0% increase over fiscal year 2018-19. The increase comes despite the effects of the pandemic both locally and regionally.

Property valuations increased 5.6% over fiscal year 2018-19 and the City received the continued benefits of both property and retail sales taxes of Wildomar Square Shopping Center, which opened in March 2018. The city received its third annual installment of SB 130 Funds, which was signed by Governor Brown on May 12, 2017, in-lieu of the Motor Vehicle License Fee payments, which were taken by the State in 2012, in accordance with SB 89 (2011).

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

Chart 1.

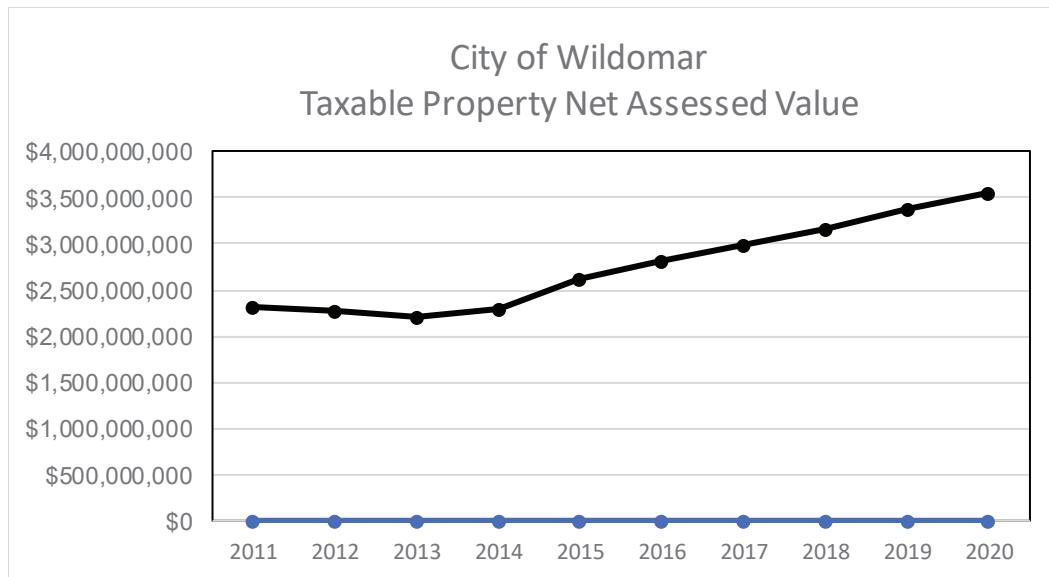


Chart 2.

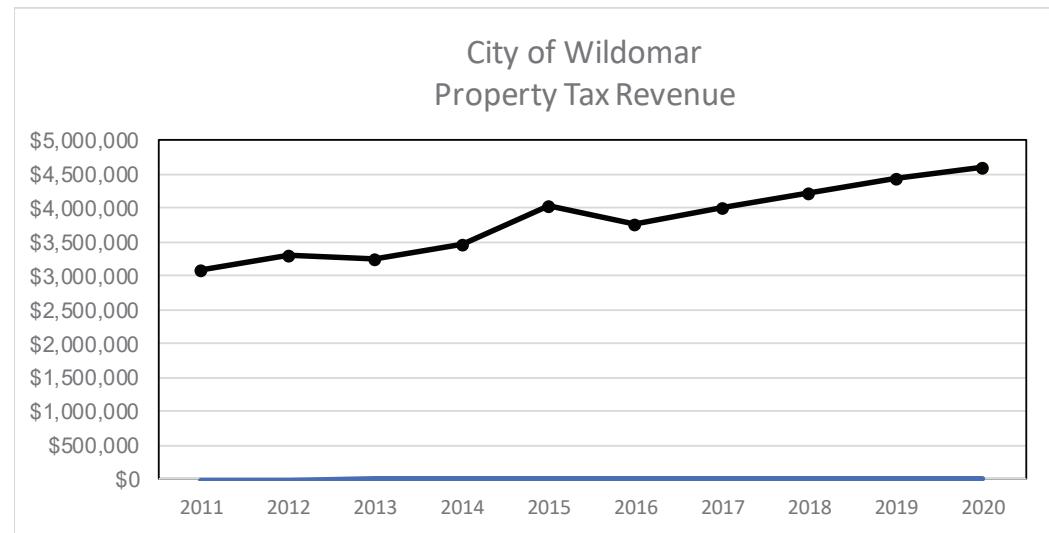
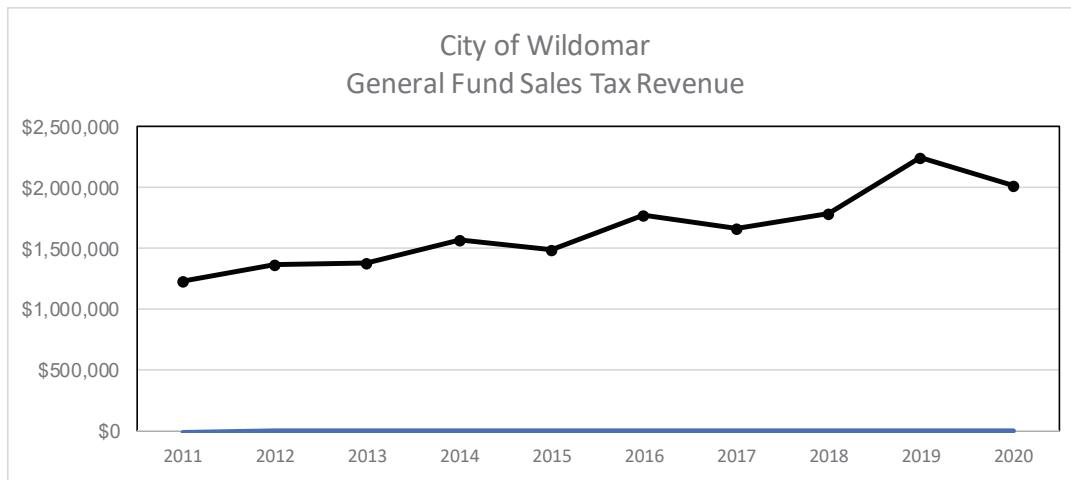


Chart 3.



Coronavirus (COVID-19) Pandemic

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

On March 27, 2020, the City Manager, acting in his capacity as the City’s Director of Emergency Services, issued Director of Emergency Services Order No. E-2020-01 (“Order”), Wildomar Municipal Code (“WMC”) section 2.32.060 and Section 4 of Resolution No. 2020-19 declaring a local emergency due to the COVID-19 pandemic authorize the Director of Emergency Services to issue rules and regulations on matters reasonably related to the protection of life and property as affected by the emergency. These regulations were confirmed by the City Council at its April 8, 2020 City Council meeting. The Order suspended the enforcement of certain provisions of the WMC and reduced or suspended certain fee requirements. Fees reduced or suspended specially were as follows:

- Reduces business registration fees by 50%, waives impact fees for accessory dwelling units, and waives application processing fees for the General Plan Initiation Process (GPIPs) and Pre-Application Reviews (PARs).
- Waives the Business Registration requirement for annual stormwater inspections except for those “Priority Development Projects” where annual inspections are required.

As a proactive measure, the City staff prepared a series of cost savings measures to be prepared for the impact of potential declines in sales tax, and the overall effect that the pandemic could have on the local economy.

In addition to the potential declines in local revenues, the City saw a significant rise in its unemployment rates. In February 2020, prior to the pandemic, the City of Wildomar's unemployment rate was 3.8%. Two months later, at the height of the pandemic, the City's unemployment rate was 15.2%. Many of the job losses were in sectors that have been the hardest hit by the pandemic, retail, restaurant, and hospitality. As the restrictions were eased and businesses were able to at least partially re-open, the unemployment rate began to decrease, hitting 14.1% in June 2020, which was a dramatic increase of 427.3% from the 3.3% rate it was in June 2019. In November 2020, which are the latest figures available from the Economic Development Department, showed the City's unemployment rate at 7.0%.

In July 2020 the City was notified that it would be receiving \$459,103 in CARES Act Funding from the Federal Government via the State of California. The funds were able to be used for direct costs from March 1st to December 30th, covering the City's responsibilities affected by the pandemic. As of June 30th, the City had spent \$247,000 of the funding, with the remaining funds spent by December 30, 2020.

Financial Reserves

This year's budget for FY 2019-20 was year one of the City's fourth two-year budget program. At fiscal year end, the General Fund expenditures of \$13,444,379 and transfers out of \$46,160 exceeded revenues of \$12,554,718 and transfers in of \$370,785, for a net change in fund balance of (\$565,036). This resulted in an ending fund balance of \$878,286, which is 6.5% of general fund expenditures. The lower fund balance was due to lower sales tax revenues due to the COVID-19 pandemic, a reduction in transfers in revenue related to cost allocations from other funds, a reduction in building and development related fees, and miscellaneous public works project costs.

General Fund actual revenues were a net \$0.1 million more than the adjusted budget. The primary sources for the revenue received being more than budget are from a combination of the following:

- Licenses, Permits and Development Related Project Reimbursements were \$0.25 million higher than budget, primarily due to an increase in activity at the end of the fiscal year.
- Use of Money & Property and Miscellaneous Revenues were \$0.1 million more than budgeted, primarily due to increased interest income and cost allocation from the Cemetery District.

These increases were offset by:

- Taxes received were \$0.1 million less than budgeted, primarily because of the effect the pandemic has had on sales tax revenues.

General Fund actual expenditures were a net \$0.1 million more than budget. The primary sources for the net expenditure overages are as follows:

- Public Works, Building and Safety, Planning, Deposit Based Projects, and Non-Departmental areas were \$0.2 million over than budget due to additional contractual services needed for projects.
- City Manager's Office was \$0.1 million lower than budget due to hours spent specifically working on the pandemic.

Long-term financial planning and initiatives

On November 6, 2018, the voters of Wildomar approved Measure AA, a local sales tax. Effective on April 1, 2019, Measure AA establishes a 1.0% transactions 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 purchased from any retailer. The revenue from this tax in the first full year was \$3.0 million, and it is anticipated that the second year's revenue will also be approximately \$3.0 million. The revenues are used to fund improvements for public safety services, roads, homeless outreach, and other enhanced services to improve the quality of life in Wildomar.

The City of Wildomar City Council approved on May 28, 2020, an Ordinance of the City Council of the City of Wildomar, California, to permit cannabis businesses to operate in the City, and adding Chapters 5.76 and 17.315 to the Wildomar Municipal Code pertaining to cannabis business regulations. The ordinance became effective in July 2020. The cannabis businesses will provide sales tax revenue as well as regulatory revenue fees and public benefit fees to the City.

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

Relevant financial policies

The City has a set of financial policies that it abides by and is continually enhancing and adding relevant policies as it develops its formal financial systems. Initially following 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 2020-21, the City will look to continue to meet the goals of the Vision Statement through the following initiatives:

- Continue to provide quality service and information to the residents and businesses in the City of Wildomar as we navigate through the effects of the COVID-19 pandemic.
- Utilize our Measure AA revenue to continue to keep residents and businesses safe through our enhanced law enforcement services and Fire Medic Squad.
- To encourage responsible growth and development through various new and revised planning ordinances.
- Pursue economic development through working with our consultants to bring new businesses to the City.
- Continue to work on capital road projects, including Bundy Canyon Road and Clinton Keith Widening Project, which will provide greater access to the center of the City.
- Maintain City infrastructure and road improvements.
- Provide sustained funding to address homelessness in Wildomar
- Ensure that new Cannabis establishments in the City provide safe reliable services to our community.

Concluding remarks

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wildomar for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. To receive a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. We believe the City's current CAFR meets the program requirements of the Certificate of Achievement and we are submitting it to the GFOA to determine its eligibility for the award.

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 Teaman, Ramirez and Smith Inc.'s audit management team, for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards. Credit also must be given to the Mayor and City Council for their support for striving to have the highest standards of professionalism in the management of the City of Wildomar's finances.

Sincerely,



Gary Nordquist
City Manager



Robert Howell
Acting Administrative Services Director



FISCAL YEAR 2019-2020 STAFF DIRECTORY

CITY COUNCIL & CEMETERY DISTRICT TRUSTEES

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

*Dustin Nigg
Bridgette Moore
Ben J. Benoit
Joseph Morabito
Marsha Swanson*

EXECUTIVE MANAGEMENT

City Manager/General Manager
Assistant City Manager
City Attorney
Acting City Clerk
Administrative Services Director/City Treasurer
Public Works Director/City Engineer
Planning Director
Economic Development Director
Chief of Police
Fire Chief
Finance Manager and Risk Manager
Parks, Community Services, & Cemetery District Manager

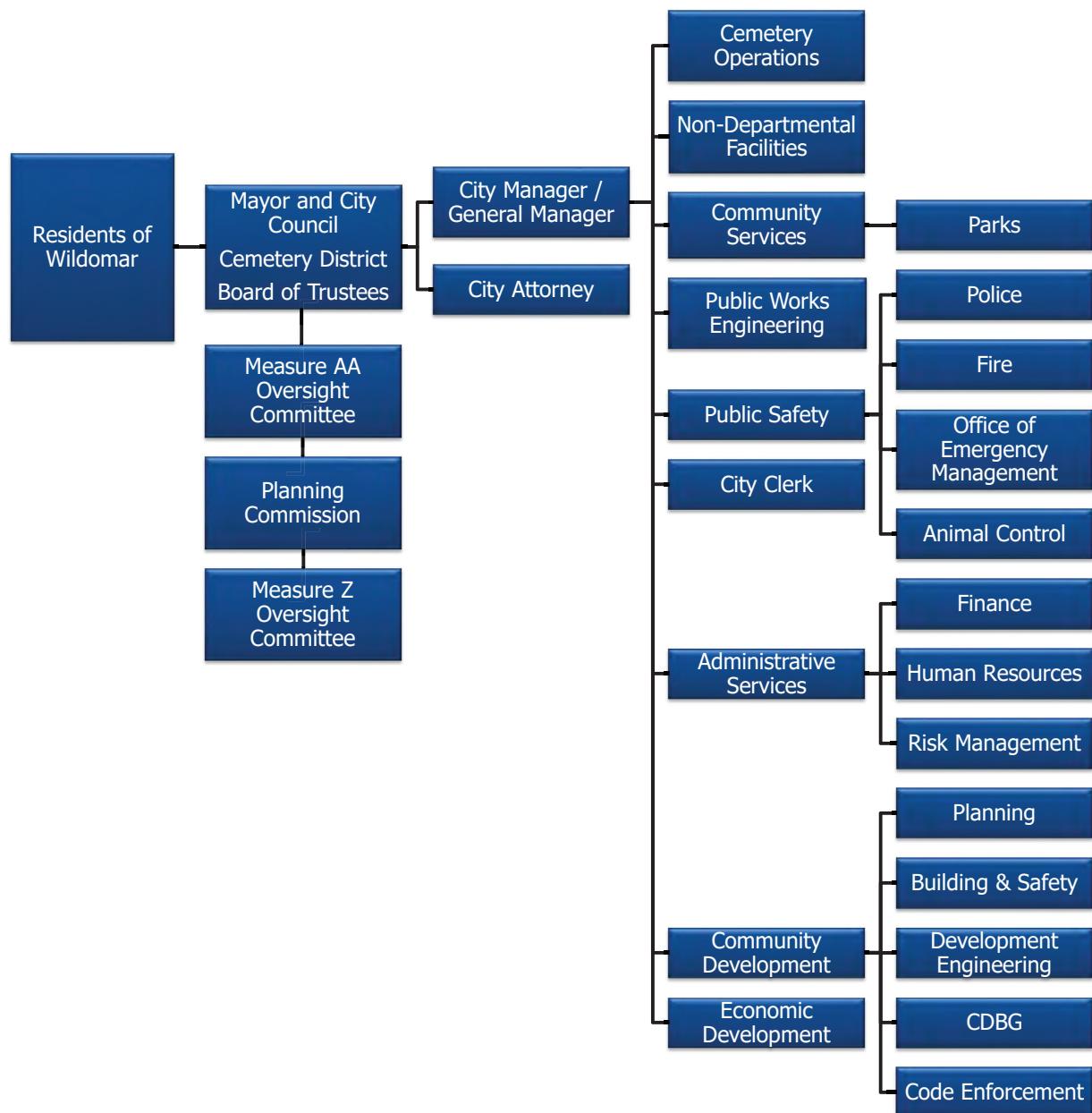
*Gary Nordquist
Dan York
Thomas Jex
Janet Morales
James Riley
Dan York
Matt Bassi
Kimberly Davidson
Michael Lujon
Ty Davis
Robert Howell
Daniel Torres*

CITY OF WILDOMAR CAFR TEAM

Administrative Services Director
Finance Manager
Cemetery District Administrative Specialist
Administrative Analyst II

*James Riley
Robert Howell
Sherri Stanton
Adam Jantz*

City of Wildomar - Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wildomar
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Monell

Executive Director/CEO

FINANCIAL SECTION



THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITORS' REPORT

City Council
City of Wildomar
Wildomar, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wildomar, California (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wildomar, California, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other 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 introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021, 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 the City's 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.

Teaman Ramirez & Smith, Inc.

Riverside, California
January 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

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 twelfth fiscal year of operation, which ended on June 30, 2020. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through ix of this report, and with the City's financial statements which follow this discussion.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. 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 our residents, not to generate profits as companies do.

- The assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2020, by \$40.8 million (net position).
- The City of Wildomar's total net position increased by \$2.9 million. The increase is primarily attributed to the following asset, liability, and deferred inflow changes:
 - Assets - An increase of \$4.4 million in cash and investments mostly due from the first full year of Measure AA sales tax revenues.
 - Assets – A decrease of \$1.1 million in Receivables related to capital projects that were completed in fiscal year 2018-19.
 - Assets – An increase of \$0.2 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 \$1.4 million in Capital Assets related to construction of capital projects and Right-of-Way purchases.
 - Liabilities – An increase of \$0.9 million in Accounts Payable related to the timing of invoices submitted.

- Liabilities – Other payables increased by \$0.7 million related to additional deposits made for developer projects and unearned revenue.
 - Liabilities – An increase of \$0.2 million in Noncurrent Liabilities related to additional pension and Other Post-Employment Benefits (OPEB).
 - Deferred Inflows – An increase of \$0.2 in Deferred Inflows related to additional pension and OPEB resources needed.
- The City of Wildomar's total net position increased by \$2.9 million. The changes in net position are as follows:
 - The Net Investment in Capital Assets increased by \$1.3 million due to projects being completed in the fiscal year.
 - The Restricted Net Position increased by \$0.7 million related to projects in Community Developments, Public Works, and Capital Projects.
 - The Unrestricted Net Position increased by \$0.9 million.
- The revenues in the Statement of Activities increased a net \$0.9 million. The increases are as follows:
 - A net increase in general revenues of \$2.5 million, related to the \$2.2 million received in the first full year of Measure AA district sales taxes, an additional \$0.2 million in property taxes, and an additional \$0.1 million in vehicle license fees.
 - Program revenues decreased \$1.6 million due to the completion of projects in the prior year.
- The expenses in the Statement of Activities increased a net \$1.4 million. This is related to the following:
 - An increase in public safety of \$1.2 million related to enhanced services in fiscal year 2019-20.
 - An increase of \$0.7 million in culture and recreation activities due to the recategorization of expenses from general governmental activities.
 - A decrease of \$0.5 million in community development activities due to various park related projects being completed in fiscal year 2018-19.

- An increase of \$0.3 million due to the addition of Economic Development activities and interest on the City's streetlight lease-purchase.
- A decrease of \$0.3 million due to the completion of various road projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide financial statements

As previously discussed, government-wide financial statements detail all capital assets, including infrastructure, depreciation, and long-term debt. Specifically, these statements are designed to provide an expansive overview of the City's finances. Given its scope, and in an effort 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.

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 insofar as all assets and liabilities are listed on the Statement of Net Position. The added use of the accrual basis of accounting allows the City a 'real-time' advantage as revenues are recognized when earned and expenses are recognized when incurred.

The Statement of Net Position outlines the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net

position. While fluctuations are expected, over time increases or decreases in the City's net position could be used to gauge the City's financial standing in order to ascertain 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 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:

- a) Taxes derived from such sources as sales tax, property tax, and franchise tax, and:
- b) Intergovernmental revenues such as motor vehicle in-lieu fees.

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

The City does not have any business-type activities.

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

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 and demonstrate 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 purpose. 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 comparatively examine information presented for the governmental funds with information presented for governmental activities in the government-wide financial statements.

The reader gains 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 provide the reader with a different snapshot that identifies variances between the two different methodologies of accounting for governmental activities and governmental funds.

The City of Wildomar maintains 60 individual governmental funds. Information is summarized in the governmental fund balance sheet and in the governmental fund

statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Funds and Other Governmental Funds (Assessment Districts, Debt Service and Capital Reinvestment). Data from the 60 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, duplicating and 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 bi-annual 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 19 through 26 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.

Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and 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 inflows of resources as of June 30, 2020, by \$40.8 million (net position). Infrastructure assets of the governmental activities are included within this report. The general capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) of the governmental activities of the City of Wildomar are the largest portion of the City's net position (80%).

During the fiscal year ended June 30, 2020, net position was \$40.8 million of which \$31.2 million is invested in capital assets such as land, equipment, buildings and infrastructure. Of the remaining total, \$7.6 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements and \$2.0 million is unrestricted. Of note is the fact that the City has only \$0.1 million in outstanding debt related to the lease-purchase of the city's streetlights from Southern California Edison.

Table 1 Statement of Net Position - Primary Government

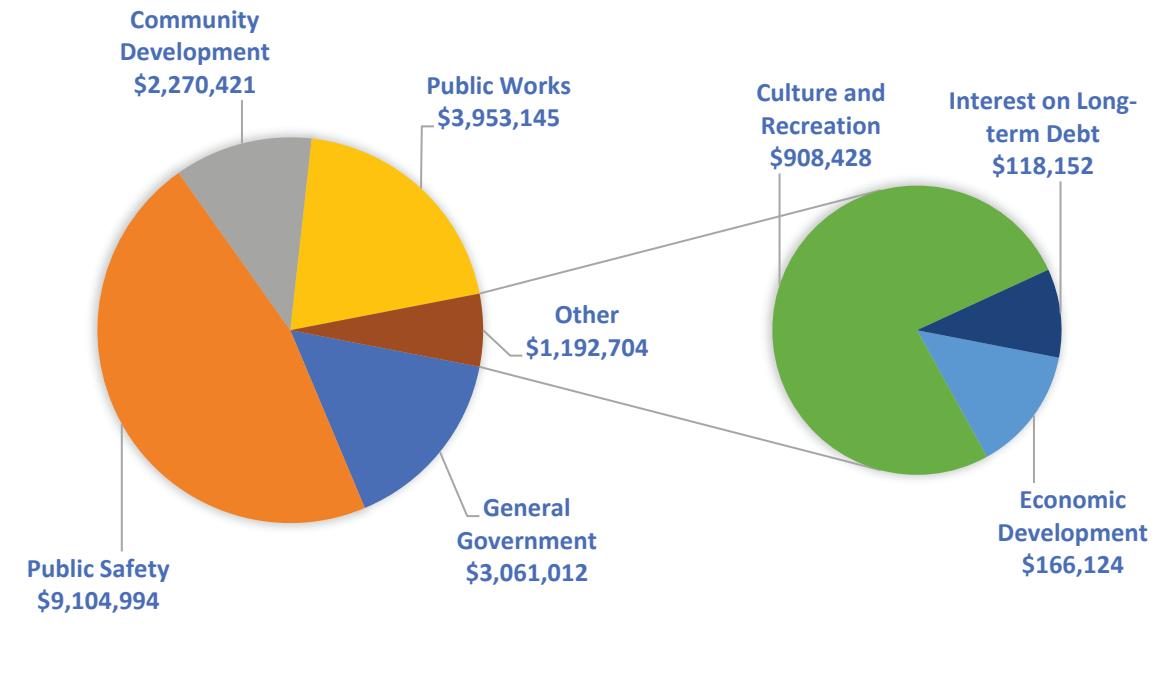
City of Wildomar Statement of Net Position - Summary For the Years Ended June 30,		
<u>Governmental Activities</u>		
	2020	2019
Assets:		
Current and other assets	\$ 16,649,364	\$ 13,129,941
Capital assets	<u>32,698,689</u>	<u>31,340,960</u>
Total Assets	<u>49,348,053</u>	<u>44,470,901</u>
Deferred Outflows of Resources		
Deferred pension-related items	310,539	313,339
Deferred OPEB-related items	<u>29,784</u>	<u>-</u>
Total deferred outflows of resources	<u>310,539</u>	<u>313,339</u>
Liabilities:		
Other Liabilities	6,408,669	4,742,006
Long-term liabilities	<u>2,247,446</u>	<u>2,160,845</u>
Total Liabilities	<u>8,656,115</u>	<u>6,902,851</u>
Deferred inflows of resources:		
Deferred pension-related items	3,660	11,451
Deferred OPEB-related items	<u>271,721</u>	<u>36,362</u>
Total Deferred Inflows of Resources	<u>275,381</u>	<u>47,813</u>
Net Position:		
Net Investment in Capital Assets	31,157,018	29,815,490
Restricted	<u>7,579,845</u>	<u>6,860,911</u>
Unrestricted	<u>2,020,017</u>	<u>1,157,175</u>
Total Net Position	<u>\$ 40,756,880</u>	<u>\$ 37,833,576</u>

Table 2 Statement of Activities - Primary Government

City of Wildomar Statement of Activities For the Years Ended June 30,			
<u>Governmental Activities</u>			
	2020	2019	
Revenues:			
Program Revenues			
Charges for Services	\$ 3,460,880	\$ 2,936,243	
Operating Grants and Contributions	3,426,597	3,270,704	
Capital Grants and Contributions	1,812,906	4,106,559	
General Revenues			
Property Taxes	4,608,569	4,434,404	
Sales Tax	5,054,702	2,872,982	
Other Taxes	3,964,193	3,812,013	
Use of Money and Property	109,658	67,542	
Other Revenues	68,075	132,862	
Total Revenues	22,505,580	21,633,309	
Expenses:			
General Government	3,061,012	2,991,766	
Public Safety	9,104,994	7,953,196	
Community Development	2,270,421	2,738,282	
Economic Development	166,124	-	
Parks and Recreation	908,428	219,647	
Public Works	3,953,145	4,235,880	
Interest on Long-term Interest	118,152	-	
Total Expenses	19,582,276	18,138,771	
Increase (decrease) in Net Position	2,923,304	3,494,538	
Beginning Net Position	37,833,576	34,339,038	
Restatement of Net Position	-	-	
Ending Net Position	\$ 40,756,880	\$ 37,833,576	

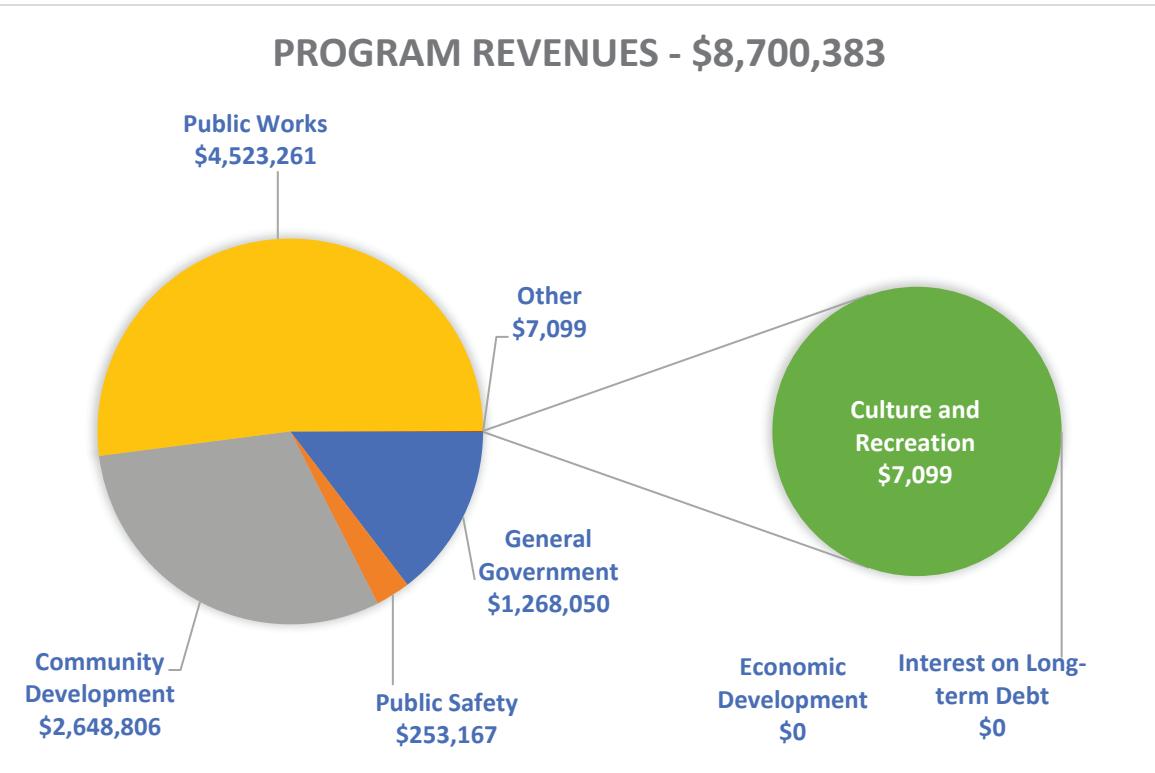
City of Wildomar
Expenses-Governmental Activities

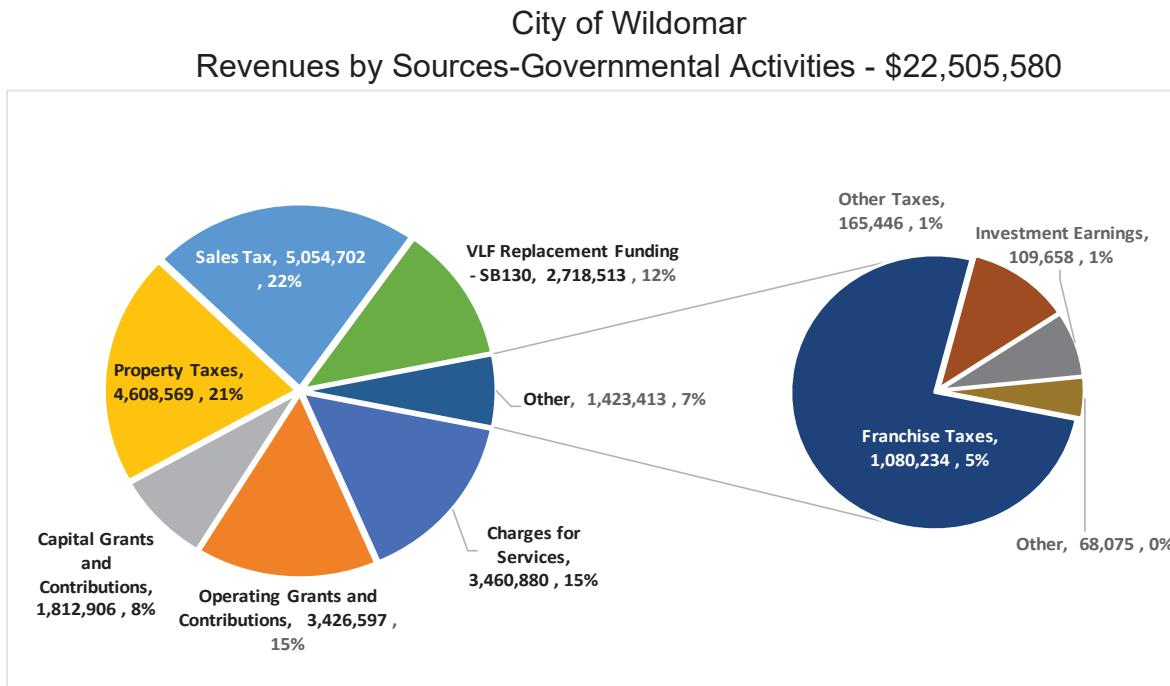
EXPENSES - \$19,582,276



City of Wildomar
Program Revenues-Governmental Activities

PROGRAM REVENUES - \$8,700,383





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 \$9.8 million which represented a \$2.5 million or a 35.0% increase from the prior fiscal year balance.

The General Fund is the primarily funding source for the City. At fiscal year end, the unassigned fund balance of the general fund was \$0.9 million or 6.5% of the City's general fund expenditures of \$13.4 million. This is a decrease of \$0.6 million in the general fund ending fund balance. Although revenues for intergovernmental, charges for services, fines and forfeitures, use of money, and miscellaneous revenues were up \$0.3 million, property taxes, sales taxes, and licenses and permits were down \$0.3 million for net change in revenues of \$0.0 million. Expenditures were increased in public safety by

\$0.4 million, general government decreased by \$0.1 million, economic development increased by \$0.2 million, culture and recreation increased by \$0.1 million, and community development & public works had a combined increase of \$34,000 for a net increase in expenditures of \$0.6 million. The combination of transfers into the General Fund decreased by \$45,000 and a decrease of transfers out to the Capital Reinvestment Fund of \$67,820 completes the offset of the increased expenditures.

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 2019-20, fund balance increased to \$5.4 million related to revenues of \$0.9 million offset by \$0.2 million in capital improvements & cost allocation and \$0.1 million in transfers out.

Measure AA Fund

These funds are raised by the 1.0% transactions tax approved by the voter 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 and generated a fund balance at June 30, 2019 of \$0.6 million. During fiscal year 2019-20, Measure AA's first full year, revenues of \$3.0 million were generated, offset by expenditures of \$1.7 million, increasing the fund balance by \$1.3 million to end the fiscal year at \$1.9 million.

General Fund Financial Highlights

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

Revenues:

- Taxes decreased \$0.3 million primarily related to the COVID-19 pandemic.
- Licenses and Permits decreased \$0.7 million due to decreased building permit activity and private development fees.

Expenditures:

- City Manager's Office decreased just less of \$0.1 million due to direct work on the COVID-19 pandemic that were paid by CARES Act funding.
- City Attorney's Office decreased \$0.2 million due to the legal services for various issues being charged to specific cost centers.

- Non-departmental increased more than \$0.1 million due to increases in contractual & professional services for the City and additional software & hardware needs.
- Police and Fire services decreased a combined \$0.5 million due to decreased actual service hours in fiscal year 2019-20.
- Community Development combined decreased by \$0.2 million due to overall lower activity during fiscal year 2019-20.

General Fund actual revenues were a net \$13,600 less than budget. The primary sources for the revenue received being less than budgeted are as follows:

- Taxes received were \$0.1 million less than budgeted, primarily due to sales taxes being affected by the COVID-19 pandemic.
- License and Permits were more than \$0.2 million more due to increased activity at the end of the fiscal year.
- Use of Money & Property and Miscellaneous revenues were less than \$0.1 million more than budgeted related to better interest rates and an increase in miscellaneous items received.
- Transfers In were \$0.2 million less than budgeted due to lower allocated costs to other funds.

General Fund actual expenditures were a net \$0.1 million more than budget. The primary sources for the net expenditure increase are as follows:

- City Manager's Office decreased \$0.1 million under budget due to direct work on the COVID-19 pandemic.
- Non-departmental increased \$0.1 million over budget due to higher CAM charges for the City Hall Lease.
- Deposit Based Projects was more than \$0.1 million over budget due to timing of vendor invoices at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (Table 3) for its governmental activities as of June 30, 2020, is \$32.7 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 detail information is provided on Capital Assets in the Notes to Financial Statements, Note 1.d.

In accordance with GASB Statement No. 34, the City has reported all general infrastructure assets.

Table 3 Summary of Changes in Capital Assets

City of Wildomar Summary of Changes in Capital Assets For the Year Ended June 30, 2020				
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 3,032,101	\$ -	\$ -	\$ 3,032,101
Construction in Progress	2,624,158	2,081,925	(102,657)	4,603,426
Right-of-Way	2,906,714	885,778	-	3,792,492
Total Capital Assets, Not Being Depreciated	8,562,973	2,967,703	(102,657)	11,428,019
Capital Assets, being depreciated				
Buildings and Improvements	7,442,488	102,657	-	7,545,145
Furniture, Fixtures and Equipment	159,577	54,310	-	213,887
Streetlights	1,136,883	303,534	-	1,440,417
Traffic Signals	251,824	-	-	251,824
Infrastructure	50,268,262	-	-	50,268,262
Total Capital Assets, Being Depreciated	59,259,034	460,501	-	59,719,535
Less Accumulated Depreciation for:				
Buildings and Improvements	(2,736,875)	(259,401)	-	(2,996,276)
Furniture, Fixtures and Equipment	(63,650)	(76,740)	-	(140,390)
Streetlights	(56,844)	(32,409)	-	(89,253)
Traffic Signals	(78,299)	(12,591)	-	(90,890)
Infrastructure	(33,545,379)	(1,586,677)	-	(35,132,056)
Total Accumulated Depreciation	(36,481,047)	(1,967,818)	-	(38,448,865)
Total Capital Assets, being Depreciated, Net	22,777,987	(1,507,317)	-	21,270,670
Governmental Activities Capital Assets, Net	\$ 31,340,960	\$ 1,460,386	\$ (102,657)	\$ 32,698,689

Long-term Debt

At year end, the City had \$1,699,950 in outstanding long-term debt for Governmental Activities. This debt is related to a lease-purchase for streetlights and for compensated absences. 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.

Table 4 Summary of Changes in Long-Term Liabilities

City of Wildomar Summary of Changes in Long-term Liabilities For the Years Ended June 30, 2020					
Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year
	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year
Compensated Absences	\$ 142,664	\$ 51,281	\$ (35,666)	\$ 158,279	\$ 39,570
Direct Borrowing:					
Loan Payable	<u>1,525,470</u>	<u>16,201</u>	<u>-</u>	<u>1,541,671</u>	<u>77,268</u>
Total Long-term Liabilities	<u>\$ 1,668,134</u>	<u>\$ 67,482</u>	<u>\$ (35,666)</u>	<u>\$ 1,699,950</u>	<u>\$ 116,838</u>

ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Key budget assumptions for forecasting General Fund revenues include for fiscal year 2020-21 and beyond are the following:

- The continual effects locally of the COVID-19 Pandemic and how it affects the City's sales taxes and other revenues and expenses in the near and long-term.
- Residential property values are increasing, which will be reflected in higher property taxes.
- The addition of Cannabis businesses to the local revenues.
- Development activity in the coming years is going down, which will bring a reduction in building permit and private development fees.
- A full review of the City's fee schedule to be completed in fiscal year 2020-21, which will possibly bring increased revenues to the City once implemented.

On November 6, 2018, voters approved Measure AA. Effective on April 1, 2019, Measure AA established a 1.0% transactions 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 first full year was \$3.0 million, and it is anticipated that the second year's revenue will also be approximately \$3.0 million. The revenues are used to fund improvements for public safety services, roads and homeless outreach.

The Adopted Operating Budget for Fiscal Year 2020-21 is structurally balanced, addresses some of the City Council's priorities, and attempts to balance achievement of community needs and accomplishment of the Council's goals and objectives.

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: Acting Administrative Services Director
23873 Clinton Keith Road, Suite 201
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



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Statement of Net Position
June 30, 2020

	Primary Government	Component Unit
	Governmental Activities	Wildomar Cemetery District
ASSETS		
Cash and Investments	\$ 12,871,468	\$ 1,360,054
Restricted Cash and Investments	149,053	263,308
Receivables:		
Accounts	198,853	-
Developer	764,904	-
Grants	965,448	-
Accrued Interest	4,171	-
Due from Other Governments	1,695,467	26,407
Inventories	-	4,470
Capital Assets, Not Being Depreciated	11,428,019	963,390
Capital Assets, Net of Depreciation	21,270,670	2,789
	49,348,053	2,620,418
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Items	310,539	43,841
OPEB Related Items	29,784	-
	340,323	43,841
LIABILITIES		
Accounts Payable	3,044,521	32,457
Accrued Liabilities	100,461	19,664
Unearned Revenue	844,309	-
Deposits Payable	2,168,233	80,620
Due to Other Governments	94,301	-
Accrued Interest Payable	40,006	-
Noncurrent Liabilities:		
Due Within One Year	116,838	2,362
Due in More Than One Year		
Other Long-term Liabilities	1,583,112	7,085
Net Pension Liability	209,327	208,876
Net OPEB Liability	455,007	-
	8,656,115	351,064
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items	3,660	18,451
OPEB Related Items	271,721	-
	275,381	18,451
NET POSITION		
Net Investment in Capital Assets	31,157,018	966,179
Restricted:		
Community Development Projects	5,429,042	-
Parks and Recreation	263,153	-
Public Works	304,417	-
Capital Projects	1,436,063	-
Debt Service	147,170	-
Cemetery Trust - Nonexpendable	-	263,308
Unrestricted	2,020,017	1,065,257
	\$ 40,756,880	\$ 2,294,744

The accompanying notes are an integral part of this statement.



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Statement of Activities
For the Year Ended June 30, 2020

					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	\$ 3,061,012	\$ 898,082	\$ 369,968	\$ -	\$ (1,792,962)	
Public Safety	9,104,994	97,219	155,948	-	(8,851,827)	
Community Development	2,270,421	1,708,190	940,616	-	378,385	
Economic Development	166,124	-	-	-	(166,124)	
Culture and Recreation	908,428	7,099	-	-	(901,329)	
Public Works	3,953,145	750,290	1,960,065	1,812,906	570,116	
Interest on Long-term Debt	118,152	-	-	-	(118,152)	
 Total Governmental Activities	 <u>\$ 19,582,276</u>	 <u>\$ 3,460,880</u>	 <u>\$ 3,426,597</u>	 <u>\$ 1,812,906</u>	 <u>(10,881,893)</u>	
Component Unit:						
Wildomar Cemetery District	\$ 750,737	\$ 59,598	\$ -	\$ -		\$ (691,139)
 Total Component Unit	 <u>\$ 750,737</u>	 <u>\$ 59,598</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u></u>	 <u>(691,139)</u>
 General Revenues:						
Taxes:						
Property Tax, Levied for General Purpose					4,608,569	564,531
Sales Tax					5,054,702	-
Franchise Taxes					1,080,234	-
VLF Replacement Funding - SB130					2,718,513	-
Other Taxes					165,446	-
Investment Earnings					109,658	8,348
Other					68,075	1,635
 Total General Revenues	 <u></u>	 <u></u>	 <u></u>	 <u></u>	 <u>13,805,197</u>	 <u>574,514</u>
 Change in Net Position	 <u></u>	 <u></u>	 <u></u>	 <u></u>	 <u>2,923,304</u>	 <u>(116,625)</u>
 Net Position - Beginning of Year	 <u></u>	 <u></u>	 <u></u>	 <u></u>	 <u>37,833,576</u>	 <u>2,411,369</u>
 Net Position - End of Year	 <u></u>	 <u></u>	 <u></u>	 <u></u>	 <u>\$ 40,756,880</u>	 <u>\$ 2,294,744</u>

The accompanying notes are an integral part of this statement.

City of Wildomar
Balance Sheet
Governmental Funds
June 30, 2020

	Special Revenue		
	General	Development Impact Fees	Measure AA
ASSETS			
Pooled Cash and Investments	\$ 6,232,778	\$ 6,096,800	\$ -
Restricted Cash and Investments	-	-	-
Receivables:			
Accounts	147,124	-	-
Developer	764,904	-	-
Grants	-	-	-
Accrued Interest	4,171	-	-
Due from Other Governments	636,186	-	755,638
Due from Other Funds	<u>40,620</u>	<u>932,300</u>	<u>1,575,206</u>
 Total Assets	 <u>\$ 7,825,783</u>	 <u>\$ 7,029,100</u>	 <u>\$ 2,330,844</u>
LIABILITIES			
Accounts Payable	\$ 2,189,780	\$ 12,282	\$ 419,266
Accrued Liabilities	68,055	-	-
Unearned Revenues	188,833	655,476	-
Deposits Payable	2,168,233	-	-
Due to Other Governments	94,301	-	-
Due to Other Funds	<u>2,238,295</u>	<u>932,300</u>	<u>-</u>
 Total Liabilities	 <u>6,947,497</u>	 <u>1,600,058</u>	 <u>419,266</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Intergovernmental	-	-	-
 Total Deferred Inflows of Resources	 -	 -	 -
FUND BALANCES			
Restricted for:			
Community Development Projects	-	5,429,042	-
Parks and Recreation	-	-	-
Public Works	-	-	-
Capital Projects	-	-	-
Debt Service	-	-	-
Committed	-	-	1,911,578
Unassigned	<u>878,286</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>878,286</u>	 <u>5,429,042</u>	 <u>1,911,578</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 7,825,783</u>	 <u>\$ 7,029,100</u>	 <u>\$ 2,330,844</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 541,890	\$ 12,871,468
149,053	149,053
51,729	198,853
-	764,904
965,448	965,448
-	4,171
303,643	1,695,467
2,389,246	4,937,372
<hr/>	<hr/>
<u>\$ 4,401,009</u>	<u>\$ 21,586,736</u>
\$ 423,193	\$ 3,044,521
32,406	100,461
-	844,309
-	2,168,233
-	94,301
1,766,777	4,937,372
<hr/>	<hr/>
<u>2,222,376</u>	<u>11,189,197</u>
<hr/>	<hr/>
<u>603,175</u>	<u>603,175</u>
<hr/>	<hr/>
<u>603,175</u>	<u>603,175</u>
-	5,429,042
263,153	263,153
304,417	304,417
1,436,063	1,436,063
147,170	147,170
-	1,911,578
(575,345)	302,941
<hr/>	<hr/>
<u>1,575,458</u>	<u>9,794,364</u>
<hr/>	<hr/>
<u>\$ 4,401,009</u>	<u>\$ 21,586,736</u>

The accompanying notes are an integral part of this statement.

City of Wildomar
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

Fund Balances of Governmental Funds	\$ 9,794,364
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.	32,698,689
Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(40,006)
Long-term liabilities and compensated absences that have not been included in the governmental fund activity.	
Compensated Absences	(158,279)
Loan Payable	(1,541,671)
Net Pension Liability	(209,327)
Net OPEB Liability	(455,007)
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	310,539
Pension Related Deferred Inflows of Resources	(3,660)
OPEB Related Deferred Outflows of Resources	29,784
OPEB Related Deferred Inflows of Resources	(271,721)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.	<u>603,175</u>
Net Position of Governmental Activities	<u><u>\$ 40,756,880</u></u>



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue		
	General	Development Impact Fees	Measure AA
REVENUES			
Taxes	\$ 7,829,937	\$ -	\$ 3,044,556
Licenses and Permits	1,665,127	-	-
Intergovernmental	2,773,807	-	-
Charges for Services	29,384	-	-
Fines and Forfeitures	84,703	-	-
Use of Money and Property	95,621	8,141	1,228
Developer Participation	-	895,215	-
Miscellaneous	<u>76,139</u>	<u>-</u>	<u>-</u>
 Total Revenues	 <u>12,554,718</u>	 <u>903,356</u>	 <u>3,045,784</u>
EXPENDITURES			
Current:			
General Government	2,451,141	8,142	3,228
Public Safety	8,222,980	-	1,245,354
Community Development	2,176,018	46,287	4,480
Economic Development	155,633	-	-
Culture and Recreation	57,512	-	139,175
Public Works	381,095	111,460	289,157
Capital Outlay	-	21,498	36,578
Debt Service:			
Interest Expense	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>13,444,379</u>	<u>187,387</u>	<u>1,717,972</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(889,661)</u>	<u>715,969</u>	<u>1,327,812</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	370,785	-	-
Transfers Out	<u>(46,160)</u>	<u>(125,629)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>324,625</u>	<u>(125,629)</u>	<u>-</u>
Net Change in Fund Balances	(565,036)	590,340	1,327,812
Fund Balances - Beginning of Year	1,443,322	4,838,702	583,766
 Fund Balances - End of Year	 <u>\$ 878,286</u>	<u>\$ 5,429,042</u>	<u>\$ 1,911,578</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 10,874,493
-	1,665,127
6,261,843	9,035,650
126,832	156,216
-	84,703
4,669	109,659
-	895,215
<u>153,175</u>	<u>229,314</u>
<u>6,546,519</u>	<u>23,050,377</u>

184,811	2,647,322
146,474	9,614,808
43,636	2,270,421
10,491	166,124
481,829	678,516
2,065,232	2,846,944
2,151,820	2,209,896
<u>78,146</u>	<u>78,146</u>
<u>5,162,439</u>	<u>20,512,177</u>
<u>1,384,080</u>	<u>2,538,200</u>
<u>46,160</u>	<u>416,945</u>
<u>(245,156)</u>	<u>(416,945)</u>
<u>(198,996)</u>	<u>-</u>
1,185,084	2,538,200
<u>390,374</u>	<u>7,256,164</u>
<u>\$ 1,575,458</u>	<u>\$ 9,794,364</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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 2,538,200

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	3,325,547
Depreciation	(1,967,818)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (15,615)

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	(16,201)
--------------------------------	----------

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	(40,006)
Net Change in Net Pension Liability	(49,158)
Net Change in Net OPEB Liability	(122,465)
Net Change in Pension Deferred Outflows and Inflows of Resources	4,991
Net Change in OPEB Deferred Outflows and Inflows of Resources	(205,575)

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

(528,596)

Change in Net Position of Governmental Activities

\$ 2,923,304

City of Wildomar
Notes to Financial Statements
June 30, 2020

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 was absorbed into the City on November 9, 2011. 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. 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.

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.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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* accounts for revenues and expenditures for the enhancement of police and fire services, road maintenance, and homelessness solutions within the City.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

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.

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."

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

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.

In accordance with GASB Statement No. 34, the City has reported all general infrastructure assets.

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.

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

Assets	Years
Building 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 position 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.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

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 position 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 at 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.

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.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

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.

Net Pension Liability

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.

GASB 68 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, 2018

Measurement Date (MD): June 30, 2019

Measurement Period (MP): July 1, 2018 to June 30, 2019

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

Other Post Employment Benefits (OPEB)

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

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

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

Valuation Date: June 30, 2019

Measurement Date: June 30, 2019

Measurement Period: July 1, 2018 to June 30, 2019

Unearned Revenues

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

Fund Equity

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

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

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

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

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

Fund Equity - Continued

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 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 Assumptions

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.

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.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

d. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position or Equity - Continued

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

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, Fiduciary Activities. This statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The City has elected not to early implement GASB No. 84 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, Leases. The intent of this statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after June 15, 2021, and for all reporting periods thereafter. The City has elected not to early implement GASB No. 87 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2020. The City has elected not to early implement GASB No. 89 and has not determined its effect on the City's financial statements.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The City has elected not to early implement GASB No. 90 and has not determined its effect on the City's financial statements.

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 December 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2021. The City has elected not to early implement GASB No. 91 and has not determined its effect on the City's financial statements.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, Omnibus 2020. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. The City has elected not to early implement GASB No. 92 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The City has elected not to early implement GASB No. 93 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 94

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

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 95

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

- a. Statement 83 - Reporting periods beginning after June 15, 2019.
- b. Statement 84 and Implementation Guide 2019-2 - Reporting periods beginning after December 15, 2019.
- c. Statement 87 and Implementation Guide 2019-3 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- d. Statement 88 - Reporting periods beginning after June 15, 2019.
- e. Statement 89 - Reporting periods beginning after December 15, 2020.
- f. Statement 90 - Reporting periods beginning after December 15, 2019.
- g. Statement 91 - Reporting periods beginning after December 15, 2021.
- h. Statement 92, paragraphs 6 and 7 - Fiscal years beginning after June 15, 2021.
- i. Statement 92, paragraphs 8, 9, and 12 - Reporting periods beginning after June 15, 2021.
- j. Statement 92, paragraph 10 - Government acquisitions occurring in reporting periods beginning after June 15, 2021.
- k. Statement 93, paragraphs 13 and 14 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- l. Implementation Guide 2017-3, Questions 4.484 and 4.491 - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.
- m. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1-5.4 - Actuarial valuations as of December 15, 2018, or later.
- n. Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
- o. Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. The City has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

City of Wildomar
Notes to Financial Statements
June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 96

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

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. The City has elected not to early implement GASB No. 97 and has not determined its effect on the City's financial statements.

City of Wildomar
Notes to Financial Statements
June 30, 2020

II.) STEWARDSHIP

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following funds had expenditures in excess of appropriations:

Fund	Budget	Actual	Variance
General Fund	13,370,100	13,490,539	(120,439)
Special Revenue Fund:			
Development Impact Fees	293,000	313,016	(20,016)
SLESF	155,800	156,034	(234)
Debt Service Fund:			
Streetlight Fund	363,400	411,666	(48,266)

III.) DETAILED NOTES ON ALL FUNDS

3) CASH AND INVESTMENTS

As of June 30, 2020, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:			
Primary Government			
Cash and Investments	\$	12,871,468	
Restricted Cash and Investments		149,053	
Component Unit - Wildomar Cemetery District			
Cash and Investments	\$	1,360,054	
Restricted Cash and Investments		<u>263,308</u>	
Total Cash and Investments	<u>\$</u>	<u>14,643,883</u>	

Cash and investments consist of the following:

Petty Cash	\$	100
Deposits with Financial Institutions		8,152,752
Investments		<u>6,491,031</u>
Total Cash and Investments	<u>\$</u>	<u>14,643,883</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.

City of Wildomar
Notes to Financial Statements
June 30, 2020

3) CASH AND INVESTMENTS - Continued

Deposits

At June 30, 2020, the carrying amount of the City's deposits was \$8,152,752 and the bank balance was \$8,255,972. The \$103,220 difference represents outstanding checks and other reconciling items.

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.

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
- Repurchase Agreements
- Money Market Mutual Funds
- Local Agency Investment Fund (LAIF)
- Joint Powers Authority Investment Pools

City of Wildomar
Notes to Financial Statements
June 30, 2020

3) CASH AND INVESTMENTS - Continued

Investments - Continued

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 (the 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.

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.

City of Wildomar
Notes to Financial Statements
June 30, 2020

3) CASH AND INVESTMENTS - Continued

GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

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, 2020, \$8,005,972 of 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 50% of the City's total investment portfolio can be invested in a single security type or with a single financial institution.

City of Wildomar
Notes to Financial Statements
June 30, 2020

3) CASH AND INVESTMENTS - Continued

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.

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	\$ 1,145,036	N/A	\$ - \$ 1,145,036
CAMP	5,083,938	N/A	- 5,083,938
Component Unit -			
Wildomar Cemetery District			
Money Market	<u>262,057</u>	A	<u>262,057</u> -
Total	<u>\$ 6,491,031</u>		<u>\$ 262,057</u> \$ 6,228,974

Interest Rate Risk

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

As of June 30, 2020, the City had the following investments and remaining maturities:

Investment Type	Investment Maturities (in Years)	
	Less than 1 Year	Fair Value
Primary Government:		
Local Agency Investment Fund	\$ 1,145,036	\$ 1,145,036
CAMP	5,083,938	5,083,938
Component Unit -		
Wildomar Cemetery District:		
Money Market	<u>262,057</u>	<u>262,057</u>
Total	<u>\$ 6,491,031</u>	<u>\$ 6,491,031</u>

City of Wildomar
Notes to Financial Statements
June 30, 2020

4) FAIR VALUE MEASUREMENTS

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides 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:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. 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).
- d. 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 at June 30, 2020, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)		Uncategorized
Primary Government:				
Local Agency Investment Fund	\$ 1,145,036	\$ -	\$ 1,146,036	
CAMP	5,083,938	-	5,083,938	
Component Unit -				
Wildomar Cemetery District				
Money Market	262,057	262,057	-	
Total	<u>\$ 6,491,031</u>	<u>\$ 262,057</u>	<u>\$ 6,228,974</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, 2020

5) CAPITAL ASSETS

Capital asset activity for the year was as follows:

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 3,032,101	\$ -	\$ -	\$ 3,032,101
Construction in Progress	2,624,158	2,081,925	(102,657)	4,603,426
Right-of-Way	2,906,714	885,778	-	3,792,492
Total Capital Assets, Not Being Depreciated	<u>8,562,973</u>	<u>2,967,703</u>	<u>(102,657)</u>	<u>11,428,019</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	7,442,488	102,657	-	7,545,145
Furniture, Fixtures and Equipment	159,577	54,310	-	213,887
Streetlights	1,136,883	303,534	-	1,440,417
Traffic Signals	251,824	-	-	251,824
Infrastructure	<u>50,268,262</u>	<u>-</u>	<u>-</u>	<u>50,268,262</u>
Total Capital Assets, Being Depreciated	<u>59,259,034</u>	<u>460,501</u>	<u>-</u>	<u>59,719,535</u>
Less Accumulated Depreciated for:				
Buildings and Improvements	(2,736,875)	(259,401)	-	(2,996,276)
Furniture, Fixtures and Equipment	(63,650)	(76,740)	-	(140,390)
Streetlights	(56,844)	(32,409)	-	(89,253)
Traffic Signals	(78,299)	(12,591)	-	(90,890)
Infrastructure	<u>(33,545,379)</u>	<u>(1,586,677)</u>	<u>-</u>	<u>(35,132,056)</u>
Total Accumulated Depreciation	<u>(36,481,047)</u>	<u>(1,967,818)</u>	<u>-</u>	<u>(38,448,865)</u>
Total Capital Assets, Being Depreciated, Net	<u>22,777,987</u>	<u>(1,507,317)</u>	<u>-</u>	<u>21,270,670</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 31,340,960</u>	<u>\$ 1,460,386</u>	<u>\$ (102,657)</u>	<u>\$ 32,698,689</u>

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

Governmental Activities	
General Government	\$ 25,868
Parks and Recreation	229,912
Public Safety	35,295
Public Works	<u>1,676,743</u>
Total Governmental Activities	
Depreciation Expense	<u>\$ 1,967,818</u>

City of Wildomar
Notes to Financial Statements
June 30, 2020

5) CAPITAL ASSETS - Continued

Component Unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	<u>\$ 963,390</u>	\$ -	\$ -	<u>\$ 963,390</u>
Total Capital Assets, Not Being Depreciated	<u>963,390</u>	- -	- -	<u>963,390</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	349,598	- -	- -	349,598
Furniture, Fixtures and Equipment	<u>132,025</u>	- -	- -	<u>132,025</u>
Total Capital Assets, Being Depreciated	<u>481,623</u>	- -	- -	<u>481,623</u>
Less Accumulated Depreciated for:				
Buildings and Improvements	(335,509)	(11,300)	- -	(346,809)
Furniture, Fixtures and Equipment	<u>(132,025)</u>	- -	- -	<u>(132,025)</u>
Total Accumulated Depreciation	<u>(467,534)</u>	<u>(11,300)</u>	- -	<u>(478,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,089</u>	<u>(11,300)</u>	- -	<u>2,789</u>
Capital Assets, Net	<u>\$ 977,479</u>	<u>\$ (11,300)</u>	<u>\$ -</u>	<u>\$ 966,179</u>

6) LONG-TERM LIABILITIES

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

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	<u>\$ 142,664</u>	<u>\$ 51,281</u>	<u>\$ (35,666)</u>	<u>\$ 158,279</u>	<u>\$ 39,570</u>
Direct Borrowing:					
Loan Payable	<u>1,525,470</u>	<u>16,201</u>	<u>-</u>	<u>1,541,671</u>	<u>77,268</u>
Total	<u>\$ 1,668,134</u>	<u>\$ 67,482</u>	<u>\$ (35,666)</u>	<u>\$ 1,699,950</u>	<u>\$ 116,838</u>

City of Wildomar
Notes to Financial Statements
June 30, 2020

6) LONG-TERM LIABILITIES - Continued

Component Unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 5,926	\$ 5,003	\$ (1,482)	\$ 9,447	\$ 2,362

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) at June 30, 2020, had an outstanding accrued balance of unpaid vacation, sick and associated employee related costs of \$158,279 and \$9,447, respectively that will be liquidated from various funding sources in future years.

Direct Borrowings - Loan Payable

On March 22, 2019 the City entered into an agreement with Banc of America Leasing & Capital, LLC for the loan of \$1,525,470 to finance the acquisition of streetlights within the City. The loan will be repaid in semi-annual installments, which include principal and interest, starting June 1, 2020, with the last payment to be made June 1, 2034. The interest rate will be 5.19%. The balance of the loan is \$1,541,671 as of June 30, 2020.

The Loan Payable is a direct borrowing. There are no provisions for the outstanding loans in the event of default and no assets were held as collateral.

Year Ending June 30,	Principal	Interest	Total
2021	\$ 77,268	\$ 79,023	\$ 156,291
2022	81,330	74,961	156,291
2023	85,606	70,685	156,291
2024	90,106	66,184	156,290
2025	94,844	61,447	156,291
2026 - 2030	554,466	226,988	781,454
2031 - 2034	558,051	67,113	625,164
Total	<u>\$ 1,541,671</u>	<u>\$ 646,401</u>	<u>\$ 2,188,072</u>

City of Wildomar
Notes to Financial Statements
June 30, 2020

7) INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

Due To / From Other Funds

		DUE TO				<u>Total</u>
		<u>General Fund</u>	<u>Development Impact Fees</u>	<u>Other Governmental Funds</u>		
DUE FROM	General Fund	\$ -	\$ -	\$ 40,620	\$ 40,620	
	Development Impact Fees	-	932,300	-	-	932,300
	Measure AA	1,575,206	-	-	-	1,575,206
	Other Governmental Funds	<u>663,089</u>	<u>-</u>	<u>1,726,157</u>	<u>2,389,246</u>	
Total		<u><u>\$ 2,238,295</u></u>	<u><u>\$ 932,300</u></u>	<u><u>\$ 1,766,777</u></u>	<u><u>\$ 4,937,372</u></u>	

These were the result of routine interfund transactions due to eliminating temporary deficit cash balances. Amounts within Development Impact Fees are interfund transactions between sub-funds within the fund.

Interfund Transfers

		TRANSFERS OUT				<u>Total</u>
		<u>General Fund</u>	<u>Development Impact Fees</u>	<u>Other Governmental Funds</u>		
TRANSFERS IN	General Fund	\$ -	\$ 125,629	\$ 245,156	\$ 370,785	
	Other Governmental Funds	<u>46,160</u>	<u>-</u>	<u>-</u>	<u>46,160</u>	
Total		<u><u>\$ 46,160</u></u>	<u><u>\$ 125,629</u></u>	<u><u>\$ 245,156</u></u>	<u><u>\$ 416,945</u></u>	

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, 2020

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 at June 30, 2020 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013 ⁽¹⁾
Hire Date		
Benefit Formula	2.7% at 55+	2.0% at 62+
Social Security Coverage	No	No
Full/Modified	Full	Full
Final Average Compensation Period	12 months	12 months
Sick Leave Credit	Yes	Yes
Non-Industrial Disability	Standard	Standard
Industrial Disability	No	No
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	Yes
1959 Survivor Benefit Level	Level 4	Level 4
Special	No	No
Alternate (Firefighters)	No	No
Post-Retirement Death Benefits		
Lump Sum	\$500	\$500
Survivor Allowance (PRSA)	No	No
COLA	2%	2%
Required Employee Contribution Rates	8%	6.25%
Required Employer Contribution Rates	13.182%	6.985%

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

Required Contribution

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the

City of Wildomar
Notes to Financial Statements
June 30, 2020

8) PENSION PLAN - Continued

Required Contribution - Continued

year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's and Wildomar Cemetery District's (component unit) contributions to the Plan for the year ended June 30, 2020 were \$147,645 and \$20,744, respectively.

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

As of June 30, 2020, the City and Wildomar Cemetery District (component unit) reported a net pension liability for its proportionate share of the net pension liability of \$209,327 and \$208,876, respectively.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 measurement periods was as follows:

	City	Wildomar Cemetery District
Proportion - June 30, 2018	0.00166%	0.00211%
Proportion - June 30, 2019	0.00204%	0.00204%
Change - Increase (Decrease)	0.00038%	(0.00007)%

For the year ended June 30, 2020, the City recognized pension expense (credit) of \$1,276,968. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 147,654	\$ -
Changes of assumptions	6,443	-
Differences between expected and actual experience	13,412	-
Differences between projected and actual investment earnings	-	(3,660)
Differences between employer's contributions and proportionate share of contributions	71,861	-
Changes in employer's proportion	71,169	-
Total	\$ 310,539	\$ (3,660)

City of Wildomar
Notes to Financial Statements
June 30, 2020

8) PENSION PLAN - Continued

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

\$147,645 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/Inflows of Resources
2021	\$ 100,679
2022	40,261
2023	17,545
2024	740
2025	-
Thereafter	-
 Total	 \$ 159,225

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method

Actuarial Assumptions:

Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Depending on age, service, and type of employment
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

⁽¹⁾ The Mortality Rate Table was derived using CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

City of Wildomar
Notes to Financial Statements
June 30, 2020

8) PENSION PLAN - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions 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.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (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.

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

Asset Class ^(a)	Assumed Asset Allocation	Real Return Years 1 - 10 ^(b)	Real Return Years 11+ ^(c)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	100%		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

City of Wildomar
Notes to Financial Statements
June 30, 2020

8) PENSION PLAN - Continued

The following presents the City's proportionate share of the net position liability for the Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' System (CalPERS), calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	City	Wildomar	
		Cemetery District	
1% Decrease	6.15%		6.15%
Net Pension Liability (Asset)	\$ 497,905	\$ 297,893	
Current Discount Rate	7.15%		7.15%
Net Pension Liability (Asset)	\$ 209,327	\$ 208,876	
1% Increase	8.15%		8.15%
Net Pension Liability (Asset)	\$ (28,874)	\$ 135,399	

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

9) OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

Funding Policy

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

City of Wildomar
Notes to Financial Statements
June 30, 2020

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

Employees Covered

As of June 30, 2019, actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	14
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving benefits	3
Total	19

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the City did not make any contributions to the Plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

Actuarial Assumptions

Discount Rate	2.66%
Inflation	2.50%
Salary Increases	2.75% plus merit
Investment Rate of Return	3.75%
Mortality Rate ⁽¹⁾	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	3.00%

Notes:

⁽¹⁾Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

⁽²⁾The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

City of Wildomar
Notes to Financial Statements
June 30, 2020

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

Discount Rate

The discount rate used to measure the total OPEB liability was 2.66 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019 <i>(Valuation Date June 30, 2019)</i>	<u>\$ 432,543</u>	<u>\$ -</u>	<u>\$ 432,543</u>
Changes Recognized for the Measurement Period:			
Service Cost	83,815	-	83,815
Interest	19,183	-	19,183
Actual and Expected Experience Difference	(198,100)	-	(198,100)
Changes of Assumptions	(103,812)	-	(103,812)
Contribution - Employer	-	9,717	(9,717)
Change of Benefit Terms	231,095	-	231,095
Benefit Payments	(9,717)	(9,717)	-
Administrative Expense	-	-	-
Net Changes	<u>22,464</u>	<u>-</u>	<u>22,464</u>
Balance at June 30, 2020 <i>(Measurement Date June 30, 2019)</i>	<u>\$ 455,007</u>	<u>\$ -</u>	<u>\$ 455,007</u>

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (1.66 %)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Net OPEB Liability	\$ 527,409	\$ 455,007	\$ 397,218

City of Wildomar
Notes to Financial Statements
June 30, 2020

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

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (3.50%)	Current Healthcare Cost Trend Rates (4.50%)	1% Increase (5.50%)
Net OPEB Liability	\$ 286,412	\$ 455,007	\$ 544,458

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)

City of Wildomar
Notes to Financial Statements
June 30, 2020

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

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$198,914. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes in assumptions	- -	(93,431)
Net differences between projected and actual earnings on OPEB plan investments	<u>29,784</u>	<u>(178,290)</u>
Total	<u>\$ 29,784</u>	<u>\$ (271,721)</u>

The \$0 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 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
2021	\$ (22,357)
2022	(22,357)
2023	(22,357)
2024	(23,909)
2025	(30,191)
Thereafter	(120,766)

City of Wildomar
Notes to Financial Statements
June 30, 2020

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 Public Agency Risk Sharing Authority of California - PARSAC (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 \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. 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 claims 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 1525 Response Road, Suite One, Sacramento, California, 95815; www.parsac.org or by calling (916) 927-7727.

As of June 30, 2020, 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, 2020

11) FUND EQUITY

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

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

The following had a deficit fund balance at June 30, 2020. These deficits are expected to be eliminated through future revenues.

Fund	Amount
Grants Special Revenue Fund	\$ (463,758)
SLESF Special Revenue Fund	\$ (54)
Community Development Block Grant	
Special Revenue Fund	\$ (111,533)

12) CONTINGENCIES

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the City's operational and financial performance is uncertain at this time.



THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Budgetary Comparison Schedule by Department
General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,443,322	\$ 1,443,322	\$ 1,443,322	\$ -
Resources (Inflows):				
Taxes	8,223,400	7,961,300	7,829,937	(131,363)
Licenses and Permits	2,101,600	1,416,000	1,665,127	249,127
Intergovernmental	2,819,000	2,774,300	2,773,807	(493)
Charges for Services	22,500	22,800	29,384	6,584
Fines and Forfeitures	53,800	74,600	84,703	10,103
Use of Money and Property	10,300	95,300	95,621	321
Miscellaneous	5,600	11,700	76,139	64,439
Transfers In	500,000	555,900	370,785	(185,115)
Amounts Available for Appropriations	<u>15,179,522</u>	<u>14,355,222</u>	<u>14,368,825</u>	<u>13,603</u>
Charges to Appropriations (Outflows):				
General Government				
City Council	180,800	195,900	190,424	5,476
City Manager	603,600	536,800	446,893	89,907
City Clerk	167,300	224,000	198,650	25,350
City Attorney	376,000	199,800	196,240	3,560
Administrative Services	486,500	519,500	525,933	(6,433)
Human Resources	74,200	66,600	62,498	4,102
Non-departmental	728,900	858,000	938,281	(80,281)
Public Safety				
Police	5,303,100	5,065,200	5,044,762	20,438
Fire	2,865,800	2,617,300	2,610,265	7,035
Animal Control	535,100	549,900	549,060	840
OEM	59,400	30,500	18,893	11,607
Community Development				
Administration	137,500	149,500	147,212	2,288
Building and Safety	429,800	301,300	329,609	(28,309)
Planning	303,900	313,500	319,251	(5,751)
Code Enforcement	165,700	191,900	219,958	(28,058)
Deposit Based Projects	1,084,200	963,700	1,089,364	(125,664)
Planning Commission	19,400	18,200	19,511	(1,311)
Economic Development	85,500	55,900	47,855	8,045
Culture and Recreation				
Community Services - Administration	55,000	39,200	38,857	343
Marna O'Brien Park	-	1,200	1,171	29
Windsong Park	-	1,200	1,171	29
Heritage Park	-	600	563	37
Ball Fields	15,800	15,300	15,050	250
Malaga Park	-	1,300	700	600
Public Works	244,000	400,300	432,208	(31,908)
Transfers Out	3,000	53,500	46,160	7,340
Total Charges to Appropriations	<u>13,924,500</u>	<u>13,370,100</u>	<u>13,490,539</u>	<u>(120,439)</u>
Budgetary Fund Balance, June 30	\$ 1,255,022	\$ 985,122	\$ 878,286	\$ (106,836)

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Development Impact Fees
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,838,702	\$ 4,838,702	\$ 4,838,702	\$ -
Resources (Inflows):				
Use of Money and Property	-	-	8,141	8,141
Developer Participation	1,267,900	860,900	895,215	34,315
Amounts Available for Appropriations	6,106,602	5,699,602	5,742,058	42,456
Charges to Appropriations (Outflows):				
General Government	-	-	8,142	(8,142)
Community Development	39,000	49,000	46,287	2,713
Public Works	-	100,100	111,460	(11,360)
Capital Outlay	1,242,700	61,000	21,498	39,502
Transfers Out	82,900	82,900	125,629	(42,729)
Total Charges to Appropriations	1,364,600	293,000	313,016	(20,016)
Budgetary Fund Balance, June 30	<u>\$ 4,742,002</u>	<u>\$ 5,406,602</u>	<u>\$ 5,429,042</u>	<u>\$ 22,440</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure AA
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 583,766	\$ 583,766	\$ 583,766	\$ -
Resources (Inflows):				
Taxes	2,235,800	2,235,800	3,044,556	808,756
Use of Money and Property	-	-	1,228	1,228
Amounts Available for Appropriations	<u>2,819,566</u>	<u>2,819,566</u>	<u>3,629,550</u>	<u>809,984</u>
Charges to Appropriations (Outflows):				
General Government		2,000	3,228	(1,228)
Public Safety	1,705,800	1,144,700	1,245,354	(100,654)
Community Development		5,000	4,480	520
Culture and Recreation	138,800	220,800	139,175	81,625
Public Works	420,000	450,000	289,157	160,843
Capital Outlay	-	761,000	36,578	225,022
Total Charges to Appropriations	<u>2,264,600</u>	<u>2,084,100</u>	<u>1,717,972</u>	<u>366,128</u>
Budgetary Fund Balance, June 30	<u>\$ 554,966</u>	<u>\$ 735,466</u>	<u>\$ 1,911,578</u>	<u>\$ 1,176,112</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, 2020

Primary Government: City

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	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 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	0.00359%	\$ 124,553	\$ 868,158	14.35%	87.55%
2018	0.00447%	\$ 176,110	\$ 1,028,756	17.12%	85.58%
2019	0.00425%	\$ 160,169	\$ 1,110,538	14.42%	95.47%
2020	0.00523%	\$ 209,327	\$ 1,131,704	18.50%	112.22%

Component Unit: Wildomar Cemetery District

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	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 Pension Liability
2016	0.00249%	\$ 171,037	\$ -	0%	70.99%
2017	0.00226%	\$ 195,159	\$ -	0%	67.26%
2018	0.00215%	\$ 213,644	\$ -	0%	66.49%
2019	0.00211%	\$ 203,561	\$ -	0%	67.69%
2020	0.00204%	\$ 208,876	\$ -	0%	83.27%

Notes to Schedule:

Benefit Changes. In 2020, there was no benefit terms modified.

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

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

*Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

City of Wildomar
Schedule of Contributions
CalPERS Pension Plan
Last Ten Years*
As of June 30, 2020

Primary Government: City

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 196,524	\$ (196,524)	\$ -	\$ 890,684	22.06%
2016	\$ 85,106	\$ (85,106)	\$ -	\$ 868,158	9.80%
2017	\$ 111,100	\$ (111,100)	\$ -	\$ 1,028,756	10.80%
2018	\$ 115,449	\$ (115,449)	\$ -	\$ 1,110,538	10.40%
2019	\$ 122,136	\$ (122,136)	\$ -	\$ 1,131,704	10.79%
2020	\$ 147,645	\$ (147,645)	\$ -	\$ 1,291,013	11.44%

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 ⁽²⁾	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%

*Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

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

Measurement Period	2019	2018	2017
Total OPEB Liability			
Service Cost	\$ 83,815	\$ 21,295	\$ 21,295
Interest on the Total OPEB Liability	19,183	11,202	9,988
Actual and Expected Experience Difference	(198,100)	7,834	7,834
Changes in Assumptions	(103,812)	-	-
Changes in Benefit Terms	(9,717)	-	-
Benefit Payments	<u>231,095</u>	<u>(6,506)</u>	<u>(6,745)</u>
Net Change in Total OPEB Liability	22,464	33,825	32,372
Total OPEB Liability - Beginning	432,543	298,717	266,345
Total OPEB Liability - Ending (a)	<u>\$ 455,007</u>	<u>\$ 332,542</u>	<u>\$ 298,717</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 9,717	\$ -	\$ -
Net Investment Income	-	-	-
Benefit Payments	(9,717)	-	-
Administrative Expense	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 455,007</u>	<u>\$ 332,542</u>	<u>\$ 298,717</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%
Covered Payroll	\$ 1,234,997	\$ 1,110,538	\$ 993,955
Net OPEB Liability as a Percentage of Covered Payroll	36.8%	29.94%	30.05%

Notes to Schedule:

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

City of Wildomar
Schedule of Contributions - OPEB
Last Ten Fiscal Years

Fiscal Year Ended June 30,	2020⁽¹⁾	2019⁽¹⁾	2018⁽¹⁾
Actuarially Determined Contribution (ADC)	N/A	N/A	N/A
Contributions in Relation to the ADC	N/A	N/A	N/A
Contribution Deficiency (Excess)	N/A	N/A	N/A
Covered-Employee Payroll	\$ 1,234,997	\$ 1,110,538	\$ 993,955
Contributions as a percentage of covered-employee payroll	0%	0%	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, 2020

Budgets and Budgetary Data

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

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 funds:

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Government:			
Administrative Services	519,500	525,933	(6,433)
Non-departmental	858,000	938,281	(80,281)
Community Development:			
Building and Safety	301,300	329,609	(28,309)
Planning	313,500	319,251	(5,751)
Code Enforcement	191,900	219,958	(28,058)
Deposit Based Projects	963,700	1,089,364	(125,664)
Planning Commission	18,200	19,511	(1,311)
Public Works	400,300	432,208	(31,908)

SUPPLEMENTARY INFORMATION



THIS PAGE INTENTIONALLY LEFT BLANK



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2020

	Special Revenue Funds					
	Air Quality Management					
	Grants	Gas Tax	District	Measure A		
ASSETS						
Pooled Cash and Investments	\$ 15,798	\$ 350,132	\$ -	\$ -		
Restricted Cash and Investments	-	-	-	-		
Receivables:						
Accounts	8,893	-	-	-		
Grants	681,641	-	-	-		
Due from Other Governments	-	95,389	11,287	131,828		
Due from Other Funds	-	283,180	152,750	85,283		
Total Assets	<u>\$ 706,332</u>	<u>\$ 728,701</u>	<u>\$ 164,037</u>	<u>\$ 217,111</u>		
LIABILITIES						
Accounts Payable	\$ 144,357	\$ 81,373	\$ -	\$ 126,573		
Accrued Liabilities	12,830	7,774	-	3,887		
Due to Other Funds	504,324	585,825	-	-		
Total Liabilities	<u>661,511</u>	<u>674,972</u>	<u>-</u>	<u>130,460</u>		
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues - Intergovernmental	508,579	-	-	-		
Total Deferred Inflows of Resources	<u>508,579</u>	<u>-</u>	<u>-</u>	<u>-</u>		
FUND BALANCES						
Restricted for:						
Culture and Recreation	-	-	-	-		
Public Works	-	53,729	164,037	86,651		
Capital Projects	-	-	-	-		
Debt Service	-	-	-	-		
Unassigned	(463,758)	-	-	-		
Total Fund Balances	<u>(463,758)</u>	<u>53,729</u>	<u>164,037</u>	<u>86,651</u>		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 706,332</u>	<u>\$ 728,701</u>	<u>\$ 164,037</u>	<u>\$ 217,111</u>		

Special Revenue Funds				Capital Project Funds		
SLESF	TDA	Community Development Block Grant	Measure Z Park	Assessment Districts	Capital Reinvestment	
\$ -	\$ -	\$ -	\$ -	\$ 175,960	\$ -	
-	-	-	-	-	-	
-	-	-	-	42,836	-	
-	-	283,807	-	-	-	
25,000	-	-	25,619	14,520	-	
-	-	-	266,480	1,601,553	-	
<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 283,807</u>	<u>\$ 292,099</u>	<u>\$ 1,834,869</u>	<u>\$ -</u>	
\$ -	\$ -	\$ 8,188	\$ 22,914	\$ 39,788	\$ -	
-	-	-	6,032	-	-	
<u>25,054</u>	<u>-</u>	<u>292,556</u>	<u>-</u>	<u>359,018</u>	<u>-</u>	
<u>25,054</u>	<u>-</u>	<u>300,744</u>	<u>28,946</u>	<u>398,806</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>94,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>94,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	-	-	263,153	-	-	
-	-	-	-	-	-	
-	-	-	-	1,436,063	-	
-	-	-	-	-	-	
<u>(54)</u>	<u>-</u>	<u>(111,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>(54)</u>	<u>-</u>	<u>(111,533)</u>	<u>263,153</u>	<u>1,436,063</u>	<u>-</u>	
<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 283,807</u>	<u>\$ 292,099</u>	<u>\$ 1,834,869</u>	<u>\$ -</u>	

Continued

City of Wildomar
Combining Balance Sheet - Continued
Non-major Governmental Funds
June 30, 2020

	Debt Service Fund	Total Non-Major Governmental Funds
	Streetlight Fund	
ASSETS		
Pooled Cash and Investments	\$ -	\$ 541,890
Restricted Cash and Investments	149,053	149,053
Receivables:		
Accounts	-	51,729
Grants	-	965,448
Due from Other Governments	-	303,643
Due from Other Funds	-	2,389,246
 Total Assets	 \$ 149,053	 \$ 4,401,009
LIABILITIES		
Accounts Payable	\$ -	\$ 423,193
Accrued Liabilities	1,883	32,406
Due to Other Funds	-	1,766,777
 Total Liabilities	 1,883	 2,222,376
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Intergovernmental	-	603,175
 Total Deferred Inflows of Resources	 -	 603,175
FUND BALANCES		
Restricted for:		
Parks and Recreation	-	263,153
Public Works	-	304,417
Capital Projects	-	1,436,063
Debt Service	147,170	147,170
Unassigned	-	(575,345)
 Total Fund Balances	 147,170	 1,575,458
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 149,053	 \$ 4,401,009



THIS PAGE INTENTIONALLY LEFT BLANK

City of Wildomar
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Grants	Gas Tax	Air Quality Management District	
			Measure A	Measure B
REVENUES				
Intergovernmental	\$ 2,053,319	\$ 1,451,285	\$ 45,594	\$ 684,635
Charges for Services	-	-	-	-
Use of Money and Property	15	453	159	39
Miscellaneous	-	2,329	-	-
Total Revenues	2,053,334	1,454,067	45,753	684,674
EXPENDITURES				
Current:				
General Government	180,448	452	159	39
Public Safety	44,340	-	-	-
Community Development	43,636	-	-	-
Economic Development	10,491	-	-	-
Culture and Recreation	21,834	-	-	-
Public Works	31,597	950,891	6,000	478,467
Capital Outlay	1,330,251	-	-	5,891
Debt Service:				
Interest Expense	-	-	-	-
Total Expenditures	1,662,597	951,343	6,159	484,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	390,737	502,724	39,594	200,277
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(4,457)	-	(300)	(54,800)
Total Other Financing Sources (Uses)	(4,457)	-	(300)	(54,800)
Net Change in Fund Balances	386,280	502,724	39,294	145,477
Fund Balances - Beginning of Year	(850,038)	(448,995)	124,743	(58,826)
Fund Balances - End of Year	\$ (463,758)	\$ 53,729	\$ 164,037	\$ 86,651

Special Revenue Funds				Capital Project Funds		
SLESF	TDA	Community Development Block Grant	Measure Z Park	Assessment Districts	Capital Reinvestment	
\$ 155,947	\$ -	\$ 540,543	\$ 357,237	\$ 973,283	\$ -	
-	-	-	23,948	-	-	
86	-	-	214	1,929	64	
-	-	-	-	49,654	-	
156,033	-	540,543	381,399	1,024,866	64	
86	-	-	1,632	1,930	65	
-	-	-	-	97,363	4,771	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	357,338	-	102,657	
-	-	969	-	586,297	-	
-	-	356,285	-	3,500	133,384	
-	-	-	-	-	-	
86	-	357,254	358,970	689,090	240,877	
155,947	-	183,289	22,429	335,776	(240,813)	
-	-	-	-	-	46,160	
(155,948)	-	-	-	(29,651)	-	
(155,948)	-	-	-	(29,651)	46,160	
(1)	-	183,289	22,429	306,125	(194,653)	
(53)	-	(294,822)	240,724	1,129,938	194,653	
\$ (54)	\$ -	\$ (111,533)	\$ 263,153	\$ 1,436,063	\$ -	

Continued

City of Wildomar
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Streetlight Fund</u>	
REVENUES		
Intergovernmental	\$ -	\$ 6,261,843
Charges for Services	102,884	126,832
Use of Money and Property	1,710	4,669
Miscellaneous	<u>101,192</u>	<u>153,175</u>
 Total Revenues	 <u>205,786</u>	 <u>6,546,519</u>
EXPENDITURES		
Current:		
General Government	-	184,811
Public Safety	-	146,474
Community Development	-	43,636
Economic Development	-	10,491
Parks and Recreation	-	481,829
Public Works	11,011	2,065,232
Capital Outlay	<u>322,509</u>	<u>2,151,820</u>
Debt Service:		
Interest Expense	<u>78,146</u>	<u>78,146</u>
 Total Expenditures	 <u>411,666</u>	 <u>5,162,439</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(205,880)</u>	 <u>1,384,080</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	46,160
Transfers Out	<u>-</u>	<u>(245,156)</u>
 Total Other Financing Sources (Uses)	 <u>-</u>	 <u>(198,996)</u>
 Net Change in Fund Balances	 (205,880)	 1,185,084
 Fund Balances - Beginning of Year	 <u>353,050</u>	 <u>390,374</u>
 Fund Balances - End of Year	 <u>\$ 147,170</u>	 <u>\$ 1,575,458</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Grants
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (850,038)	\$ (850,038)	\$ (850,038)	\$ -
Resources (Inflows):				
Intergovernmental	2,930,000	6,576,400	2,053,319	(4,523,081)
Use of Money and Property	-	-	15	15
Amounts Available for Appropriations	2,079,962	5,726,362	1,203,296	(4,523,066)
Charges to Appropriations (Outflows):				
General Government	24,000	52,100	180,448	(128,348)
Public Safety	5,000	5,200	44,340	(39,140)
Community Development	-	160,000	43,636	116,364
Economic Development	-	-	10,491	(10,491)
Culture and Recreation	-	16,900	21,834	(4,934)
Public Works	-	3,069,500	31,597	3,037,903
Capital Outlay	2,824,000	2,295,700	1,330,251	965,449
Transfers Out	-	-	4,457	(4,457)
Total Charges to Appropriations	2,853,000	5,599,400	1,667,054	3,932,346
Budgetary Fund Balance, June 30	<u>\$ (773,038)</u>	<u>\$ 126,962</u>	<u>\$ (463,758)</u>	<u>\$ (590,720)</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (448,995)	\$ (448,995)	\$ (448,995)	\$ -
Resources (Inflows):				
Intergovernmental	1,553,700	1,445,000	1,451,285	6,285
Use of Money and Property	-	-	453	453
Miscellaneous	-	2,400	2,329	(71)
Amounts Available for Appropriations	<u>1,104,705</u>	<u>998,405</u>	<u>1,005,072</u>	<u>6,667</u>
Charges to Appropriations (Outflows):				
General Government	-	-	452	(452)
Public Works	1,398,200	1,409,800	950,891	458,909
Transfers Out	<u>37,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>1,435,500</u>	<u>1,409,800</u>	<u>951,343</u>	<u>458,457</u>
Budgetary Fund Balance, June 30	<u><u>\$ (330,795)</u></u>	<u><u>\$ (411,395)</u></u>	<u><u>\$ 53,729</u></u>	<u><u>\$ 465,124</u></u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Air Quality Management District
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 124,743	\$ 124,743	\$ 124,743	\$ -
Resources (Inflows):				
Intergovernmental	45,000	45,000	45,594	594
Use of Money and Property	-	-	159	159
Amounts Available for Appropriations	<u>169,743</u>	<u>169,743</u>	<u>170,496</u>	<u>753</u>
Charges to Appropriations (Outflows):				
General Government	-	-	159	(159)
Public Works	6,000	6,000	6,000	-
Capital Outlay	36,800	36,800	-	36,800
Transfers Out	2,200	2,200	300	1,900
Total Charges to Appropriations	<u>45,000</u>	<u>45,000</u>	<u>6,459</u>	<u>38,541</u>
Budgetary Fund Balance, June 30	<u><u>\$ 124,743</u></u>	<u><u>\$ 124,743</u></u>	<u><u>\$ 164,037</u></u>	<u><u>\$ 39,294</u></u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure A
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (58,826)	\$ (58,826)	\$ (58,826)	\$ -
Resources (Inflows):				
Intergovernmental	680,000	627,000	684,635	57,635
Use of Money and Property	-	-	39	39
Amounts Available for Appropriations	<u>621,174</u>	<u>568,174</u>	<u>625,848</u>	<u>57,674</u>
Charges to Appropriations (Outflows):				
General Government	-	-	39	(39)
Public Works	624,400	607,400	478,467	128,933
Capital Outlay	-	6,000	5,891	109
Transfers Out	<u>54,400</u>	<u>54,000</u>	<u>54,800</u>	<u>(800)</u>
Total Charges to Appropriations	<u>678,800</u>	<u>667,400</u>	<u>539,197</u>	<u>128,203</u>
Budgetary Fund Balance, June 30	<u>\$ (57,626)</u>	<u>\$ (99,226)</u>	<u>\$ 86,651</u>	<u>\$ 185,877</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SLESF
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (53)	\$ (53)	\$ (53)	\$ -
Resources (Inflows):				
Intergovernmental	100,000	155,900	155,947	47
Use of Money and Property	-	-	86	86
Amounts Available for Appropriations	<u>99,947</u>	<u>155,847</u>	<u>155,980</u>	<u>133</u>
Charges to Appropriations (Outflows):				
General Government	-	-	86	86
Transfers Out	<u>100,000</u>	<u>155,800</u>	<u>155,948</u>	<u>(148)</u>
Total Charges to Appropriations	<u>100,000</u>	<u>155,800</u>	<u>156,034</u>	<u>(234)</u>
Budgetary Fund Balance, June 30	<u>\$ (53)</u>	<u>\$ 47</u>	<u>\$ (54)</u>	<u>\$ (101)</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - TDA
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	<u>5,200</u>	<u>5,200</u>	<u>-</u>	<u>(5,200)</u>
Amounts Available for Appropriations	<u>5,200</u>	<u>5,200</u>	<u>-</u>	<u>(5,200)</u>
Charges to Appropriations (Outflows):				
Capital Outlay	<u>5,200</u>	<u>5,200</u>	<u>-</u>	<u>5,200</u>
Total Charges to Appropriations	<u>5,200</u>	<u>5,200</u>	<u>-</u>	<u>5,200</u>
Budgetary Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Block Grant
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (294,822)	\$ (294,822)	\$ (294,822)	\$ -
Resources (Inflows):				
Intergovernmental	<u>17,000</u>	<u>769,000</u>	<u>540,543</u>	<u>(228,457)</u>
Amounts Available for Appropriations	<u>(277,822)</u>	<u>474,178</u>	<u>245,721</u>	<u>(228,457)</u>
Charges to Appropriations (Outflows):				
Public Works	-	1,000	969	31
Capital Outlay	<u>17,000</u>	<u>473,000</u>	<u>356,285</u>	<u>116,715</u>
Total Charges to Appropriations	<u>17,000</u>	<u>474,000</u>	<u>357,254</u>	<u>116,746</u>
Budgetary Fund Balance, June 30	<u>\$ (294,822)</u>	<u>\$ 178</u>	<u>\$ (111,533)</u>	<u>\$ (111,711)</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure Z Park
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 240,724	\$ 240,724	\$ 240,724	\$ -
Resources (Inflows):				
Intergovernmental	375,000	375,000	357,237	(17,763)
Charges for Services	55,100	25,100	23,948	(1,152)
Use of Money and Property	-	-	214	214
Amounts Available for Appropriations	<u>670,824</u>	<u>640,824</u>	<u>622,123</u>	<u>(18,701)</u>
Charges to Appropriations (Outflows):				
General Government	-	2,000	1,632	368
Culture and Recreation	<u>558,600</u>	<u>537,400</u>	<u>357,338</u>	<u>180,062</u>
Total Charges to Appropriations	<u>558,600</u>	<u>539,400</u>	<u>358,970</u>	<u>180,430</u>
Budgetary Fund Balance, June 30	<u>\$ 112,224</u>	<u>\$ 101,424</u>	<u>\$ 263,153</u>	<u>\$ 161,729</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Assessment Districts
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,129,938	\$ 1,129,938	\$ 1,129,938	\$ -
Resources (Inflows):				
Intergovernmental	870,300	965,800	973,283	7,483
Use of Money and Property	-	100	1,929	1,829
Miscellaneous	-	6,900	49,654	42,754
Amounts Available for Appropriations	<u>2,000,238</u>	<u>2,095,738</u>	<u>2,154,804</u>	<u>59,066</u>
Charges to Appropriations (Outflows):				
General Government	-	-	1,930	(1,930)
Public Safety	-	-	97,363	(97,363)
Public Works	692,300	771,700	586,297	185,403
Capital Outlay	-	5,400	3,500	1,900
Transfers Out	258,300	258,300	29,651	228,649
Total Charges to Appropriations	<u>950,600</u>	<u>1,035,400</u>	<u>718,741</u>	<u>316,659</u>
Budgetary Fund Balance, June 30	<u>\$ 1,049,638</u>	<u>\$ 1,060,338</u>	<u>\$ 1,436,063</u>	<u>\$ 375,725</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Reinvestment
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 194,653	\$ 194,653	\$ 194,653	\$ -
Resources (Inflows):				
Use of Money and Property	-	-	64	64
Transfers In	3,000	53,500	46,160	(7,340)
Amounts Available for Appropriations	<u>197,653</u>	<u>248,153</u>	<u>240,877</u>	<u>(7,276)</u>
Charges to Appropriations (Outflows):				
General Government	-	-	65	(65)
Public Safety	-	5,000	4,771	229
Culture and Recreation	50,000	103,800	102,657	1,143
Capital Outlay	3,000	136,100	133,384	2,716
Total Charges to Appropriations	<u>53,000</u>	<u>244,900</u>	<u>240,877</u>	<u>4,023</u>
Budgetary Fund Balance, June 30	<u>\$ 144,653</u>	<u>\$ 3,253</u>	<u>\$ -</u>	<u>\$ (3,253)</u>

City of Wildomar
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Streetlight Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 353,050	\$ 353,050	\$ 353,050	\$ -
Resources (Inflows):				
Charges for Services	-	-	102,884	102,884
Use of Money and Property	500	4,300	1,710	(2,590)
Miscellaneous	-	-	101,192	101,192
Transfers In	<u>137,100</u>	<u>137,100</u>	-	<u>(137,100)</u>
Amounts Available for Appropriations	<u>490,650</u>	<u>494,450</u>	<u>558,836</u>	<u>64,386</u>
Charges to Appropriations (Outflows):				
Public Works	6,300	21,300	11,011	10,289
Capital Outlay	222,400	222,400	322,509	(100,109)
Interest Expense	78,200	78,200	78,146	54
Transfers Out	<u>41,500</u>	<u>41,500</u>	-	<u>41,500</u>
Total Charges to Appropriations	<u>348,400</u>	<u>363,400</u>	<u>411,666</u>	<u>(48,266)</u>
Budgetary Fund Balance, June 30	<u>\$ 142,250</u>	<u>\$ 131,050</u>	<u>\$ 147,170</u>	<u>\$ 16,120</u>



THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION



THIS PAGE INTENTIONALLY LEFT BLANK

Statistical Section

This section of the City of Wildomar's Comprehensive Annual 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 Tax Payers
- 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
- Top Employers
- Full-time Equivalent City Government Employees by Function/Program

Operating Information - These schedules contain information about the City's operations and resources in order to help the reader understand how the City's financial information 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			
	2020	2019	2018	2017
Governmental Activities				
Net Investment in Capital Assets	\$ 31,157,018	\$ 29,815,490	\$ 27,511,461	\$ 24,487,895
Restricted for:				
Community Development Projects	5,429,042	5,077,926	5,049,328	4,807,087
Parks and Recreation	263,153	-	-	-
Public Safety	-	-	-	-
Public Works	304,417	124,743	79,976	367,868
Capital Projects	1,436,063	1,324,591	1,045,702	409,383
Cemetery	-	-	-	-
Debt Service	147,170	333,651	-	-
Nonexpendable	-	-	-	-
Unrestricted	2,020,017	1,157,175	652,571	134,019
Total Governmental Activities Net Position	<u>\$ 40,756,880</u>	<u>\$ 37,833,576</u>	<u>\$ 34,339,038</u>	<u>\$ 30,206,252</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					
2016	2015	2014	2013	2012	2011
\$ 23,919,815	\$ 23,067,562	\$ 24,394,130	\$ 23,349,508	\$ 11,725,170	\$ 12,329,670
3,541,211	2,579,164	2,640,489	2,108,884	715,474	780,098
18,180	5,198	226	1,689,442	1,997,091	1,943,203
249,576	714,148	1,352,511	483,243	-	-
232,411	136,195	-	-	-	-
-	1,690,565	1,649,080	1,590,386	1,331,920	-
-	90,000	90,000	-	-	-
457,120	(1,016,700)	(921,235)	(1,420,547)	(628,995)	(537,891)
<u>\$ 28,418,313</u>	<u>\$ 27,266,132</u>	<u>\$ 29,205,201</u>	<u>\$ 27,800,916</u>	<u>\$ 15,140,660</u>	<u>\$ 14,515,080</u>

CITY OF WILDOMAR
Changes in Net Position*
(Accrual Basis of Accounting)

	Fiscal Year			
	2020	2019	2018	2017
EXPENSES				
Governmental Activities:				
General Government	\$ 3,061,012	\$ 3,404,115	\$ 2,469,147	\$ 2,494,133
Public Safety	9,104,994	7,953,196	5,957,516	5,517,602
Community Development	2,270,421	2,738,282	2,660,031	2,389,801
Economic Development	166,124	-	-	-
Parks and Recreation	908,428	219,647	219,647	219,647
Public Works	3,953,145	3,823,531	3,508,423	3,272,317
Interest on long-term debt	118,152	-	-	-
Total Governmental Activities Expenses	\$ 19,582,276	\$ 18,138,771	\$ 14,814,764	\$ 13,893,500
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	\$ 898,082	\$ 380,352	\$ 898,352	\$ 1,539,067
Public Safety	97,219	45,395	10,581	10,466
Community Development	1,708,190	2,075,499	2,054,708	2,397,374
Economic Development	-	-	-	-
Parks and Recreation	7,099	11,291	15,570	7,832
Public Works	750,290	423,706	239,777	230,197
Total Charges for Services	\$ 3,460,880	\$ 2,936,243	\$ 3,218,988	\$ 4,184,936
Operating Contributions and Grants:				
General Government	\$ 369,968	\$ 515,621	\$ 479,537	\$ 502,469
Public Safety	155,948	148,747	116,667	139,416
Community Development	940,616	597,995	545,537	387,589
Economic Development	-	-	-	-
Parks and Recreation	-	-	-	-
Public Works	1,960,065	2,008,341	3,230,361	3,398,998
Total Operating Contributions and Grants	\$ 3,426,597	\$ 3,270,704	\$ 4,372,102	\$ 4,428,472
Capital Contributions and Grants:				
Community Development	\$ -	\$ -	\$ -	\$ -
Public Works	1,812,906	4,106,559	-	-
Interest on long-term debt	-	-	-	-
Total Capital Contributions and Grants	\$ 1,812,906	\$ 4,106,559	\$ -	\$ -
Total Governmental Activities Program Revenues	\$ 8,700,383	\$ 10,313,506	\$ 7,591,090	\$ 8,613,408
TOTAL NET REVENUES (EXPENSES)	\$ (10,881,893)	\$ (7,825,265)	\$ (7,223,674)	\$ (5,280,092)

*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								
2016		2015		2014		2013	2012	2011
\$ 2,465,875	\$ 2,320,203	\$ 2,110,310	\$ 2,496,792	\$ 1,923,733	\$ 2,231,313			
5,109,023	4,834,799	4,087,138	4,394,931	3,996,420	5,413,023			
2,569,072	3,058,008	2,881,440	1,818,348	1,253,984	1,069,198			
-	-	-	-	-	-			
219,647	425,006	405,589	219,707	303,190	297,168			
3,649,428	4,435,300	2,570,554	2,457,319	2,551,241	2,371,664			
-	522,724	-	-	-	-			
\$ 14,013,045	\$ 15,073,316	\$ 12,577,755	\$ 11,387,097	\$ 10,028,568	\$ 11,382,366			
<hr/>								
\$ 636,577	\$ 233,193	\$ 706,214	\$ 1,440,592	\$ 152,978	\$ 359,266			
11,630	10,266	1,480	-	-	-			
2,773,440	2,491,406	285,075	243,188	117,509	205,518			
-	-	-	-	-	-			
4,673	9,005	40	1,056	4,034	19,040			
299,806	332,187	8,866	20,061	80,018	186,760			
\$ 3,726,126	\$ 3,076,057	\$ 1,001,675	\$ 1,704,897	\$ 354,539	\$ 770,584			
<hr/>								
\$ 340,463	\$ 575,922	\$ 518,426	\$ 617,155	\$ 1,563,689	\$ 376,574			
143,942	97,546	100,000	100,000	100,000	100,228			
339,399	343,060	1,921,554	1,257,696	574,834	721,696			
-	-	-	-	-	-			
-	-	10,136	-	-	-			
2,497,709	1,351,679	2,229,719	2,383,168	2,067,952	1,719,851			
\$ 3,321,513	\$ 2,368,207	\$ 4,779,835	\$ 4,358,019	\$ 4,306,475	\$ 2,918,349			
<hr/>								
\$ -	\$ -	\$ 1,900,000	\$ -	\$ -	\$ -			
884,658	1,049,064	-	-	-	-			
-	-	-	-	-	-			
\$ 884,658	\$ 1,049,064	\$ 1,900,000	\$ -	\$ -	\$ -			
\$ 7,932,297	\$ 6,493,328	\$ 7,681,510	\$ 6,062,916	\$ 4,661,014	\$ 3,688,933			
\$ (6,080,748)	\$ (8,579,988)	\$ (4,896,245)	\$ (5,324,181)	\$ (5,367,554)	\$ (7,693,433)			

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

	Fiscal Year			
	2020	2019	2018	2017
TOTAL NET REVENUES (EXPENSES) - Carry Forward	<u>\$ (10,881,893)</u>	<u>\$ (7,825,265)</u>	<u>\$ (7,223,674)</u>	<u>\$ (5,280,092)</u>
GENERAL REVENUES AND OTHER CHARGES IN NET POSITION				
Governmental Activities:				
Taxes:				
Property Taxes, levied for general purpose	\$ 4,608,569	\$ 4,434,404	\$ 4,232,672	\$ 4,002,949
Sales Taxes	5,054,702	2,872,982	1,780,008	1,666,324
Franchise Taxes	1,080,234	1,077,164	1,057,586	1,015,225
Business Licenses Taxes	-	-	-	-
Motor Vehicle in Lieu Tax	2,718,513	2,580,800	2,392,884	15,755
Other Taxes	165,446	154,049	165,129	255,866
Investments Earnings	109,658	67,542	19,432	10,659
Other	68,075	132,862	1,897,363	101,253
Contributions from Other Entities	-	-	-	-
Special Item	-	-	-	-
Total Governmental Activities	<u>\$ 13,805,197</u>	<u>\$ 11,319,803</u>	<u>\$ 11,545,074</u>	<u>\$ 7,068,031</u>
CHANGES IN NET POSITION	<u>\$ 2,923,304</u>	<u>\$ 3,494,538</u>	<u>\$ 4,321,400</u>	<u>\$ 1,787,939</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					
2016	2015	2014	2013	2012	2011
\$ (6,080,748)	\$ (8,579,988)	\$ (4,896,245)	\$ (5,286,347)	\$ (5,419,990)	\$ (7,540,960)
\$ 3,774,015	\$ 4,042,882	\$ 3,465,511	\$ 3,243,285	\$ 3,307,425	\$ 3,092,037
1,772,493	1,492,041	1,561,683	1,383,864	1,362,647	1,226,227
1,056,712	1,061,333	972,108	850,808	749,046	725,775
-	-	14,041	14,280	12,705	11,506
13,778	-	-	14,074	18,450	1,978,210
140,501	-	106,039	109,524	83,021	76,110
6,590	5,015	3,605	3,183	12,011	7,737
71,073	114,382	54,338	48,344	30,943	32,882
-	-	-	-	576,456	-
1,185,337	-	-	-	-	-
\$ 8,020,499	\$ 6,715,653	\$ 6,177,325	\$ 5,667,362	\$ 6,152,704	\$ 7,150,484
\$ 1,939,751	\$ (1,864,335)	\$ 1,281,080	\$ 381,015	\$ 732,714	\$ (390,476)

CITY OF WILDOMAR

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

	Fiscal Year			
	2020	2019	2018	2017
GENERAL FUND				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	- -	- -	- -	- -
Nonspendable:				
Inventory	- -	- -	- -	- -
Prepaid Items	- -	17,533	- -	- -
Deposits	- -	- -	- -	- -
Restricted				
Debt Service	- -	- -	- -	- -
Unassigned	878,286	1,425,789	1,552,339	869,757
Total General Fund	<u>\$ 878,286</u>	<u>\$ 1,443,322</u>	<u>\$ 1,552,339</u>	<u>\$ 869,757</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved:				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Nonspendable:				
Inventory	- -	- -	- -	- -
Prepaid Items	- -	20,899	- -	- -
Cemetery Endowment	- -	- -	- -	- -
Restricted for:				
Community development projects	5,429,042	239,224	5,049,328	4,807,087
Parks and recreation	263,153	- -	- -	- -
Public safety	- -	583,766	- -	- -
Public works	304,417	124,743	79,976	367,868
Capital projects	1,436,063	1,324,591	1,045,702	409,383
Debt service	147,170	- -	- -	- -
Cemetery	- -	333,651	- -	- -
Committed	1,911,578	- -	- -	- -
Unassigned	(575,345)	(802,696)	(3,666,121)	(1,663,955)
Total All Other Governmental Funds	<u>\$ 8,916,078</u>	<u>\$ 1,824,178</u>	<u>\$ 2,508,885</u>	<u>\$ 3,920,383</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						
2016	2015	2014	2013	2012	2011	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
11,184	-	-	1,686	2,133	-	-
-	-	-	370,039	211,752	275,866	
946,503	773,060	770,686	(46,320)	1,262,279	1,138,893	
\$ 957,687	\$ 773,060	\$ 770,686	\$ 808,648	\$ 1,476,164	\$ 1,414,759	
 \$ -	 \$ -					
-	2,167	3,509	2,640	4,838	-	-
1,107	-	62	230	220	-	-
-	90,000	90,000	90,000	90,000	-	-
3,541,211	2,579,164	2,640,489	2,108,884	715,474	780,098	
-	-	-	-	-	-	-
18,180	5,198	226	-	-	-	-
249,576	714,148	1,352,511	1,689,442	1,997,091	1,943,203	
232,411	136,195	-	-	-	-	-
-	-	-	-	-	-	-
-	1,688,398	1,645,509	1,497,516	1,331,920	-	-
(1,486,366)	(1,616,354)	(1,183,295)	(759,932)	(101,996)	(101,652)	
\$ 2,556,119	\$ 3,598,916	\$ 4,549,011	\$ 4,628,780	\$ 4,037,547	\$ 2,621,649	

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

	Fiscal Year			
	2020	2019	2018	2017
REVENUES				
Taxes	\$ 10,874,493	\$ 8,505,203	\$ 7,229,816	\$ 6,940,365
Licenses and Permits	1,665,127	1,883,515	2,003,200	2,345,877
Intergovernmental	9,035,650	12,304,486	7,033,686	4,650,707
Charges for Services	156,216	37,022	38,769	18,614
Investment Earnings	-	67,542	19,431	10,659
Fines and Forfeitures	84,703	49,358	45,552	41,039
Use of Money and Property	109,659	-	-	-
Contributions	-	-	-	-
Developer Participation	895,215	526,149	867,838	1,510,618
Miscellaneous	229,314	133,490	8,919	114,933
Total Revenues	\$ 23,050,377	\$ 23,506,765	\$ 17,247,211	\$ 15,632,812
EXPENDITURES				
Current:				
General Government	\$ 2,647,322	\$ 3,212,685	\$ 2,601,884	\$ 2,382,977
Public Safety	9,069,699	7,922,498	5,926,817	5,488,113
Community Development	2,270,421	2,738,282	2,660,031	2,389,801
Economic Development	166,124	-	-	-
Parks and Recreation	678,516	-	-	-
Public Works	2,846,944	2,446,387	3,375,478	1,953,548
Capital Outlay	2,755,005	5,480,443	3,411,917	2,142,039
Debt Service:				
Cost of Issuance	-	37,000	-	-
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	78,146	-	-	-
Total Expenditures	\$ 20,512,177	\$ 21,837,295	\$ 17,976,127	\$ 14,356,478
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	2,538,200	1,669,470	(728,916)	1,276,334
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 416,945	\$ 924,641	\$ 1,270,977	\$ 343,787
Transfers Out	(416,945)	(924,641)	(1,270,977)	(343,787)
Proceeds from Loan	-	1,525,470	-	-
Other Debts Issued	-	-	-	-
Contributions from Other Entities	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ 1,525,470	\$ -	\$ -
Net Change in Fund Balances	2,538,200	3,194,940	(728,916)	1,276,334
Fund Balances, Beginning of Year	7,256,164	4,061,224	4,790,140	3,513,806
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated:	7,256,164	4,061,224	4,790,140	3,513,806
Fund Balances, End of Year	\$ 9,794,364	\$ 7,256,164	\$ 4,061,224	\$ 4,790,140
DEBT SERVICE AS A PERCENTAGE OF NON CAPITAL EXPENDITURES				
	0.00%	0.00%	0.00%	0.00%

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

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 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						
2016	2015	2014	2013	2012	2011	
\$ 6,743,720	\$ 6,596,256	\$ 6,119,382	\$ 5,601,761	\$ 5,514,844	\$ 5,131,655	
2,754,563	2,460,535	1,602,381	1,274,332	599,934	750,867	
3,612,975	3,660,760	3,148,003	2,262,217	2,598,557	4,361,487	
14,895	27,077	213,328	175,722	119,850	116,552	
6,590	5,015	3,605	3,183	12,011	7,737	
52,654	51,882	81,387	78,322	88,216	132,535	
-	-	-	-	-	-	
-	-	-	1,271	-	-	
598,955	181,553	688,214	1,414,192	118,188	248,562	
87,850	123,387	54,338	48,344	31,233	38,018	
\$ 13,872,202	\$ 13,106,465	\$ 11,910,638	\$ 10,859,344	\$ 9,082,833	\$ 10,787,413	
\$ 2,426,059	\$ 2,410,577	\$ 2,049,831	\$ 2,468,897	\$ 1,856,595	\$ 2,176,985	
5,079,535	4,834,799	4,447,176	4,616,892	3,996,420	5,413,023	
2,569,072	3,100,691	2,881,440	1,818,348	1,253,984	1,069,198	
-	-	-	-	-	-	
-	27,866	188,047	64	85,648	79,626	
1,982,458	2,460,664	1,383,266	1,158,413	1,551,441	1,354,021	
1,399,541	1,008,509	555,885	736,830	-	-	
-	-	-	-	-	-	
-	109,040	483,243	-	-	-	
-	-	39,481	-	-	-	
\$ 13,456,665	\$ 13,952,146	\$ 12,028,369	\$ 10,799,444	\$ 8,744,088	\$ 10,092,853	
415,537	(845,681)	(117,731)	59,900	338,745	694,560	
\$ 517,123	\$ 544,116	\$ 522,000	\$ 649,336	\$ 391,053	\$ 641,766	
(517,123)	(544,116)	(522,000)	(649,336)	(391,053)	(641,766)	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	1,186,052	-	
\$ -	\$ -	\$ -	\$ -	\$ 1,186,052	\$ -	
415,537	(845,681)	(117,731)	59,900	1,524,797	694,560	
2,591,411	5,319,697	5,437,428	5,513,711	4,096,048	3,401,488	
506,858	(102,040)	-	(136,183)	(107,134)	-	
3,098,269	5,217,657	5,437,428	5,377,528	3,988,914	3,401,488	
\$ 3,513,806	\$ 4,371,976	\$ 5,319,697	\$ 5,437,428	\$ 5,513,711	\$ 4,096,048	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

CITY OF WILDOMAR**Assessed Value and Estimated Actual Value of Taxable Property**

Fiscal year	Residential Property	Commercial Property	Other Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Rate
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	0.06860
2013	1,680,133,457	188,066,878	342,293,939	(5,922,179)	2,204,572,095	0.06624
2012	1,750,735,442	192,353,249	326,053,258	(5,370,950)	2,263,770,999	0.06572
2011	1,768,880,175	187,418,307	361,130,486	(5,106,890)	2,312,322,078	0.06522

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



THIS PAGE INTENTIONALLY LEFT BLANK

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

Agency	Fiscal Year			
	2020	2019	2018	2017
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	0.06277	0.06303	0.06080	0.03269
Metropolitan Water Dist Original Area	0.00350	0.00350	0.00350	0.00350
Perris Union High School Debt Svc	0.08244	0.05243	0.05675	0.06092
Mt. San Jacinto Jr College	0.01320	0.01320	0.01320	0.01320
Total Overriding Assessments	0.16191	0.13216	0.13425	0.11031
Total Direct & Overlapping Tax Rates	1.16191	1.13216	1.13425	1.11031

* 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					
2016	2015	2014	2013	2012	2011
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	0.06742	0.06860	0.06624	0.65720	0.06522
0.93586	0.93258	0.93140	0.93376	0.93428	0.93478
1.00000	1.00000	1.00000	1.00000	1.59148	1.00000
0.03010	0.03275	0.03421	0.03543	0.03486	0.03436
0.00350	0.00350	0.00350	0.00350	0.00370	0.00370
0.06236	0.06303	0.06970	0.03429	0.03429	0.03126
0.01394	-	-	-	-	-
0.10990	0.09928	0.10741	0.07322	0.07285	0.06932
1.10990	1.09928	1.10741	1.07322	1.66433	1.06932

City of Wildomar

Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2019-20		2010-11	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Oak Springs Partners	78,686,880	2.34%		
Mg Santa Rosa Apartments	76,014,000	2.26%		
Universal Health Realty Income	70,809,865	2.10%	32,576,448	1.35%
Lg Oak Creek	29,152,941	0.87%	31,295,023	1.30%
Wildomar Industrial Park	20,677,072	0.61%	19,591,813	0.81%
Cft Nv Dev	16,845,300	0.50%		
Mcw Rc Ca Bear Creek Village C	15,519,079	0.46%	13,712,235	0.57%
Inland Valley Medical Partners	15,373,406	0.46%	13,583,460	0.56%
Rainbow Mountain	13,520,205	0.40%		
Sovran Acquisition Ltd. Partner	13,483,584	0.40%		
Beazer Homes Holdings Corp	12,322,751	0.37%	11,871,993	0.49%
Ck Hs Partners	11,707,245	0.35%	9,194,338	0.38%
Vshs	9,955,665	0.30%		
Wal Mart Real Estate Business	8,617,488	0.26%		
Albertsons Stores Subs	8,273,845	0.25%		
Wildomar Renaissance Plaza	7,629,927	0.23%		
Richmond American Homes Of Mar	7,538,321	0.22%		
Jlo San Bernardino	7,140,000	0.21%		
Yim Sung T	6,971,352	0.21%		
Tesoro Refining & Marketing Co	5,815,836	0.17%		
Rs Wildomar	5,740,309	0.17%		
Prieliipp Prop	5,000,000	0.15%		
Beaumont Gossett	4,961,114	0.15%		
Cah 20141 Borrower	4,836,712	0.14%		
Troll Christina A	4,737,900	0.14%		
Wnra Wildomar			46,638,000	1.93%
North Ranch Ventures			26,077,831	1.08%
Naples Plaza Ltd			16,433,894	0.68%
Rancho Vista li Ventures			15,975,277	0.66%
Oak Springs Ranch			15,549,900	0.64%
Carmel Oakmont 222			15,527,412	0.64%
Stonebridge Medical Center			12,413,863	0.51%
Spvh			11,322,000	0.47%
Ck Commercial Ltd Partnership			10,612,074	0.44%
New Albertsons Inc			10,551,166	0.44%
Prichard Ronald D			10,286,745	0.43%
Highlands Rancon			9,612,129	0.40%
Wildomar Venture			9,500,000	0.39%
Kb Home Coastal Inc			9,019,730	0.37%
Ck Self Storage			8,331,643	0.35%
Beg Homes			7,994,801	0.33%
Wildomar Riverside			7,879,681	0.33%
Golden Triangle Inv			7,739,389	0.32%
Total Top 25 Taxpayers	461,330,797	13.70%	383,290,845	15.90%
Total Taxable Value	3,368,179,579	100.00%	2,411,073,163	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	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 4,503,962	\$ 4,484,048	99.56%	\$ -	\$ 4,484,048	99.56%
2019	4,234,361	4,113,696	97.15%	121,773	4,235,469	100.03%
2018	3,973,916	3,848,479	96.84%	122,634	3,971,113	99.93%
2017	3,825,844	3,732,682	97.56%	75,891	3,808,573	99.55%
2016	3,625,979	3,515,561	96.95%	107,546	3,623,107	99.92%
2015	3,394,851	3,241,573	95.48%	125,930	3,367,503	99.19%
2014	3,045,734	2,830,033	92.92%	148,755	2,978,788	97.80%
2013	2,949,607	2,761,748	93.63%	166,385	2,928,133	99.27%
2012	2,925,079	2,718,131	92.93%	119,967	2,838,098	97.03%
2011	3,053,563	2,758,449	90.34%	232,114	2,990,563	97.94%

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	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation/Leases	County Repayment ⁽¹⁾	Total Governmental Activities	% of Actual Assessed Value of Property ⁽²⁾	Per Capita
2020	\$ -	\$ -	\$ 1,541,671	\$ -	\$ 1,541,671	0.00%	\$ 41
2019	-	-	1,525,470	-	1,525,470	0.00%	\$ 42
2018	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	0.00%	-
2016	-	-	-	-	-	0.00%	-
2015	-	-	-	1,185,337	1,185,337	0.00%	35
2014	-	-	-	1,294,377	1,294,377	0.00%	39
2013	-	-	-	1,777,620	1,777,620	0.00%	54
2012	-	-	-	1,999,581	1,999,581	0.00%	61
2011	-	-	-	1,922,674	1,922,674	0.00%	60

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

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

Source: City Finance Department

CITY OF WILDOMAR**Direct and Overlapping Governmental Activities Debt****As of June 30, 2020****2019-2020 Assessed Valuation****Incremental Valuation****Adjusted Assessed Valuation**

\$ 3,583,169,283

\$ 3,583,169,283

Overlapping Tax and Assessment Debt

	Total Debt	Percent Applicable to City (1)	City's Share of Debt
Metropolitan Water District	\$ 37,300,000	0.116%	\$ 43,268
Mount San Jacinto Community College District General Funds Obligations	164,385,000	3.722%	6,118,410
Perris Union High School District	246,840,871	0.227%	560,329
Menifee Union School District	93,889,720	0.367%	344,575
Lake Elsinore Unified School District	51,070,000	26.252%	13,406,896
Lake Elsinore Unified School District Community Facilities District No. 89-1,90-1 & 99-1	3,905,000	100.000%	3,905,000
Lake Elsinore Unified School District Community Facilities District No. 2002-1	3,356,000	79.833%	2,679,195
Lake Elsinore Unified School District Community Facilities District No. 2003-1 A	3,379,113	100.000%	3,379,113
Lake Elsinore Unified School District Community Facilities District No. 2004-2,3 & 4	21,499,000	51.083-100.0%	20,293,196
Lake Elsinore Unified School District Community Facilities District No. 2005-3 & 7	11,049,000	100.000%	11,049,000
Lake Elsinore Unified School District Community Facilities District No. 2006-3A & 4	10,385,000	100.000%	10,385,000
Lake Elsinore Unified School District Community Facilities District No. 2013-2	13,180,000	100.000%	13,180,000
Perris Union High School District Community Facilities District No. 92-1	33,400,000	0.143%	47,762
Riverside County Flood Control, Zone 4	12,530,000	0.408%	51,122
Elsinore Valley Municipal Water District Community Facilities Districts	6,575,000	100.000%	6,575,000
Total Overlapping Tax and Assessment Debt			\$ 92,017,866

Overlapping General Fund Debt

Riverside County General Funds Obligation	\$ 759,807,924	1.211%	\$ 9,201,274
Riverside County Pension Obligations	938,825,000	1.211%	11,369,171
Western Municipal Water District Certificates of Participation	7,817,855	1.153%	90,140
Lake Elsinore Unified School District Certificates of Participation	-	0.000%	-
Perris Union High School District General Fund Obligation	41,287,307	0.227%	93,722
Menifee Union School District Certificates of Participation	46,925,612	0.367%	172,217
Total Overlapping General Fund Debt			\$ 20,926,524

Direct Debt

City Of Wildomar	\$0	100%	\$0
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
Total Direct Debt	\$ 210,138,028	2.227-19.188%	\$ 16,166,611
Total Overlapping Debt			\$ 129,111,001
Combined Total Debt			\$ 129,111,001 (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	2.57%
Direct Debt (\$0)	0.00%
Combined Total Debt.....	3.60%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$214,079,728):

Total Overlapping Tax Increment Debt	7.55%
---	--------------

AB:(\$500)

Source: California Municipal Statistics

CITY OF WILDOMAR
Legal Debt Margin Information
(dollars in thousands)

	Fiscal Year			
	2020	2019	2018	2017
Assessed Valuation	\$ 3,555,294,341	\$ 3,368,179,579	\$ 3,152,766,645	\$ 2,990,875,859
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	\$ 533,294,151	\$ 505,226,937	\$ 472,914,997	\$ 448,631,379
Total Net Debt Applicable to Limit General Obligation Bonds:	-	-	-	-
Legal Debt Margin	<u>\$ 533,294,151</u>	<u>\$ 505,226,937</u>	<u>\$ 472,914,997</u>	<u>\$ 448,631,379</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	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					
2016	2015	2014	2013	2012	2011
\$ 2,820,562,416	\$ 2,609,896,984	\$ 2,293,353,635	\$ 2,204,512,095	\$ 2,263,770,999	\$ 2,312,322,078
15%	15%	15%	15%	15%	15%
\$ 423,084,362	\$ 391,484,548	\$ 344,003,045	\$ 330,676,814	\$ 339,565,650	\$ 346,848,312
-	-	-	-	-	-
<u>\$ 423,084,362</u>	<u>\$ 391,484,548</u>	<u>\$ 344,003,045</u>	<u>\$ 330,676,814</u>	<u>\$ 339,565,650</u>	<u>\$ 346,848,312</u>
0.00%	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
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	35,635	822,553	23,083	3.9%	35	83%	17%
2016-17	35,261	765,234	21,702	6.1%	34	84%	16%
2015-16	34,948	807,823	23,115	6.8%	34	88%	14%
2014-15	34,416	781,243	22,700	4.0%	34	84%	16%
2013-14	34,069	769,482	22,586	7.0%	34	83%	17%
2012-13	33,689	774,679	22,995	9.0%	32	85%	17%
2011-12	33,096	752,802	22,746	11.0%	33	83%	18%
2010-11	32,609	715,605	21,945	13.0%	32	84%	17%

Source: MuniServices, LLC, U.S. Census Bureau, 2010 American Community Survey.

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, 2011-2015 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	2019-2020		2010-11
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Lake Elsinore Unified Sch Dist*	2,598	14.93%	2,000
Inland Valley Medical Ctr **	1,400	8.05%	784
Southern California Edison	200	1.15%	20
Stater Bros Markets***	145	0.83%	100
Cornerstone Community Church****	112	0.64%	45
Albertsons	100	0.57%	85
Wildomar Senior Leisure Community*****	84	0.48%	
Animal Friends of the Valley	81	0.47%	
Sycamore Academy-Sci-Cultural Arts	58	0.33%	200
FCP Inc	56	0.32%	60
Jack in the Box - (2 locations)			50
P K Mechanical Systems			52
Coldwell Banker			50
Total Top 10 Employers	4,834	27.78%	3,446
 Total City Labor Force (1)	17,400		

Source: MuniServices, LLC / Avenu Insights & Analytics

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

* Count is districtwide

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

*** Includes both FT & PT

**** Includes the Cornerstone Christian School

***** Includes both Independent and Assisted living.

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

CITY OF WILDOMAR**Full-Time Equivalent City Government Employees by Function/Program****As of June 30, 2020**

Function	2020	2019	2018	2017	2016	2015
City Manager						
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0
City Clerk						
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0
City Manager Administration						
Full- Time Equiv	3.0	3.0	2.0	2.0	2.0	1.0
Asst. City Manager/ Public Works						
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0
Planning Director						
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0
Building/Safety						
Full- Time Equiv	-	-	-	-	1.0	1.0
Cemetery						
Full- Time Equiv	3.0	3.0	2.0	3.0	2.0	2.0
Community Services						
Full- Time Equiv	-	-	-	-	-	-
Finance						
Full- Time Equiv	3.0	3.0	3.0	2.0	1.0	1.0
Public Works						
Full- Time Equiv	-	-	-	-	-	1.0
Associate Planner						
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	14.0	14.0	12.0	12.0	11.0	11.0

Source: City Finance Department

2014	2013	2012	2011
1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0
2.0	2.0	2.0	1.0
1.0	-	-	-
1.0	1.0	-	-
1.0	1.0	1.0	1.0
2.0	2.0	2.0	2.0
-	1.0	-	-
-	-	-	-
1.0	-	-	-
-	-	-	-
10.0	9.0	7.0	6.0

CITY OF WILDOMAR

Operating Indicators by Function/ Program

Function	2020	2019	2018	2017
Police Services				
Calls for Service	19,898	16,576	17,628	17,374
DUI Arrests	44	34	44	32
Traffic Citations	485	N/A	573	334
Fire Services				
Responses to Calls for Service	3,252	3,102	3,266	3,173
Average Response Time-Minutes	5.1	5.1	5.2	4.7
% of Calls - Medical	74.26%	75.94%	76.00%	75.26%
% of Calls - All Other	25.74%	24.06%	24.00%	24.74%
Building & Safety				
Building Permits Issued	981	1,104	1,158	1,235
Community Development/ Planning				
Zoning Inquiries/ Counter Assistance	2,925	3,020	4,656	4,400
Developer Applications/ Projects	30	45	71	43
Building Plan Check Permits	1,052	1,560	1,674	1,650
Planning Director Hearings	2	3	1	3
Planning Commission Meetings	13	9	16	7
Cemetery				
Burial Services	41	21	35	12

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.

2016	2015	2014	2013	2012	2011
15,916	8,782	4,353	3,954	12,451	14,797
38	2	8	2	40	80
246	287	375	N/A	474	1052
3,075	2,962	2,696	2,854	2,664	2,619
4.7	4.9	4.7	4.6	4.5	4.5
77.66%	75.19%	76.71%	78.87%	75.86%	76.40%
22.34%	24.81%	23.29%	21.13%	24.14%	23.60%
1,685	1,321	789	120	130	132
4,300	3,800	3,600	3,500	3,400	3,200
40	48	40	40	38	45
1,650	1,000	1,000	N/A	N/A	N/A
2	5	5	5	3	8
10	11	10	6	8	8
25	31	34	30	30	N/A

CITY OF WILDOMAR**Capital Asset Statistics by Function/Program**

Function	2020	2019	2018	2017	2016
Public Works					
Streets (miles)					
Paved - Public	123.36	123.36	123.36	119	119
Paved - Private	9.1	9.1	9.1	9.1	9.1
Unpaved - Public	3.87	3.87	3.87	3.4	3.4
Unpaved - Private	47.1	47.1	47.1	47.1	47.1
Traffic Signals	24.3	24.3	24.3	23.3	23.3
Community Services					
Parks	4	4	4	3	3
Park Acreage	14.85	14.85	14.85	14.4	14.4
Cemetery	1	1	1	1	1

Source: City Public Works Department, Community Services Department

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
119	119	119	119	119
9.1	9.1	9.1	9.1	9.1
3.4	3.4	3.4	6.4	6.4
47.1	47.1	47.1	47.1	47.1
23.3	23.3	23.3	23.3	23.3
3	3	3	3	3
14.4	14.4	14.4	14.4	14.4
1	1	1	1	0

CITY OF WILDOMAR
Miscellaneous Statistics
As of June 30, 2020

Geographic Location	Wildomar is located along Interstate 15 in Riverside County.
Population	37,183
Area in Square Miles	24
Form of Government	Council-Manager
Date of Incorporation	July 1, 2008
Number of Full Time Employees	14
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:	4 Parks owned by the City
Schools:	
Elementary	4
Middle Schools	1
High Schools	1

Source: City Finance Department and California Department of Finance

