

# Measure AA

# Annual Report

Fiscal Year 2019-2020

February 25, 2021

## Oversight Advisory Committee

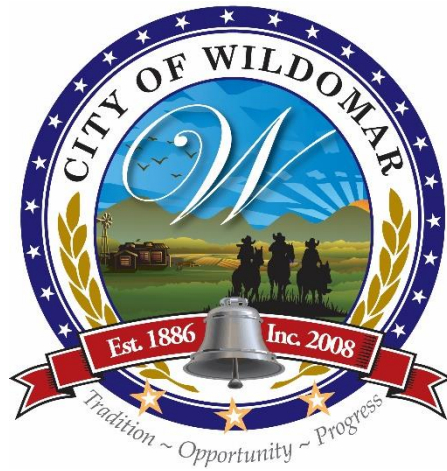
Steve Regalado, Chair

Brian Jacobs, Vice Chair

Shelley Hitchcock, Committee Member

Christopher Pselos, Committee Member

Sheila Urlaub, Committee Member



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## **Report from the Committee**

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

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

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

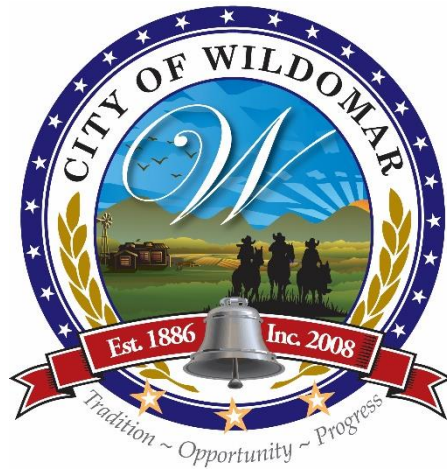
The current members of the committee are:

Steve Regalado, Chair  
Brian Jacobs, Vice Chair  
Shelley Hitchcock, Committee Member  
Christopher Pselos, Committee Member  
Sheila Urlaub, Committee Member

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

*"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure AA Fund, 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."*

The following pages cover the enhanced services from the Police Department, Fire Department, the Homelessness Program, and the Public Works Road Engineering and Maintenance program.



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## Measure AA FY 2019-2020 Annual Committee Report

### Financial Summary

The fiscal year 2019-2020 revenue and expenditure budgets for Measure AA's first full year were approved by the City Council on June 26, 2019. The originally approved budgets consisted of \$2,235,800 in estimated revenues, \$2,264,600 in estimated expenditures, and \$583,766 in fund balance, leaving an estimated \$554,966 in fund balance at the end of the fiscal year. During the year the City Council did not approve any changes to the budgeted revenues. The Council did approve a decrease on the estimated expenditures of \$180,500, reducing the total amount of the estimated expenditures to \$2,084,100. With the approved decrease in estimated expenditures the estimated ending fund balance increased to \$735,466.

On July 1, 2019 the Measure AA Fund had a positive Fund Balance of \$583,766. During the fiscal year, actual sales and use tax revenues collected were \$3,044,556, or \$808,756 above the estimated revenues budgeted. An additional \$1,228 was earned in interest revenue, for a total of \$3,045,784 in revenue. Combined with the July 1, 2019 Fund Balance, Measure AA had \$3,629,550 in available resources.

Actual expenditures were \$1,717,972, or \$366,128 below the estimated final expenditures budgeted. The year-end fund balance was \$1,911,578, or \$1,176,112 above the budgetary estimate. The following summarizes the fiscal data included in the *FY 2019-2020 Audited Annual Financial Report for Measure AA*.

### Revenues

The actual sales tax revenues of \$3,044,556 exceeded the budget of \$2,235,800. This provided a favorable variance of \$808,756 for the first full fiscal year of activity.

During the fiscal year a total of \$1,228 in interest earnings was added to Measure AA.

#### Sales and Use Tax Revenues for FY 2019-2020

<b>July - Sept. Sales and Use Tax Revenues</b>	<b>\$719,737</b>
<b>Oct. - Dec. Sales and Use Tax Revenues</b>	<b>\$762,431</b>
<b>Jan. - March Sales and Use Tax Revenues</b>	<b>\$627,836</b>
<b>April - June Sales and Use Tax Revenues</b>	<b>\$934,552</b>



## **Police Department Enhanced Services**

<b>Original Budget</b>	<b>\$638,900</b>
<b>Adjusted Budget</b>	<b>\$641,300</b>
<b>Actual Expenses</b>	<b>\$697,395</b>

The enhanced police services began on July 1, 2019 included the addition of traffic enforcement patrols, which required a specialized motorcycle. The motorcycle was purchased in the previous fiscal year.

The actual expenditures are categorized as follows:

<b>Enhanced Police Services</b>	<b>\$667,433</b>
<b>Facility Charges attributed to Enhanced Services</b>	<b>\$ 19,088</b>
<b>PD Motorcycle fuel, maintenance, equipment and supplies</b>	<b>\$ 10,874</b>

An unfavorable budget variance of \$56,095 occurred at year-end from the Police Department enhanced services. The unfavorable variance occurred due to additional enhanced services at the end of the fiscal year and the timing of the facility charges.

<b>Motor Traffic Officer Citations Written in FY 2019-20</b>	<b>1,994</b>
<b>Motor Traffic Officer DUI's cited in FY 2019-20</b>	<b>115</b>
<b>Motor Traffic Officer Collision responses in FY 2019-20</b>	<b>223</b>
<b>Community Service Officer addressed parking violations throughout the City</b>	

## **Fire Department Enhanced Services**

<b>Original Budget</b>	<b>\$1,066,900</b>
<b>Adjusted Budget</b>	<b>\$ 765,000</b>
<b>Actual Expenses</b>	<b>\$ 584,537</b>

The enhanced fire department services began on January 6, 2020 included the addition of a medic squad truck. The truck was purchased during the fiscal year, but was not received until October 2020.

The actual expenditures are categorized as follows:

<b>Enhanced Fire Department Services</b>	<b>\$541,928</b>
<b>Weed Abatement Activities</b>	<b>\$ 7,824</b>
<b>Medic Squad related furniture and equipment</b>	<b>\$ 34,785</b>

A favorable budget variance of \$180,463 was achieved at year-end from the Fire Department activities. The favorable variance was due to the \$225,000 for the new Medic Squad truck not being delivered and accepted prior to the end of the fiscal year. The savings were offset by \$44,537 in enhanced fire department services received at the end of the fiscal year.

<b>Medic Squad In-City responses in FY 2019-20</b>	<b>681</b>
<b>Medic Squad Out-of-City responses in FY 2019-20</b>	<b>289</b>
<b>Weed Abatement Inspections in FY 2019-20</b>	<b>442</b>

## **Community Services Homelessness Program**

<b>Original Budget</b>	<b>\$138,800</b>
<b>Adjusted Budget</b>	<b>\$225,500</b>
<b>Actual Expenses</b>	<b>\$143,550</b>

The enhanced Homelessness Program services began on April 1, 2020. During the fiscal year the City and its contract partners strived to provide services to our homeless population, and to clean up areas within the city limits that have had homeless encampments located on them.

The actual expenditures are categorized as follows:

<b>Homelessness Coordination/Administration</b>	<b>\$ 31,507</b>
<b>Social Work Action Group Consulting (SWAG)</b>	<b>\$ 91,667</b>
<b>Homeless Encampment Code Enforcement &amp; Clean-ups</b>	<b>\$ 20,376</b>

A favorable budget variance of \$84,249 when compared to the adjusted budget was achieved at year-end from the Community Services - Homelessness Program activities. The favorable variance is due to timing of the homeless encampment clean-ups.

<b>SWAG Contacts Made in FY 2019-20</b>	<b>847</b>
<b>Encampment Clean-ups in FY 2019-20</b>	<b>10</b>



## **Public Works Road Engineering and Maintenance Enhanced Services**

**Original Budget     \$420,000**

**Adjusted Budget    \$450,000**

**Actual Expenses     \$289,157**

The enhanced Public Works - Road Maintenance services began on July 1, 2019. The City has been able to add an additional maintenance crew that allows for concentration on road maintenance work. The City also completed three (3) traffic surveys covering 35 street segments to establish in accordance with State Law that speed limits supporting the enforcement issued by the traffic patrols.

The actual expenditures are categorized as follows:

<b>Enhanced Street Maintenance Engineering and Repair</b>	<b>\$245,312</b>
<b>Regulatory Traffic Speed Surveys</b>	<b>\$ 43,845</b>

A favorable budget variance of \$160,843 was achieved at year-end from the Public Works Road Engineering and Maintenance enhanced services. The savings was achieved due to the pushing back of Phase 2 of the Bundy Canyon Road project and lower than anticipated expenditures for the speed surveys.

## **Financial Audit and Measure AA Committee**

### **Expenditures attributed directly to Measure AA**

<b>Original Budget</b>	<b>\$ 0</b>
<b>Adjusted Budget</b>	<b>\$2,300</b>
<b>Actual Expenses</b>	<b>\$3,332</b>

Each year certain expenditures will not be tied to any of the enhanced programs as they are administrative in nature and directly tied to the Measure AA Fund. The City works to insure that those expenditures are directly tied to the Measure AA activities prior to payment.

The actual expenditures are categorized as follows:

<b>Auditor Services for the FY 2018/19 Measure AA Report</b>	<b>\$ 2,000</b>
<b>Banking Fees for FY 2019/2020</b>	<b>\$ 1,228</b>
<b>Committee Member Signage</b>	<b>\$ 104</b>

An unfavorable budget variance of \$1,032 occurred during the fiscal year due to timing of some of the expenditures city staff has taken note of the unfavorable variance and will strive to better anticipate the expenditures in the future.

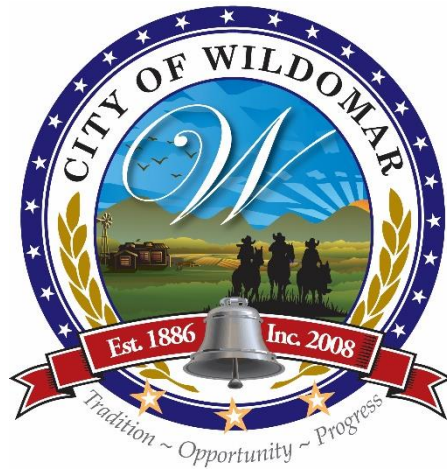
## Measure AA FY 2019-2020 Annual Committee Report

### Conclusion

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

**Wildomar Measure AA Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1	\$ 583,766	\$ 583,766	\$ 583,766	\$ -
<b>Resources (Inflows):</b>				
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	2,819,566	2,819,566	3,629,550	809,984
<b>Charges to Appropriations (Outflow):</b>				
General Government	138,800	222,800	142,403	80,397
Public Safety	638,900	645,300	700,245	(54,945)
Community Development	-	5,000	4,480	520
Public Works	420,000	450,000	289,157	160,843
Capital Outlay	1,066,900	761,000	581,687	179,313
Total Charges to Appropriations	2,264,600	2,084,100	1,717,972	366,128
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 554,966</u>	<u>\$ 735,466</u>	<u>\$ 1,911,578</u>	<u>\$ 1,176,112</u>



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**Fiscal Year 2019-2020  
Audited Financial Statement**

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**WILDOMAR MEASURE AA FUND  
CITY OF WILDOMAR, CALIFORNIA**

**FUND FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2020**

**Prepared By:**

**The City of Wildomar  
Finance Department**

**Wildomar Measure AA Fund  
Fund Financial Statements  
Year Ended June 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on Financial Statements

We have audited the accompanying financial statements of the Measure AA Fund, a special revenue fund of the City of Wildomar, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Measure AA Fund'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 an express opinion 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 opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure AA Fund, 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***

As discussed in Note 1 to the financial statements, the financial statements present only the Measure AA Special Revenue Fund, do not purport to, and do not present the financial position of the City of Wildomar, California, as of June 30, 2020, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 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.



Riverside, California  
February 4, 2021



## **BASIC FINANCIAL STATEMENTS**

**Wildomar Measure AA Fund**  
**Balance Sheet**  
**Governmental Fund**  
June 30, 2020

**ASSETS**

Due from Other Governments	\$ 755,638
Due from Other City Funds	<u>1,575,206</u>
Total Assets	<u><u>\$ 2,330,844</u></u>

**LIABILITIES**

Accounts Payable	<u>\$ 419,266</u>
Total Liabilities	<u>419,266</u>

**FUND BALANCES**

Committed for:	
Public Safety, Street Maintenance and Homelessness Solutions	<u>1,911,578</u>
Total Fund Balances	<u>1,911,578</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,330,844</u></u>

The accompanying notes are an integral part of this statement.

**Wildomar Measure AA Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Fund**  
For the Year Ended June 30, 2020

**REVENUES**

Taxes	\$ 3,044,556
Use of Money and Property	<u>1,228</u>
Total Revenues	<u>3,045,784</u>

**EXPENDITURES**

Current:	
General Government	142,403
Public Safety	1,245,354
Community Development	4,480
Public Works	289,157
Capital Outlay	<u>36,578</u>
Total Expenditures	<u>1,717,972</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	1,327,812
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Fund Balances - Beginning of Year	<u>583,766</u>
Fund Balances - End of Year	<u><u>\$ 1,911,578</u></u>

The accompanying notes are an integral part of this statement.

**Wildomar Measure AA Fund**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Description of the Reporting Entity**

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

The Measure AA Fund is included as a special revenue fund of the City and, accordingly, the accompanying fund financial statements are included as a special revenue fund of the basic financial statements prepared by the City. The accompanying financial statements are intended to reflect the financial position of operations for the Measure AA Fund only and do not purport to, and do not, present the financial position of the City of Wildomar, California. Separate financial statements are prepared for the City of Wildomar, and may be obtained from the City.

**b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be 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.

When both restricted and unrestricted resources are available for use, it is the Fund's policy to use restricted resources first, and then unrestricted resources as they are needed.

**c. 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 investments are shown as both restricted and unrestricted cash and investments in the governmental funds.

Investments are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Currently, there are no cash and investments as of June 30, 2020.

**Wildomar Measure AA Fund**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

***Deferred Outflows/Inflows of Resources***

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Fund does not report any deferred outflows.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the Fund does not report any deferred inflows.

***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. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution or ordinance.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in Resolution No. 2011-32 approved on June 21, 2011.

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



**Wildomar Measure AA Fund**  
**Notes to Financial Statements**  
June 30, 2020

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Continued**

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

***Use of Estimates***

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

***Functional Classifications***

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

- General Government includes legislative activities, City Clerk, City Attorney, City Manager as well as management or supportive services across more than one functional area.
- Public Safety includes those activities which involve police protection, fire protection and animal control services.
- Community Development includes those activities which involve planning, building and safety and code enforcement.
- Public Works includes all maintenance, engineering and capital improvements which relate to streets and other public facilities.

***Encumbrances***

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

***Budget Basis of Accounting***

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

**Wildomar Measure AA Fund**  
**Notes to Financial Statements**  
June 30, 2020

**2) CASH AND INVESTMENTS**

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

Governmental Fund	\$	0
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The Measure AA Fund is pooled with the City of Wildomar's cash and investments in order to generate optimum interest earnings. The information required by GASB Statement No. 40 related to authorized investments, credit risk, etc. is available in the comprehensive annual financial report of the City. Currently, there are no cash and investments as of June 30, 2020.

**3) 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.
- a. 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).
- b. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

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

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

**Wildomar Measure AA Fund**  
**Notes to Financial Statements**  
June 30, 2020

**4) COMMITMENTS AND CONTINGENCIES**

As of June 30, 2020, in the opinion of the City's Administration, there are no outstanding matters which would have a significant affect on the financial condition of the funds of the City.

**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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Wildomar Measure AA Fund**  
**Notes to Required Supplementary Information**  
**June 30, 2020**

**Budgetary Comparison Information**

***General Budget Policies***

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

***Encumbrances***

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

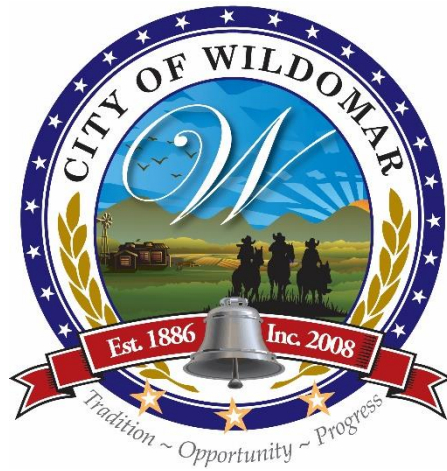
***Budget Basis of Accounting***

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



**Wildomar Measure AA Fund**  
**Budgetary Comparison Schedule**  
Year Ended June 30, 2020

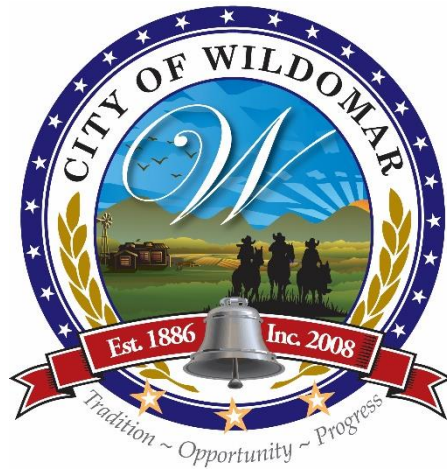
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Budgetary Fund Balance, July 1	\$ 583,766	\$ 583,766	\$ 583,766	\$ -
<b>Resources (Inflows):</b>				
Taxes	2,235,800	2,235,800	3,044,556	808,756
Use of Money and Property	-	-	1,228	1,228
Amounts Available for Appropriations	2,819,566	2,819,566	3,629,550	809,984
<b>Charges to Appropriations (Outflow):</b>				
General Government	138,800	222,800	142,403	80,397
Public Safety	1,705,800	1,144,700	1,245,354	(100,654)
Community Development	-	5,000	4,480	520
Public Works	420,000	450,000	289,157	160,843
Capital Outlay	-	261,600	36,578	225,022
Total Charges to Appropriations	2,264,600	2,084,100	1,717,972	366,128
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 554,966</u>	<u>\$ 735,466</u>	<u>\$ 1,911,578</u>	<u>\$ 1,176,112</u>



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**Fiscal Year 2019-2020  
Committee Member Assessments**

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## City of Wildomar

### Measure AA Oversight Advisory Committee



### Annual Committee Member Questionnaire

2019/2020

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



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Wildomar, CA 92595  
951.677.7751 Phone  
951.698.1463 Fax  
[www.CityofWildomar.org](http://www.CityofWildomar.org)

February 10, 2021

Dear Measure AA Committee Member,

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

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The deadline for the completion of the questionnaire is **Thursday, February 18<sup>th</sup>**, as we need to include the questionnaires and the rest of the draft report on the February 25<sup>th</sup> Measure AA Committee Meeting. It is anticipated that, if the approval of the draft report by the Committee occurs at the February 25<sup>th</sup> meeting, the final report would be presented to the City Council at their March meeting.

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

Cordially,

Gary Nordquist  
City Manager

Robert Howell  
Acting Administrative Services Director

Members - Please complete the following questionnaire:

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

Yes, all information has been provided.

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

Yes, all of my questions have been answered.

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

Yes.

How can staff enhance the information provided to the committee?

I feel that staff does a wonderful job explaining any information requested.

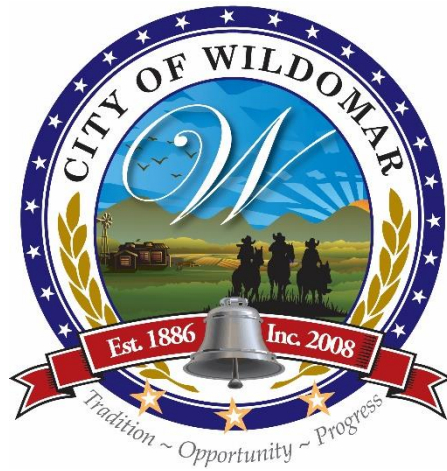


In your opinion has the City spent the Measure AA funds as approved by the City Council?

Absolutely. The additional community support is very important to me.

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

None.



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## City of Wildomar

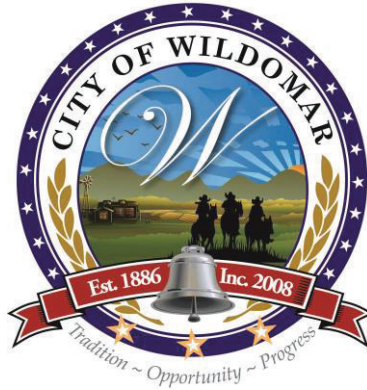
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We appreciate your involvement in this very important process. Please let us know if you have any questions or concerns on the questionnaire.

Cordially,

*Gary Nordquist*

Gary Nordquist  
City Manager

Robert Howell  
Acting Administrative Services Director

Members - Please complete the following questionnaire:

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

Yes. City staff have always been available and ready to provide answers or research to provide information requested.

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

Yes. Staff presentations are well planned and communicated in easy-to-follow displays during the presentation/conversations.

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

Yes.

How can staff enhance the information provided to the committee?

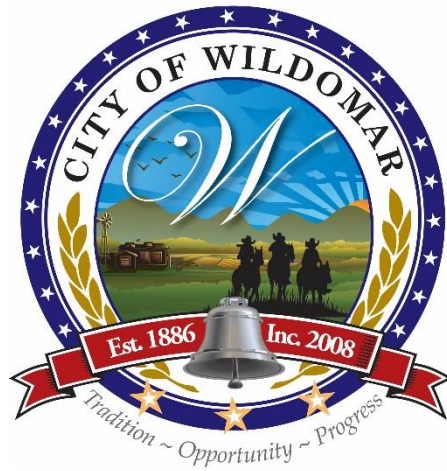
When possible provide meeting information a week earlier to provide ample time to review and ask any additional questions.

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

Yes. I agree that the expenditures are in line with what the voters approved.

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

Any audit findings that may affect the distribution of the Measure AA dollars.



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## City of Wildomar

### Measure AA Oversight Advisory Committee



### Annual Committee Member Questionnaire

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Cordially,

Gary Nordquist  
City Manager

Robert Howell  
Acting Administrative Services Director

Members - Please complete the following questionnaire:

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

Yes

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

Yes

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

Yes

How can staff enhance the information provided to the committee?

Please remove the general ledger account numbers from the presentations.

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

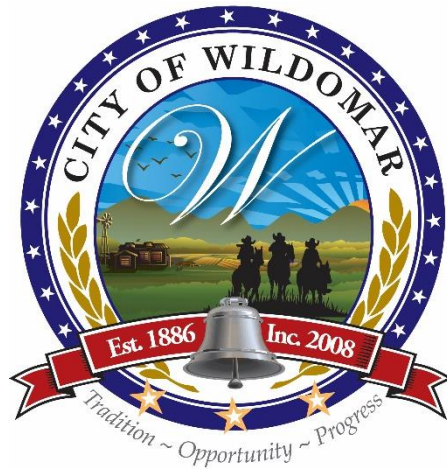
Yes

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

Not at this time.

**Christopher Pselos**

Measure AA Committee Member



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## City of Wildomar

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Acting Administrative Services Director



Members - Please complete the following questionnaire:

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Yes.

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

Yes.

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

Yes on every request.

How can staff enhance the information provided to the committee?

Remain accommodating to the committee as they have demonstrated in the past.

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

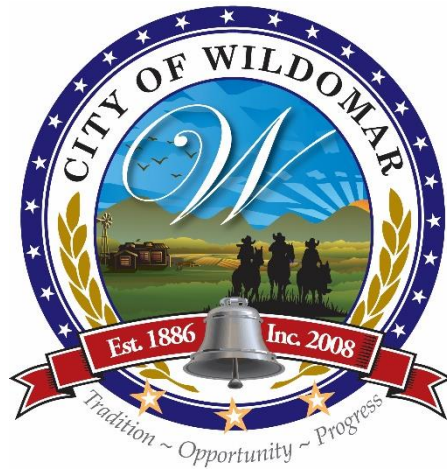
Monies spent are well documented, and are disbursed with flexibility written into the Measure.

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

I would like to see more Public Safety expenditures fore-casted out based on projected population and commerce growth (i.e. 3 to 5 years out of current fiscal planning).

**Carl Steven Regalado, Chairman**

Measure AA Committee Member



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## City of Wildomar

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Yes I have.

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

Yes they have.

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

Yes they have.

How can staff enhance the information provided to the committee?

At this time I can't think of anything.



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

Yes they have.

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

Not at this time.

**Sheila Urlaub    2/18/2021**

Measure AA Committee Member