



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2022

CITY OF MENIFEE  
CALIFORNIA

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CITY OF MENIFEE, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022

Prepared by:  
Finance Department

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CITY OF MENIFEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	i
Listing of Elected Officials .....	vi
Organizational Chart .....	vii
GFOA Award of Financial Reporting Achievement .....	ix
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4
<b>BASIC FINANCIAL STATEMENTS</b>	
Government - Wide Financial Statements	
Statement of Net Position .....	13
Statement of Activities .....	14
Fund Financial Statements	
Balance Sheet - Governmental Funds .....	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Fiduciary Net Position - Fiduciary Funds .....	19
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	20
Notes to Financial Statements .....	21

CITY OF MENIFEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund .....	54
Budgetary Comparison Schedule - Development Impact Fees .....	55
Schedule of the City's Proportionate Share of the Pension Plan's Net Pension Liability and Related Ratios as of the Measurement Date .....	56
Schedule of the Pension Plan's Contributions .....	57
Schedule of Changes in the Total OPEB Liability and Related Ratios .....	58
Notes to the Required Supplementary Information .....	59
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Non-major Governmental Funds Descriptions .....	60
Combining Balance Sheet - Non-major Governmental Funds .....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds .....	69
Budgetary Comparison Schedules - Special Revenue Funds	
Gas Tax .....	74
SB 1 .....	75
Measure A .....	76
Air Quality Management District .....	77
Grants .....	78
Landscape and Lighting Maintenance District .....	79
Community Facilities District - Audie Murphy Ranch .....	80
Community Facilities District - Hidden Hills .....	81
Community Facilities District - 2014-1 Town Center .....	82
TUMF Fees .....	83
Community Facilities District - 2014-2 Commerce Point .....	84
Community Facilities District - 2015-2 Citywide .....	85
Community Facilities District - 2017-1 Maintenance Services .....	86
Public Education and Governmental Access .....	87
County Service Areas (CSA) .....	88
Maintenance CFD .....	89
Budgetary Comparison Schedule - Debt Service Fund	
Debt Service .....	90
Budgetary Comparison Schedule - Capital Projects Fund	
Major Fund – Bonded CFDs.....	91
Capital Projects Fund .....	92

CITY OF MENIFEE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	Page <u>Number</u>
 <b>STATISTICAL SECTION</b>	
Statistical Section Descriptions .....	93
Net Position .....	94
Changes in Net Position .....	96
Fund Balances of Governmental Funds .....	98
Changes in Fund Balances of Governmental Funds .....	100
Major Revenues by Source - Governmental Funds .....	102
Assessed Value and Estimated Actual Value of Taxable Property .....	103
Assessed Value and Estimated Actual Value of Taxable Property by Use Category .....	104
Direct and Overlapping Property Tax Rates .....	105
Principal Property Tax Payers .....	106
Property Tax Levies and Collections .....	107
Ratio of Outstanding Debt by Type .....	108
Ratio of General Bonded Debt Outstanding .....	109
Direct and Overlapping Bonded Debt .....	110
Legal Debt Margin Information .....	111
Demographic and Economic Statistics .....	112
Principal Employers .....	113
Full and Part-time City Employees by Program .....	114
Capital Asset Statistics by Function/Program .....	115
Operating Indicators by Function/Program .....	116
Miscellaneous Statistics .....	117
Taxable Sales by Category .....	118
Top 25 Sales Tax Producers .....	119
Measure DD 1% Sales Tax – Revenues and Expenditures History .....	120

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## **INTRODUCTORY SECTION**

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December 15, 2022

Honorable Mayor, Members of the City Council & Citizens of the City of  
Menifee, California

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the City of Menifee (City) for the fiscal year ended June 30, 2022. The City annually issues a report on its financial position and activity, audited by an independent firm of certified public accountants. The City's Finance Department prepared this report in accordance with generally accepted accounting principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB) and other sources. This CAFR also conforms to GASB Statement No. 34 financial report standards, providing the reader a dual-perspective financial report. The report contains a citywide view of all governmental activities, as well as a focus on the financial position and operating results of the City's major funds.

Responsibility for the accuracy of the data, and the completeness and fairness of the presentations including disclosures, rests with the City. To provide a reasonable basis for making these presentations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, internal controls have been 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, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Also, all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued unmodified opinions on the City of Menifee's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Generally accepted accounting principles requires that management provide a narrative introduction 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 the MD&A which can be found immediately following the report of the independent auditors.

### **Profile of the City of Menifee**

The City of Menifee is located approximately 80 miles southeast of Los Angeles in the southwestern portion of Riverside County. The City incorporated on October 1, 2008 as a general law City. The City has slightly more than 106,000 residents and covers an area of over 46 square miles. As a general law city, Menifee is governed by a five-member City Council operating under the Council/Manager form of government. Beginning with the November 2012 election, the Council consists of four Council Members elected by district who serve a four year term on a staggering basis, and a Mayor elected at large who serves a four year term. The City Council is responsible for passing City ordinances, resolutions, adopting the annual budget, appointing commissions and committees, and setting policy. The City Council appoints the City Attorney and City Manager who in turn appoints the heads of the various departments and other city staff.

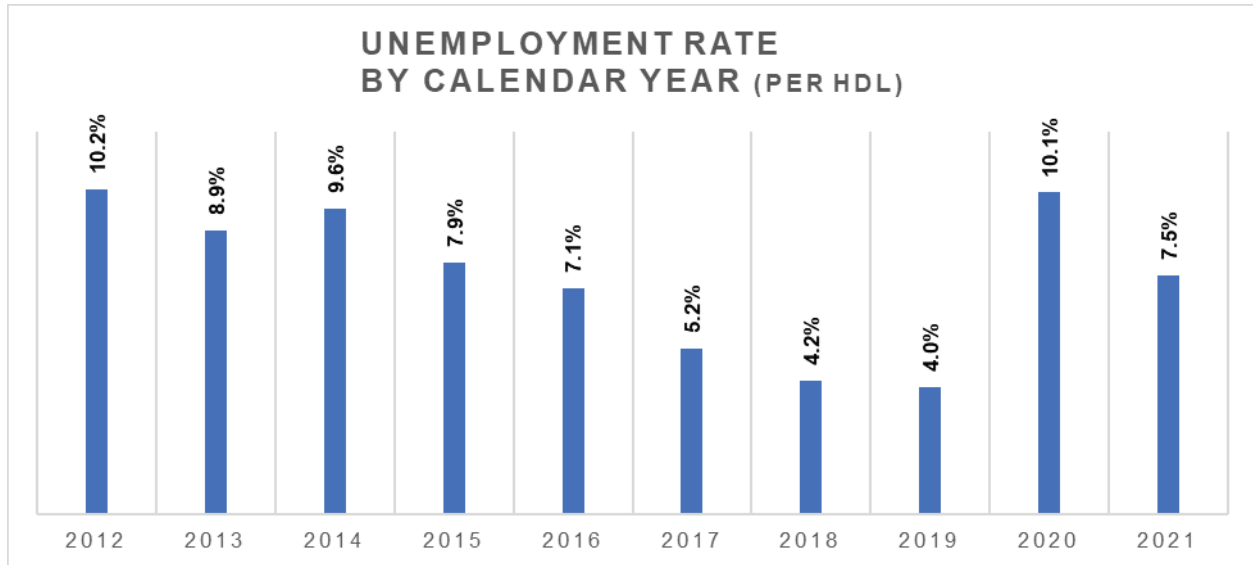
The City provides a wide range of services including planning, building, public works, engineering, parks and recreation, police and general administrative activities. Services are also provided to the City and its citizens by contract and by the direct services of other government agencies and organizations. These services include animal control through Animal Friends of the Valley for animal field services and participation as a member of the Joint Powers Authority (JPA) for animal sheltering services. Fire protection and are provided through contract with the County of Riverside while water and sewer services are provided through the Eastern Municipal Water District (EMWD). Library services and public health services are provided by the County of Riverside. Franchise agreements for electricity services are provided through Southern California Edison (SCE), natural gas through Sempra Utilities (So. Cal. Gas), refuse collection through a franchise agreement with Waste Management, public transit through the Riverside Transit Agency (RTA), and cable service through state franchise agreements with Mediacom, Charter and Frontier.

Although the City is distinctively residential in character, the City has the potential for a strong economic base and staff is working diligently to enhance this opportunity. Currently the major commercial bases are anchored by the Countryside Marketplace, Center Pointe, Newport Towne Square, Menifee Plaza, Cherry Hills Plaza, and other key focal points near the I-215, Newport Road and McCall Blvd. Within the last fiscal year, the City welcomed several new businesses including Olive Garden, Luna Grill, Sprouts Farmers Market, Urbane Café, Crumbl Cookie, Dave's Hot Chicken, The Joint Chiropractic, Western Dental and Clever Fox Escape Rooms. Expectations are high as the City looks to the future and anticipated new key retailers such as Chick-fil-A, Black Bear Diner, Hampton Inn & Suites, Café Mercato, Exquisites Tapas Lounge, Yoshiharu Ramen and others. The addition of the Football Stadium and Kinesiology Building at MSJC and Family and Civic Courthouse completed in the upcoming year will also serve as additional amenities for the Menifee community. Other future development projects expected include amenities such as entertainment venues, restaurants and other retail, offices, and lodging.

### **Local Economy**

Mirroring the national, state and regional economies, the City of Menifee's economy has rebounded significantly from the initial negative impact from the Covid-19 pandemic. However, with national historic inflation, continued international supply chain issues, and rising interest rates, the impacts of these macroeconomic factors is reflected in the local economy. The unemployment rate has improved from the prior year, decreasing from 10.1% to 7.5%, as the impacts of Covid-19 on overall unemployment have begun to subside. During the FY2021-22

period the City and local region experienced a steady and consistent marked increase in new construction in addition to increases in single family home sale prices, which has led to increased assessed valuations. Locally, the number of building permits issued has experienced a decrease of 12% (from 6,778 to 5,959), while the number of planning applications increased by 2% (from 393 to 402).



Retail sales continued to experience strong growth through the entire fiscal year, as all four quarters saw an increase year-over-year from the prior fiscal year. Bradley Burns Sales tax collections increased from \$10,751,434 in fiscal year 2020-21 to \$12,089,533 in fiscal year 2021-22, a 12.45% increase primarily due to the Covid-19 pandemic restrictions being lifted and continued population growth in the area. Quality of Life (Measure DD) Sales Tax collections increased from \$16,742,722 in fiscal year 2020-21 to \$19,607,014 in fiscal year 2021-22, a 17.12% increase. This was the fifth full year of collection of this 1% additional sales tax that was passed by the voters in November 2016.

As part of the State of California's Fiscal Year 11-12 Budget, the Governor signed Senate Bill 89 (SB 89), which shifted millions of Vehicle License Fee (VLF) revenues to fund state law enforcement grants. This legislation particularly impacted newly incorporated cities such as Menifee, which received a special allocation from VLF revenues. The impact due to SB 89 for the City of Menifee in Fiscal Year 16-17 was estimated to be a loss of approximately \$4.3 million, which the City addressed through budgetary measures. In the State of California budget for fiscal year 2017-18 SB 130 was introduced, signed and made into law. With SB 130 the City of Menifee's annual VLF revenues were restored. In fiscal year 2020-21 the City received \$7,674,276, in fiscal year 2021-22 the City received \$8,381,816 an increase of 9% .

### Budget Process

The City's operating budget and five-year capital improvement plan is adopted annually by the City Council no later than the close of the prior fiscal year and serves as the foundation for planning and controlling the City's finances. The budget process begins early in spring and encompasses budget workshops with the public and City Council in order to promote transparency and to develop goals and objectives with the community's best interest at heart. As the City of Menifee is still relatively new and growing, the primary goal for the City continues

to be maintaining a good balance between augmenting City staff and services, and utilizing existing resources efficiently as well as minimizing costs as much as possible.

During the year, supplemental appropriations are made to the adopted budget and approved by City Council as necessary. The City Manager is authorized to approve operating transfers between departments within a fund without limits and may reduce expenditure appropriations within a fund as a method of fiscal control. The Finance Director may decrease revenue estimates to reflect changes in the economy within the fiscal year. Annually, staff prepares and presents mid-year budget adjustments to City Council for their approval. This process incorporates updating beginning fund balances per the annual audit report and adjusting the budget as dictated by changes in the City's goals and objectives or due to economic or legislative changes.

### Long-term Financial Planning

The City has adopted a fund balance policy in compliance with GASB Statement No. 54, which sets the goal of maintaining the General Fund unrestricted balance in an amount equal to thirty-five percent (35%) of general fund expenditures. 12.5% of these reserves are committed or set aside for use specifically in the case of the declaration of a state or federal emergency, or a local emergency as defined in Menifee Municipal Code 1.10.010. The City's Finance Committee, made up of two City Councilmembers and Finance staff, has made it a priority to work with staff to develop necessary and appropriate fiscal policies to guide the City's future operations. The Finance Committee and City staff will also be working together on the development of a long-term financial plan for the City.

Annually, during the City's budget process, the City's engineering staff takes a five-year capital project budget to City Council for adoption. For fiscal year 2021-22 in the five year capital project budget there were a total of 44 projects identified with requested funding totaling \$44,287,929, from various sources. These 44 projects consist of seven transportation projects, five traffic signal projects, seven street improvement projects, seven pavement management projects, eleven facility projects and seven parks, trails and recreation projects. Other future projects of note are the Holland Road Overpass, the Bradley Road Bridge and the widening of Scott Road west to Bundy Canyon Road. As these three projects are vital to alleviate traffic congestion and improve safety, the City is aggressively seeking various methods of funding and is also looking into local, regional and state collaborations.

The City conducted a comprehensive citywide user fee study and development impact fee (DIF) study update during FY2021-22 which is anticipated to be adopted during the upcoming year, FY2022-23. The user fee study examined all existing fees for service, and will provide an updated fee schedule reflecting the costs to provide each service. The DIF study updated was conducted to review the existing impact fees to ensure that these are compatible to today's construction costs and meet the future needs of the City. These fees will be imposed on new construction and will bring much needed financial relief to the City by expanding current and future roadways and constructing new public facilities. City Council adopted the current schedule of DIF fees on December 20, 2017 to be implemented with a two year phase-in beginning July 1, 2018. The implementation date of any new fees related to both the User Fee and DIF Study Update shall be presented for City Council consideration with the final reports and fee recommendation in the fall of 2023.

In April 2015 the City adopted its first city-wide Community Facility District (CFD) for facility maintenance. This city-wide CFD provides maintenance services such as street lighting, street sweeping, landscape maintenance and storm drainage maintenance to those residential and commercial projects that annex into the maintenance CFD. This maintenance CFD will assess only new construction to help minimize the fiscal impact in which expanding development impose on the City. The formation of the new CFDs will allow the City to continue to provide quality services that our residents and community expect, and the level of services that make the City of Menifee one of the premier cities in Riverside County.

#### Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the City its Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2021. Since incorporation, the City has been bestowed this prestigious award every year that has been submitted. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current ACFR continues to meet the high standards associated with the Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's ACFR was prepared through the combined efforts of City staff. Special recognition is due to the Finance Department. With their support and coordination, the entire department assisted in closing the books for the year and ensuring timely and accurate reporting. Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances

Respectfully submitted,



Armando G. Villa  
City Manager



Rochelle Clayton  
Assistant City Manager



Regina Funderburk  
Chief Financial Officer

## **CITY OF MENIFEE**

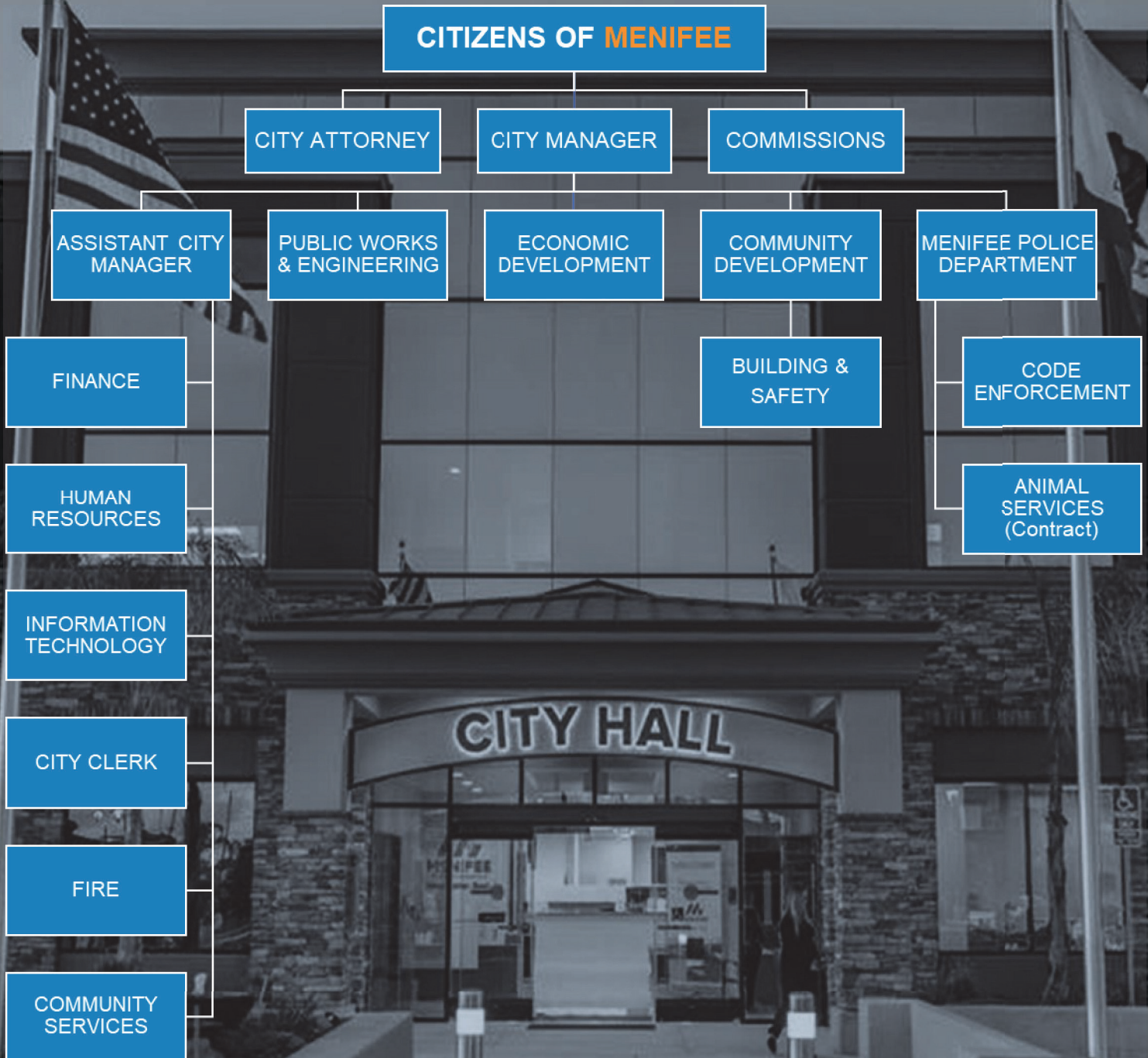
### **Elected Officials**

Bill Zimmerman – Mayor  
Bob Karwin – Mayor Pro Tem  
Ricky Estrada – Councilmember  
Robert Karwin – Councilmember  
Lisa A. Sobek – Councilmember



# ORGANIZATION CHART

FISCAL YEAR 2021/22



# CITY OF MENIFEE EXECUTIVE STAFF



# CITY OF MENIFEE ACFR TEAM

**Regina Funderburk, Chief Financial Officer (CFO)**

**Ann-Marie Etienne, Finance Manager**

**Melissa Cortes, Senior Accountant**

**Colin O'Connell, Accountant Trainee**

**Dominic Tartaglia, Principal Accountant**

**Margarita Cornejo, Deputy Finance Director**



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**City of Menifee  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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

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## Independent Auditor's Report

To the Honorable City Council  
City of Menifee, California

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Menifee (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, 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.

#### Basis for Opinions

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

#### Emphasis of a Matter

As discussed in Note 1 of the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

#### PARTNERS

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

#### MANAGERS / STAFF

Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

#### MEMBERS

American Institute of  
Certified Public Accountants

PCPS The AICPA Alliance  
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Governmental Audit  
Quality Center

Employee Benefit Plan  
Audit Quality Center

California Society of  
Certified Public Accountants



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
December 15, 2022

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## **CITY OF MENIFEE MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Menifee, California, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information beyond what we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows or resources at June 30, 2022, by \$432.8 million (*net position*). Of this amount, \$73 million is restricted for public works, future capital projects and debt service.
- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$149.7 million.
- At June 30, 2022, the Unassigned Fund Balance for the General Fund was \$51.1 million, \$8.6 million was Committed for use in the event of an emergency as well as an additional \$4.75 million for the construction of a future City Hall, \$8.6 million was Assigned for economic uncertainty and \$3.7 million for various assignments of fund balance. Council action in 2021 set fund balance requirements at Committed of 12.5%, Assigned of 12.5% and Unassigned Fund Balance of 10% for a total required Fund Balance of 35% of budgeted expenditures. The actual ending General Fund balance for fiscal year 21-22 is 89.8% of fiscal year 21-22 budgeted expenditures. The fund balance amounts are reviewed each year as part of the budget process.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's Basic Financial Statements. The City's Basic Financial Statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The *government wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as *net position*. Over time increases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present information about the functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, engineering and public works, public safety, and community services.

The Government-wide Financial Statements can be found in the Table of Contents under the heading 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 fund financial statements provide detailed information about the individual funds—not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City of Menifee uses primarily *governmental funds* and one *fiduciary fund* for accounting and reporting purposes.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The General Fund, the Development Impact Fees Fund, and the Bonded CFDs Fund are considered to be major funds, and are presented in individual columns in the fund statements. Data from other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The Governmental Fund Financial Statements can be found in the Table of Contents under the heading Basic Financial Statements.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Menifee's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one fiduciary fund – the Custodial Fund, which is used to hold deposits that the City holds on behalf of outside parties. The Fiduciary Funds Financial Statements can be found in the Table of Contents under the heading Basic Financial Statements.

## **Notes to the Basic Financial Statements**

The Notes to the Basic Financial Statements provide additional information that is essential for 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.

## Government-wide Financial Analysis

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

For fiscal year ending June 30, 2022 the City of Menifee's total net position increased 18.2 percent from \$366 million for fiscal year ending 2021, to \$432.8 million for fiscal year ending 2022. The largest portion of the City's net position, \$276.9 million or 64 percent, reflects its investment in capital assets (e.g. land, buildings, improvements other than buildings, equipment, infrastructure and construction in progress); less any related debt used to acquire those assets, which is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Of the remaining total, \$73 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties.

### Summary of Net Position June 30, 2022 and 2021

	<b>Governmental Activities</b>	
	2021	2022
<b>Assets:</b>		
Current and other assets	\$ 147,600,290	\$ 186,174,113
Restricted assets	100,170	95,443
Capital and intangible assets	275,976,379	305,094,731
Total assets	<u>423,676,839</u>	<u>491,364,287</u>
<b>Deferred Outflows of Resources:</b>		
OPEB related	832,440	1,135,627
Pension related	3,729,865	6,886,044
Deferred charges on refunding	949,608	904,389
Total deferred outflows of resources	<u>5,511,913</u>	<u>8,926,060</u>
<b>Liabilities:</b>		
Other liabilities	37,978,412	34,519,141
Long-term liabilities	24,921,628	32,564,521
Total liabilities	<u>62,900,040</u>	<u>67,083,662</u>
<b>Deferred Inflows of Resources:</b>		
OPEB related	-	11,878
Pension related	199,680	329,874
Total deferred inflows of resources	<u>199,680</u>	<u>341,752</u>
<b>Net Position:</b>		
Net investment in capital assets	259,935,987	276,956,837
Restricted	54,935,538	73,165,620
Unrestricted	51,217,507	82,742,476
Total net position	<u><b>\$ 366,089,032</b></u>	<u><b>\$ 432,864,933</b></u>

As shown above, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$432.8 million at June 30, 2022. Deferred outflows is defined as "a consumption of net assets by the government that is applicable to a future reporting period" and deferred inflows is defined as "an acquisition of net assets by the government that is applicable to a future reporting period". For further information on the deferred outflows and inflows, see Notes 8 and 9 in the Basic Financial Statements section of this report.

Overall, Citywide governmental fund revenues for the fiscal year ending June 30, 2022, totaled \$122.7 million. This figure compares with the prior year total of \$131 million, a (6.4%) decrease.

Total program revenues of \$63.5 million were 51.7 percent of total revenues  
Total general revenues of \$59.2 million were 48.3 percent of total revenues.

Total related current year expenses accumulated to \$56 million, compared with prior year expenses of \$67.8 million. Public Safety expenses accounted for 56.5% of total current expenses. Engineering and Public Works expenses, which accounts for 5.8% of the total expenses, were used primarily for street maintenance costs and design costs. The next largest category, General Government, includes expenses related to the management and administration of the City, such as finances, management, and legal expense services, accounted for 22% of total expenses.

**Summary of Changes in Net Position**  
For the Years Ended June 30, 2022 and 2021

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2022</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 30,631,445	\$ 35,013,739
Operating grants and contributions	8,057,443	10,832,899
Capital grants and contributions	34,739,876	17,727,525
General revenues:		
Property taxes	24,076,949	26,024,300
Sales taxes	27,476,156	31,684,459
Other taxes	5,286,956	6,108,371
Motor vehicle in-lieu (unrestricted)	73,963	115,162
Use of money & property	48,592	(4,886,350)
Other revenues	665,758	185,488
Loss on disposal of asset	-	(30,628)
Total revenues	<u>131,057,138</u>	<u>122,774,965</u>
<b>Expenses</b>		
General government	14,183,374	12,323,993
Public safety	27,853,563	31,656,830
Community development	5,408,287	6,437,034
Recreation services	3,546,483	1,083,554
Engineering and public works	16,251,977	3,257,056
Interest expense	569,679	1,240,597
Total expenses	<u>67,813,363</u>	<u>55,999,064</u>
<b>Change in Net Position</b>	<b>63,243,775</b>	<b>66,775,901</b>
Net position, beginning of year, restated	302,845,257	366,089,032
Net position, end of year	<u><b>\$ 366,089,032</b></u>	<u><b>\$ 432,864,933</b></u>

## Financial Analysis of the Government's Funds

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

### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Below, the Statement of Revenues, Expenditures, and Change in Fund Balances shows the governmental activities fund balances for the two fiscal years ending June 30, 2022 and 2021. Governmental funds are divided into two categories consisting of major and non-major funds. During the year ending June 30, 2022, three funds were classified as major governmental funds, consisting of the General Fund, the Development Impact Fees Fund, and the Bonded CFDs Fund. All other funds were classified as non-major funds. A major fund is any individual fund that meets the criteria of the following combined two tests: 1) a fund is classified as a major fund if the corresponding total revenues, expenses or (expenditures), assets or liability for all funds of that category are at least 10 percent of total aggregate for all funds and; 2) at least 5 percent of the total aggregate for all funds combined. The General Fund is always classified as a major fund while all other funds must meet the qualifications to be a major fund.

### Summary of Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Years Ended June 30, 2022 and 2021

<b>Fiscal Year 2020-2021</b>	<b>General</b>	<b>Development Impact Fees</b>	<b>Grants Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Total revenues:	\$ 72,714,713	\$ 9,586,484	\$ 3,984,548	\$ 1,528	\$ 13,298,365	\$ 99,585,638
Total expenditures:	55,895,128	4,832,565	3,476,273	3,540,396	9,521,057	77,265,419
Revenues over (under) expenditures	16,819,585	4,753,919	508,275	(3,538,868)	3,777,308	22,320,219
Total other financing sources (uses)	(2,220,964)	-	(227,834)	2,522,623	439,168	512,993
Net Change in Fund Balances	14,598,621	4,753,919	280,441	(1,016,245)	4,216,476	22,833,212
Fund balances, beginning	41,714,740	31,434,726	291,293	1,572,272	12,955,676	87,968,707
Fund balances, ending	\$ 56,313,361	\$ 36,188,645	\$ 571,734	\$ 556,027	\$ 17,172,152	\$ 110,801,919

<b>Fiscal Year 2021-2022</b>	<b>General</b>	<b>Development Impact Fees</b>	<b>Bonded CFDs</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Total revenues:	\$ 80,606,886	\$ 8,494,707	\$ 14,115,208	\$ 20,178,603	\$ 123,395,404
Total expenditures:	70,825,635	6,114,482	2,411,897	18,478,986	97,831,000
Revenues over (under) expenditures	9,781,251	2,380,225	11,703,311	1,699,617	25,564,404
Total other financing sources (uses)	10,811,095	-	-	2,484,428	13,295,523
Net Change in Fund Balances	20,592,346	2,380,225	11,703,311	4,184,045	38,859,927
Fund balances, beginning	56,313,361	36,188,645	-	18,299,913	110,801,919
Fund balances, ending	\$ 76,905,707	\$ 38,568,870	\$ 11,703,311	\$ 22,483,958	\$ 149,661,846



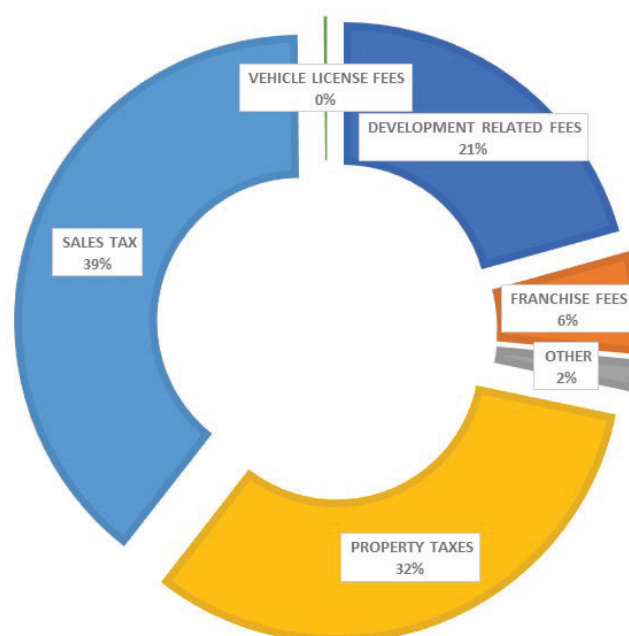
As of fiscal year ending 2022, the City's total governmental funds reported a combined ending fund balance of \$149.6 million, an increase of \$38,859,927 from the prior fiscal year. This increase is primarily due to the net increase of revenues over expenditures in the fiscal year. The General Fund, which is the chief operating fund of the City, had a fund balance of \$76,905,707 million as of June 30, 2022. This is an increase of \$20,592,346 million over the prior year. This increase is also due primarily as a result of an increase in Quality of Life (Measure DD) sales tax, increased property tax revenues, and the number of development activity underway during FY2021-22.

As mentioned earlier, the City's total governmental funds ending fund balances, is \$149.6 million of which \$50.7 million represents unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$98.9 million, is either non-spendable, restricted (to indicate that it be spent only for the specific purposes stipulated by constitution, enabling legislation or external providers); committed (can be used only for specific purposes determined by formal action of a government's legislative body); or assigned (intended to be used for specific purposes but does not meet the higher criteria of restricted or committed).

As of June 30, 2022, unassigned fund balance of the General Fund is \$51.1 million, with an additional \$8.6 million committed by Council action for emergencies and \$4.7 million for a future City Hall; \$8.6 million is assigned for economic uncertainty, \$234,546 for fire safety, \$75,000 for insurance deductibles, \$1,092,314, for general plan update and \$2,345,486 for capital projects.

Overall, General Fund revenues for the fiscal year ending June 30, 2022 totaled \$80.6 million, compared to \$72.7 million for the previous year. General Fund revenues can be broken down into six major categories shown below. By far, sales tax is the City's single largest source of revenue. Sales tax revenues have increased 15.3% over prior year. Until fiscal year ending June 30, 2017 when the City's 1% Quality of Life (Measure DD) sales tax initiative was passed by the voters, property taxes were the City's largest source of revenue. Now property tax revenue is the City's second largest source of revenue. Property taxes have increased 8.21% from prior year. Both property and sales tax revenues combined represent 71.6% of the City's total General Fund revenues and have increased as a result of the City's Quality of Life (Measure DD) 1% sales tax increase and growth in local property values. Development related fees (building, planning, fire and engineering permits and fees) increased by 14.47% from the prior year as new construction saw a significant increase during fiscal year 2021-22.

#### GENERAL FUND REVENUES





General Fund expenditures totaled \$70.8 million for the fiscal year ending June 30, 2022, compared to \$55.8 million for the previous year. This increase of \$15 million was due primarily to increases in public safety costs and salaries and benefits with the addition of the Menifee Police Department going fully operational on July 1, 2020, and with the addition of 15 FTE's sworn and non-sworn personnel added as part of the FY2021-22 mid-year budget process.

#### General Fund Budgetary Highlights

Total General Fund revenues, net of transfers, were \$1.7 million greater than budgeted primarily due to the third year of collections of the City's Quality of Life (Measure DD) 1% sales tax increase. Interest income was also higher due to higher investment interest rates. Total General Fund expenditures were approximately \$39.9 million less than the budgeted amounts mostly due to unfilled authorized positions and multi-year capital projects that will be completed in future years.

The budget for capital items that were budgeted but incomplete at year end will be rolled into the subsequent year's budget, along with any operating budget carryovers. Budget carryovers, with the exception of encumbrances, will require council approval for addition to the next budget.

#### Capital Asset and Debt Administration

##### Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2022, totals \$299.4 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

#### Summary of Changes in Capital and Intangible Right to Use Assets June 30, 2022

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 23,283,107	\$ 1,756,000	\$ -	\$ 25,039,107
Right-of-way	415,800	-	-	415,800
Construction in progress	29,616,165	12,955,812	(8,556,001)	34,015,976
Total capital assets, not being depreciated	53,315,072	14,711,812	(8,556,001)	59,470,883
Capital assets, being depreciated:				
Building and improvements	31,600,491	73,702	-	31,674,193
Equipment and furniture	3,081,618	777,748	-	3,859,366
Vehicles	6,412,729	820,056	(48,786)	7,183,999
Software and website design	772,239	-	-	772,239
Infrastructure	280,415,607	30,348,241	(32,240)	310,731,608
Total capital assets, being depreciated	322,282,684	32,019,747	(81,026)	354,221,405
Less accumulated depreciation	(99,621,377)	(14,690,534)	50,398	(114,261,513)
Total capital assets, being depreciated, net	222,661,307	17,329,213	(30,628)	239,959,892
Governmental Activities Capital Assets, net	<u>\$ 275,976,379</u>	<u>\$ 32,041,025</u>	<u>\$ (8,586,629)</u>	<u>\$ 299,430,775</u>

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Governmental activities:</b>				
Right to Use Asset:				
Land	\$ -	\$ 175,347	\$ -	\$ 175,347
Buildings	-	6,412,676	-	6,412,676
Vehicles and equipment	-	351,919	-	351,919
Total right to use asset	-	6,939,942	-	6,939,942
Less accumulated amortization	-	(1,275,986)	-	(1,275,986)
Total intangible assets, net	-	5,663,956	-	5,663,956
Governmental Activities Intangible Assets, net	\$ -	\$ 5,663,956	\$ -	\$ 5,663,956

Total capital assets increased 8.5% from prior year. During the current fiscal year, the City accepted \$21.7 million in infrastructure improvements from development projects and had an additional \$12.9 million in construction in progress.

During the current year the City also acquired new city vehicles totaling \$820,056 for the Administration, Public Works, Police, and Community Services departments.

Additional information on the City's capital assets can be found within Note 4 – Capital Assets and Note 5 – Intangible Assets in the notes to the basic financial statements section of this report.

#### Long-term Liabilities

At the end of the current fiscal year, the City had total unsecured debt outstanding of \$29.8 million. With the passing of SB 107 in September 2015, the County of Riverside and the City of Menifee were able to sign an agreement forgiving the debt the City of Menifee owed to the County of Riverside for cityhood startup costs. The total debt forgiveness was in the amount of \$1,147,724, including accrued interest.

During Fiscal Year 2011-12, the City issued \$20 million in Certificates of Participation through the California Communities Total Road Improvement Program (TRIP). The proceeds from this financing were used to fund various capital road improvements and are being repaid from a combination of future Gas Tax and Measure "A" revenues. This original TRIP debt was refinanced in 2020, resulting in anticipated savings exceeding \$4 million for the balance of the debt. The current outstanding balance for this project is \$16,315,000.

In June of 2019 the City entered into a financing agreement with Banc of America through the support and regional efforts of the Western Riverside Council of Governments (WRCOG) with Southern California Edison (SCE) to work with the City in the purchase and retrofit of approximately 6,300 streetlights from SCE, known as the Streetlight Retrofit Project. The initial debt for the Streetlight Retrofit Project was \$6,550,000 and with financing period of fifteen years. In the fall of 2021, taking advantage of the lower interest rate market, the City refinanced the Streetlight Retrofit Project, resulting in anticipated savings of over \$400k for the balance of the debt. The current outstanding balance for this project is \$5,900,754.

Other debts include the City's liabilities arising from employee's accrued leave, or compensated absences of \$1,730,179, and lease liabilities of \$5,922,140, represented by various vehicle, real property, and equipment leases further detailed within Note 6- Long-Term Liabilities.

**Summary of Changes in Long-Term Liabilities**  
June 30, 2022

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Long- Term	Due Within One Year
Transportation Revenues COP, 2020	\$ 16,990,000	\$ -	\$ (675,000)	\$ 16,315,000	\$ 15,640,000	\$ 675,000
Distribution Facilities Financing	6,120,786	6,355,581	(6,575,613)	5,900,754	5,485,266	415,488
Lease Liabilities	-	6,939,942	(1,017,802)	5,922,140	4,770,279	1,151,861
Compensated Absences	1,456,019	1,677,287	(1,403,127)	1,730,179	1,384,143	346,036
Long-Term Liabilities Total	<u>\$ 24,566,805</u>	<u>\$ 14,972,810</u>	<u>\$ (9,671,542)</u>	<u>\$ 29,868,073</u>	<u>\$ 27,279,688</u>	<u>\$ 2,588,385</u>

Additional information on the City's long-term liabilities can be found entitled Note 1 – Summary of Significant Accounting Policies, Note 6 – Long-Term Liabilities, Note 8 – Pension Plan, and Note 9 – Post Employment Benefits in the notes to the basic financial statements section of this report

**Requests for Information**

This financial report is designed to provide a general overview of the City'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 Margarita Cornejo, Deputy Finance Director, City of Menifee, 29844 Haun Road, Menifee, CA 92586 or by telephone to (951) 672-6777. The entire ACFR is also available on the City's website: [www.cityofmenifee.us](http://www.cityofmenifee.us).

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## Basic Financial Statements

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**CITY OF MENIFEE**

**STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 172,767,154
Receivables:	
Accounts	10,987,730
Accrued interest	114,508
Prepaid items	166,085
Restricted assets:	
Cash with fiscal agent	95,443
Other current assets	5,345
Net pension asset	2,133,291
Intangible assets, net of amortization	5,663,956
Capital assets, not being depreciated	59,470,883
Capital assets, depreciated, net	<u>239,959,892</u>
<b>Total Assets</b>	<b><u>491,364,287</u></b>
<b>Deferred Outflows of Resources:</b>	
OPEB related	1,135,627
Pension related	6,886,044
Deferred charge on refunding	<u>904,389</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>8,926,060</u></b>
<b>Liabilities:</b>	
Accounts payable	14,950,244
Accrued liabilities	1,699,967
Accrued interest	48,511
Deposits payable	15,002,162
Unearned revenue	2,818,257
Long-term liabilities, due within one year	2,588,385
Due beyond one year:	
Total OPEB liability	2,696,448
Long-term liabilities, due beyond one year	<u>27,279,688</u>
<b>Total Liabilities</b>	<b><u>67,083,662</u></b>
<b>Deferred Inflows of Resources:</b>	
OPEB related	11,878
Pension related	<u>329,874</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>341,752</u></b>
<b>Net Position:</b>	
Net investment in capital assets	276,956,837
Restricted for:	
Community development projects	11,312,169
Public works	61,290,160
Debt service	563,291
Unrestricted	<u>82,742,476</u>
<b>Total Net Position</b>	<b><u>\$ 432,864,933</u></b>

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

## CITY OF MENIFEE

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
				Governmental Activities
Governmental activities:				
General government	\$ 12,323,993	\$ 9,068,348	\$ 3,727,067	\$ -
Public safety	31,656,830	2,549,040	796,781	-
Community development	6,437,034	13,160,812	1,041,937	-
Recreation services	1,083,554	52,082	-	-
Engineering and public works	3,257,056	10,183,457	5,267,114	17,727,525
Interest on long-term debt	1,240,597	-	-	-
Total governmental activities	<u>\$ 55,999,064</u>	<u>\$ 35,013,739</u>	<u>\$ 10,832,899</u>	<u>\$ 17,727,525</u>
General Revenues:				
Taxes:				
Property tax, levied for general purpose				26,024,300
Transient occupancy tax				529,006
Sales tax - Shared State revenue				31,684,459
Franchise taxes				4,055,791
Other taxes				1,523,574
Unrestricted:				
Vehicle license fees				115,162
Use of money and property				(4,886,350)
Other				185,488
Loss on disposal of asset				(30,628)
Total General Revenues				<u>59,200,802</u>
Change in net position				66,775,901
Net Position, beginning of year				<u>366,089,032</u>
Net Position, end of year				<u>\$ 432,864,933</u>

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



## CITY OF MENIFEE

BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2022

		Special Revenue Fund	Capital Projects Fund	Total Non- Major Governmental Funds	Total Governmental Funds
	General	Development Impact Fees	Bonded CFDs		
<b>Assets</b>					
Cash and investments	\$ 95,558,987	\$ 40,846,986	\$ 11,703,311	\$ 24,657,870	\$ 172,767,154
Receivables:					
Accounts, grants and taxes	8,351,836	-	-	2,635,894	10,987,730
Accrued interest	74,579	22,809	-	17,120	114,508
Prepaid items	-	-	-	166,085	166,085
Other current assets	5,345	-	-	-	5,345
Due from other funds	1,157,868	-	-	-	1,157,868
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	95,443	95,443
<b>Total Assets</b>	<b>\$ 105,148,615</b>	<b>\$ 40,869,795</b>	<b>\$ 11,703,311</b>	<b>\$ 27,572,412</b>	<b>\$ 185,294,133</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 11,616,484	\$ 2,300,925	\$ -	\$ 1,032,835	\$ 14,950,244
Accrued liabilities	1,620,473	-	-	79,494	1,699,967
Deposits payable	15,002,162	-	-	-	15,002,162
Unearned revenue	-	-	-	2,818,257	2,818,257
Due to other funds	-	-	-	1,157,868	1,157,868
<b>Total Liabilities</b>	<b>28,239,119</b>	<b>2,300,925</b>	<b>-</b>	<b>5,088,454</b>	<b>35,628,498</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	3,789	-	-	-	3,789
<b>Total Deferred Inflows of Resources</b>	<b>3,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,789</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	-	-	-	166,085	166,085
<b>Restricted for:</b>					
Community development projects	-	-	-	12,368,526	12,368,526
Engineering and public works	-	38,568,870	11,703,311	9,964,849	60,237,030
Debt service	-	-	-	397,206	397,206
<b>Committed to:</b>					
Emergency contingency	8,615,638	-	-	-	8,615,638
City hall	4,750,000	-	-	-	4,750,000
<b>Assigned to:</b>					
Economic uncertainty	8,615,638	-	-	-	8,615,638
Fire safety	234,546	-	-	-	234,546
Insurance	75,000	-	-	-	75,000
General plan update	1,092,314	-	-	-	1,092,314
Capital projects	2,345,486	-	-	-	2,345,486
<b>Unassigned</b>	<b>51,177,085</b>	<b>-</b>	<b>-</b>	<b>(412,708)</b>	<b>50,764,377</b>
<b>Total Fund Balances</b>	<b>76,905,707</b>	<b>38,568,870</b>	<b>11,703,311</b>	<b>22,483,958</b>	<b>149,661,846</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 105,148,615</b>	<b>\$ 40,869,795</b>	<b>\$ 11,703,311</b>	<b>\$ 27,572,412</b>	<b>\$ 185,294,133</b>

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

# CITY OF MENIFEE

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2022

<b>Fund balances of governmental funds</b>	<b>\$ 149,661,846</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	299,430,775
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Intangible assets net of amortization have not been included as financial resources in governmental fund activity.	5,663,956
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Net pension asset not been included as financial resources in governmental fund activity.	2,133,291
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Long-term liabilities and compensated absences that have not been included in the governmental fund activity:

Certificates of Participation	\$ (16,315,000)	
Debt Agreement 2019	(5,900,754)	
Total OPEB liability	(2,696,448)	
Lease liabilities	(5,922,140)	
Compensated absences	(1,730,179)	(32,564,521)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(48,511)
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Deferred inflows and outflows of resources not due and payable, or owed and receivable, respectively, in the current period, are not reported in the funds:

Pension related deferred outflows of resources	6,886,044
OPEB related deferred outflows of resources	1,135,627
Deferred charge on refunding	904,389
Pension related deferred inflows of resources	(329,874)
OPEB related deferred inflows of resources	(11,878)

Revenues reported as unavailable and unearned in the governmental funds are recognized in the statement of activities.	3,789
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<b>Net position of governmental activities</b>	<b>\$ 432,864,933</b>
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The accompanying notes are an integral part of these financial statements.

## CITY OF MENIFEE

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

		Special Revenue Fund	Capital Projects Fund	Total Non- Major Governmental Funds	Total Governmental Funds
	General	Development Impact Fees	Bonded CFDs		
<b>Revenues:</b>					
Taxes	\$ 56,042,702	\$ -	\$ -	\$ -	\$ 56,042,702
Licenses and permits	13,343,572	-	-	-	13,343,572
Intergovernmental	8,916,620	-	-	14,248,794	23,165,414
Charges for services	4,457,998	-	-	6,345,625	10,803,623
Use of money and property	(2,707,826)	(1,595,371)	5,023	(588,184)	(4,886,358)
Fines and forfeitures	438,833	-	-	-	438,833
Developer participation	-	10,090,078	-	172,368	10,262,446
Miscellaneous	114,987	-	-	-	114,987
Contributions from property owners	-	-	14,110,185	-	14,110,185
<b>Total Revenues</b>	<b>80,606,886</b>	<b>8,494,707</b>	<b>14,115,208</b>	<b>20,178,603</b>	<b>123,395,404</b>
<b>Expenditures:</b>					
Current:					
General government	17,709,756	49,996	53,500	875,575	18,688,827
Public safety	34,696,841	-	-	253,631	34,950,472
Community development	6,602,904	-	-	209,043	6,811,947
Parks and recreation	3,018,091	-	-	2,734,209	5,752,300
Engineering and public works	3,712,814	-	-	1,815,846	5,528,660
Capital outlay	5,085,229	6,064,486	1,898,455	4,557,257	17,605,427
Debt service:					
Principal retirement	-	-	-	7,250,613	7,250,613
Interest and fiscal charges	-	-	459,942	742,812	1,202,754
Bond issuance costs	-	-	-	40,000	40,000
<b>Total Expenditures</b>	<b>70,825,635</b>	<b>6,114,482</b>	<b>2,411,897</b>	<b>18,478,986</b>	<b>97,831,000</b>
Excess of revenues over(under) expenditures	9,781,251	2,380,225	11,703,311	1,699,617	25,564,404
<b>Other Financing Sources (Uses):</b>					
Transfers in	3,871,153	-	-	2,180,572	6,051,725
Transfers out	-	-	-	(6,051,725)	(6,051,725)
Proceeds from debt issuance	-	-	-	6,355,581	6,355,581
Lease acquisition	6,939,942	-	-	-	6,939,942
<b>Total Other Financing Sources (Uses)</b>	<b>10,811,095</b>	<b>-</b>	<b>-</b>	<b>2,484,428</b>	<b>13,295,523</b>
Net Change in Fund Balances	20,592,346	2,380,225	11,703,311	4,184,045	38,859,927
Fund Balances, beginning of year	56,313,361	36,188,645	-	18,299,913	110,801,919
<b>Fund Balances, end of year</b>	<b>\$ 76,905,707</b>	<b>\$ 38,568,870</b>	<b>\$ 11,703,311</b>	<b>\$ 22,483,958</b>	<b>\$ 149,661,846</b>

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

# CITY OF MENIFEE

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds \$ 38,859,927

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 and reported as depreciation and amortization expense or allocated to the appropriate functional expense. The capital and intangible asset activity is reconciled as follows:

Cost of assets capitalized:	
Capital outlay	17,605,427
Additional costs capitalized	20,570,131
Loss on disposal of asset	(30,628)
Intangible assets capitalized	6,939,942
Depreciation expense	(14,690,534)
Amortization expense	(1,275,986)

Governmental funds report proceeds from issuances of debt as other financing sources or uses, and do not report the respective long term liabilities. For the Statement of Activities these proceeds have been reclassified to long term debt in the Statement of Net Position. This is the amount of the debt proceeds for the current year: (13,295,523)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments	\$ 8,268,415	
Amortization of deferred charges	(45,219)	8,223,196

Accrued interest for long-term liabilities. This is the change in accrued interest for the current period. 7,376

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. This is the change in compensated absences for the current period. (274,160)

Revenues reported as unavailable and unearned revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues under the modified accrual basis of accounting in the governmental fund activity when they are measureable and available. (589,811)

Deferred inflows and outflows of resources not due and payable, or owed and receivable, respectively, in the current period, are not reported in the funds:

Pension related net adjustment	5,415,984
OPEB related net adjustment	(689,440)

**Change in net position of governmental activities \$ 66,775,901**

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

CITY OF MENIFEE

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2022

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	2019 Bonded CFD Custodial Fund
<b>Assets:</b>	
Cash and investments	\$ 1,609,057
Receivables:	
Accounts	<u>8,963</u>
<b>Total Assets</b>	<u>1,618,020</u>
<b>Total Liabilities</b>	<u>-</u>
<b>Net Position:</b>	
Held in trust for other purposes	<u>1,618,020</u>
<b>Total Net Position</b>	<u><u>\$ 1,618,020</u></u>

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

CITY OF MENIFEE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	<b>2019 Bonded CFD Custodial Fund</b>
<b>Additions:</b>	
Interest income	\$ 647
Contributions from property owners	1,674,912
<b>Total Additions</b>	<b>1,675,559</b>
<b>Deductions:</b>	
Administrative expenses	5,520
Interest paid to bondholders	52,019
<b>Total Deductions</b>	<b>57,539</b>
<b>Change in Net Position</b>	<b>1,618,020</b>
Net position, beginning of year	-
<b>Net position, end of year</b>	<b>\$ 1,618,020</b>

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The City of Menifee, California (the City), was incorporated on October 1, 2008, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. 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 are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be incomplete. Under this definition, it is determined that there are no component units for this reporting entity, and these financial statements present the financial reporting entity that consisted solely of the City as the primary government.

**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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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 is 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fiduciary funds are reported on the accrual basis of accounting. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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 period. However, grant revenues are considered available within 6 months 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.

The City's fiduciary fund financial statements report a custodial fund. The custodial fund is reported using the economic resources measurement focus and the accrual basis of accounting.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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.

Governmental funds with assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures equal to at least 10% of their fund-type total, and at least 5% of the combined total of governmental funds and enterprise fund, as applicable, are required to be reported as a major fund. A governmental fund may also be presented as a major fund in the basic financial statements, even if it does not meet the size criteria just described, if the City's officials believe that the fund is particularly important to the financial statement users (because of public interest, reporting consistency, or otherwise). The General Fund is always reported as a major fund.

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 (DIF) Fund – This fund is used to account for 9 separate DIF Funds. Fees are charged to new development to pay for future infrastructure costs such as roads, fire facilities, parks and libraries.

The Bonded CFDs Fund - This fund is used to account for 3 separate Bonded CFD funds (capital projects). Proceeds received by the issuance of bonds under the Mello-Roos Community Facilities Act of 1982, are accounted for under the respective Bonded CFD fund and used to pay for the specific eligible public facilities/improvements financed by the CFD.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Additionally, the City reports the following fund types:

The custodial fund is used to account for third party contributions received by the City for which the City's responsibility is essentially custodial.

The 2019 Bonded CFD fund is used to account for contributions from property owners for payment on outstanding debt that the City is not directly liable for.

**d. Assets, 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 generally 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. All trade and property tax receivables are shown net of an allowance for uncollectable.

**Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated useful life in excess of two or more years. Assets are generally capitalized as a whole unit or system and not by the individual units that comprise the system. For example, a phone system is capitalized as one entire system and not on the individual components such as the phones, phone server, installation costs, and wiring.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**d. Assets, Liabilities and Net Position or Equity (continued)**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. In accordance with generally accepted accounting principles, the City has reported all general infrastructure assets.

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

Property, plant, equipment, and infrastructure of the primary government, as well as its component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>\$ Threshold</u>
Equipment and furniture	2-10	\$ 5,000
Vehicles	2-10	5,000
Software	2-10	5,000
Infrastructure	20-50	50,000

**Intangible Assets**

Intangible Right to Use assets are related to equipment or real property that the City has obtained the right to utilize for a specified period of time through the use of a lease agreement. The life of the right to use asset is for the same period as the lease and amortized on a straight-line basis over that period.

**Compensated Absences**

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than his regular annual entitlement. Payment for vacation not taken is payable at the end of the cumulative time.

Sick leave is payable when an employee is unable to work because of illness. Upon termination an employee will not be paid for any unused sick leave, with the exception for the City Manager pursuant to employment contract.

All unpaid vacation and sick leave, if applicable, is recorded as a liability in the government-wide financial statements. Compensated absence liabilities are expected to be liquidated by the General Fund in future periods.

**Deferred Outflows/Inflows of Resources**

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

NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**d. Assets, Liabilities and Net Position or Equity (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, 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 governmental funds balance sheet. The governmental funds report unavailable revenues from taxes and intergovernmental revenues. These amounts are unavailable and recognized as an inflow of resources in the period that the amounts become available.

**Net Position Flow Assumption**

Sometimes the government 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 and proprietary fund financial statements, 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**

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, contributors, 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.

*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. 2011-226 approved on June 21, 2011.

*Unassigned* include the residual amounts that have not been restricted, committed, or assigned to specific purposes in the General Fund, and deficit fund balances in any other funds.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**d. Assets, Liabilities and Net Position or Equity (continued)**

An Emergency Contingency commitment of fund balance has been established through Resolution 21-1076. This reserve is set at a minimum of 12.5% of General Fund operating expenditures. The specified uses include the declaration of a state or federal emergency or a local emergency as defined in Section 1.10.010 of the Menifee Municipal Code. City Council may, by majority vote of the members, change the amount of this commitment and/or the specific uses through adoption of resolution.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate. However, if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**Fund Balance Flow Assumptions**

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

**Property Taxes**

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**d. Assets, Liabilities and Net Position or Equity (continued)**

Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

**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.
- Parks and Recreation includes activities which provide recreation, cultural and educational services.
- Engineering and Public Works includes all maintenance, engineering and capital improvements which relate to streets and other public facilities.

**e. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**f. Pension Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. 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.

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

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**g. Other Postemployment 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 reported at fair value.

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 (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

**h. Implementation of New Pronouncement**

Governmental Accounting Standards Board has issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**II. STEWARDSHIP**

**Note 2: Stewardship, Compliance and Accountability**

**a. Budgetary Data**

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 City Council. Supplemental appropriations, where required during the period, are approved by the City Manager. 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 General, Special Revenue and similar governmental funds. 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 all governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**b. Deficit Fund Balances**

The following funds present a fund balance deficit as of the year ended June 30, 2022:

<u>Fund</u>	<u>Fund Balance Deficit</u>
TUMF Fees	\$ (412,708)

**c. Excess of Expenditures over Appropriations**

In the fiscal year ended June 30, 2022, all expenditures were within appropriations

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance with Final Budget</u>
<b><i>Major Funds:</i></b>			
Bonded CFDs			
Capital outlay	-	1,898,455	(1,898,455)
<b><i>Nonmajor Funds:</i></b>			
Debt Service Fund			
General government	86,909	94,649	(7,740)

**CITY OF MENIFEE**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 3: Cash and Investments**

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

Governmental activities	
Cash and investments	\$ 172,767,154
Cash with fiscal agent	95,443
Fiduciary funds	
Cash and investment	<u>1,609,057</u>
 Total Cash and Investments	 <u><u>\$ 174,471,654</u></u>

Cash and investments held by the City consist of the following:

Cash on hand	\$ 9,600
Deposits with financial institutions	48,632,652
Investments	<u>125,829,402</u>
 Total Cash and Investments	 <u><u>\$ 174,471,654</u></u>

The City maintains a cash and investment pool that is available for use for all funds. 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. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on average daily cash balances.

**Deposits with financial institutions**

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 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 governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.



**CITY OF MENIFEE**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Note 3: Cash and Investments (continued)**

Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the investment types that are authorized by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types Authorized by State Law	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment In One Issuer
U.S. Treasury Bills	5 years	60%	None
U.S. Treasury Notes	5 years	40%	None
Federal Agency Securities	5 years	20%	None
Certificates of Deposit	5 years	10%	None
Commercial Paper	270 days	10%	None
Bankers acceptance	180 days	10%	None
Local Agency Investment Fund	N/A	None	\$75 million
Passbook savings demand deposits	5 years	None	None
Mutual funds that invest only in State of CA	N/A	20%	None
SEC-registered money market mutual funds	N/A	20%	None

\* Based on state law requirements or investment policy requirements, whichever is more restrictive

**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.

**Investments in State Investment Pool**

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.

**Fair Value**

Generally Accepted Accounting Principles (GAAP), 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.

CITY OF MENIFEE

NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 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 does not limit investments in Federal Agency Securities and Treasury Obligations to ratings issued by nationally recognized statistical rating organizations. The City's investment policy does restrict investments in Corporate Medium Term Notes (MTN's) to those rated A or better by a nationally recognized statistical rating organization. Presented below are the City's investments and the actual rating as of fiscal year end for each investment type:

Investment Type	Amount	Minimum legal rating	Rating at year end	
			Aaa	Not rated
City investments:				
State investment pool (LAIF)	\$ 60,372,324	N/A	\$ -	\$ 60,372,324
Cash and money market funds	19,681	N/A	-	19,681
U.S. Treasury Obligations	19,753,822	N/A	19,753,822	-
Federal agency securities	43,909,356	N/A	43,909,356	-
U.S. Corporate bonds	956,864	N/A	956,864	-
CMO	223,052	N/A	223,052	-
Supranational	137,822	N/A	137,822	-
Asset-backed securities	361,037	N/A	361,037	-
Held by bond trustee and escrow agent:				
Cash	95,444	N/A	95,444	-
	\$ 125,829,402		\$ 65,437,397	\$ 60,392,005

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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment in LAIF is unrated.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, the City held deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) limits. These funds were held in collateralized accounts as required by the California Government Code as stated above.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**
**Note 3: Cash and Investments (continued)**

## Concentration of Credit Risk

The City's investment policy imposes restrictions on percentages that the City can invest in certain types of investments and with any one issuer for certain types of investments. Generally accepted accounting principles requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. At June 30, 2022, the City's had no single issuer of more than 5%. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

## Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

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

	Investments Maturities			Fair Value
	1 year or less	1 year to 3 years	3 years to 5 years	
<i>City investments:</i>				
State investment pool (LAIF)	\$ 60,372,324	\$ -	\$ -	\$ 60,372,324
Cash and money market funds	19,681	-	-	19,681
U.S. Treasury Obligations	-	477,272	19,276,550	19,753,822
Federal agency securities	-	815,115	43,094,241	43,909,356
U.S. Corporate bonds	-	534,251	422,613	956,864
CMO	-	178,698	44,354	223,052
Supranational	-	-	137,822	137,822
Asset-backed securities	-	230,912	130,125	361,037
<i>Held by bond trustee and escrow agent:</i>				
Cash	95,444	-	-	95,444
Total investments	<u>\$ 60,487,449</u>	<u>\$ 2,236,248</u>	<u>\$ 63,105,705</u>	<u>\$ 125,829,402</u>

## Fair Value Measurements

Generally accepted accounting principles, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The valuation technique used for level 2 investments include "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: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spreads, and market-corroborated inputs.

CITY OF MENIFEE

NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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**Note 3: Cash and Investments (continued)**

Fair Value Measurements (continued)

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2022:

Investments by Fair Value Hierarchy	Total	Level 1	Level 2	Level 3
<i>City investments:</i>				
U.S. Treasury Obligations	\$ 19,753,822	\$ 18,970,340	\$ 783,482	\$ -
Federal agency securities	43,909,356	-	43,909,356	-
U.S. Corporate bonds	956,864	-	956,864	-
CMO	223,052	-	223,052	-
Supranational	137,822	-	137,822	-
Asset-backed securities	361,037	-	361,037	-
Total Investments by Fair Value Hierarchy	65,341,953	<u>\$ 18,970,340</u>	<u>\$ 46,371,613</u>	<u>\$ -</u>
Investments outside the Fair Value Hierarchy				
<i>City investments:</i>				
State investment pool (LAIF)	60,372,324			
Money market funds	19,681			
<i>Held by bond trustee and escrow agent:</i>				
Cash	<u>95,444</u>			
Total Investments	<u>\$ 125,829,402</u>			

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## CITY OF MENIFEE

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**
**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 23,283,107	\$ 1,756,000	\$ -	\$ 25,039,107
Right-of-way	415,800			415,800
Construction in progress	29,616,165	12,955,812	(8,556,001)	34,015,976
 Total Capital Assets, Not Being Depreciated	 53,315,072	 14,711,812	 (8,556,001)	 59,470,883
Capital assets, being depreciated:				
Building and improvements	31,600,491	73,702	-	31,674,193
Equipment and furniture	3,081,618	777,748	-	3,859,366
Vehicles	6,412,729	820,056	(48,786)	7,183,999
Software and website design	772,239		-	772,239
Infrastructure	280,415,607	30,348,241	(32,240)	310,731,608
 Total Capital Assets, Being Depreciated	 322,282,684	 32,019,747	 (81,026)	 354,221,405
Less accumulated depreciation:				
Building and improvements	(4,877,952)	(1,420,887)	-	(6,298,839)
Equipment and furniture	(1,515,445)	(409,904)	-	(1,925,349)
Vehicles	(2,118,334)	(898,736)	48,786	(2,968,284)
Software and website design	(467,918)	(41,681)	-	(509,599)
Infrastructure	(90,641,728)	(11,919,326)	1,612	(102,559,442)
 Total Accumulated Depreciation	 (99,621,377)	 (14,690,534)	 50,398	 (114,261,513)
 Total Capital Assets, Being Depreciated, Net	 222,661,307	 17,329,213	 (30,628)	 239,959,892
 Governmental Activities Capital Assets, Net	 \$ 275,976,379	 \$ 32,041,025	 \$ (8,586,629)	 \$ 299,430,775

Depreciation expense was charged to the following functions in the statement of activities:

<b>Governmental Activities:</b>	
General government	\$ 171,303
Public safety	1,103,338
Community development	-
Recreation services	1,773,888
Engineering and public works	11,594,061
Building & Safety	22,743
Code Enforcement	25,201
 Total Depreciation Expense - Governmental Activities	 \$ 14,690,534

## CITY OF MENIFEE

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**
**Note 5: Intangible Assets**

Intangible asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
<b>Governmental Activities:</b>				
Right to Use Asset:				
Land	\$ -	\$ 175,347	\$ -	\$ 175,347
Buildings	-	6,412,676	-	6,412,676
Vehicles and equipment	-	351,919	-	351,919
Total right to use asset	-	6,939,942	-	6,939,942
Less Accumulated Amortization				
Land	-	(58,449)	-	(58,449)
Buildings	-	(1,135,633)	-	(1,135,633)
Vehicles and equipment	-	(81,904)	-	(81,904)
Total Accumulated Amortization	-	(1,275,986)	-	(1,275,986)
Governmental Activities Intangible Assets, Net	<u>\$ -</u>	<u>\$ 5,663,956</u>	<u>\$ -</u>	<u>\$ 5,663,956</u>

Amortization expense was charged to the following functions in the statement of activities:

<b>Governmental Activities:</b>	
General government	\$ 710,141
Public safety	532,895
Parks and recreation	32,950
Total Amortization Expense - Governmental Activities	<u>\$ 1,275,986</u>

**Note 6: Long-Term Liabilities**

The following is a schedule of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Long-term liabilities</b>					
Certificates of Participation, Series 2020 (TRIP)	\$ 16,990,000	\$ -	\$ (675,000)	\$ 16,315,000	\$ 675,000
Direct Borrowings:					
Distribution Facilities Financing Agreement	6,120,786	6,355,581	(6,575,613)	5,900,754	415,488
Lease liabilities	-	6,939,942	(1,017,802)	5,922,140	1,151,861
Other long-term liability:					
Compensated absences	1,456,019	1,677,287	(1,403,127)	1,730,179	346,036
Total long-term debt	<u>\$ 24,566,805</u>	<u>\$ 14,972,810</u>	<u>\$ (9,671,542)</u>	<u>\$ 29,868,073</u>	<u>\$ 2,588,385</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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**Note 6: Long-Term Liabilities (continued)***Transportation Revenue Certificates of Participation Bonds, Series 2020*

The 2020 Certificates of Participation Bonds were issued to refund the 2012B Certificate of Participation Bonds for \$16,990,000. The bonds mature annually through 2042, in amounts ranging from \$1,835,000 to \$2,305,000. Interest rates vary from 0.435% to a maximum of 3.238% and are payable semiannually on December 1 and June 1. This transaction resulted in an economic gain of \$1.8 million and a net savings in debt service costs of \$4.3 million.

Assets irrevocably pledged as collateral for the bonded debt are all of the revenues and all money in the Pledged Tax Fund (the "Gas Tax Account" and the "Measure A Receipts Account") and in the funds or accounts so specified and provided for in the 2020 Installment Sale Agreement.

In the event of default the Trustee may, by notice in writing to the City, declare the entire principal amount of the unpaid 2020 Installment Sale Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

At June 30, 2022, the outstanding balance of these bonds was \$16,315,000.

The annual debt service requirements on these bonds are as follows:

Certificates of Participation, Series 2020 TRIP			
Year Ending June 30	Principal	Interest	Total
2023	\$ 675,000	\$ 401,754	\$ 1,076,754
2024	680,000	397,022	1,077,022
2025	690,000	390,487	1,080,487
2026	700,000	383,166	1,083,166
2027	710,000	373,352	1,083,352
2028-2032	3,740,000	1,661,457	5,401,457
2033-2037	4,210,000	1,185,571	5,395,571
2038-2042	4,910,000	486,995	5,396,995
Totals	<u>\$ 16,315,000</u>	<u>\$ 5,279,804</u>	<u>\$ 21,594,804</u>

*Distribution Facilities Financing Agreement – Direct borrowing:*

On July 6, 2018, the City entered into a financing agreement to purchase Certain Southern California Edison Company Street Light Facilities. The agreement calls for the conveyance and sale of 6,310 LS-1 electric streetlights facilities. The term of the agreement is 15 years, expiring on 2034. Interest rate is set at 4.30% and debt payments are payable semiannually on December 1 and June 1.

The agreement was refinanced on September 10, 2021 for \$6,335,581 with an interest rate of 2.99% with payments due in December and June of every year. The refinancing did not extend the life of the agreement and will therefore continue to expire in 2034. The refinancing resulted in economic gain of approximately \$400,738 over the term of the agreement with an annual average cash flow savings of approximately \$30,826.

CITY OF MENIFEE

NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 6: Long-Term Liabilities (continued)**

*Distribution Facilities Financing Agreement – Direct borrowing (continued):*

In the event of default the lessor may, by notice in writing to the City, declare the entire principal amount of the unpaid Agreement and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable.

At June 30, 2022, the outstanding balance of the agreement was \$5,900,754.

The annual debt service requirements on these bonds are as follows:

Distribution Facilities Financing Agreement			
Year Ending June 30	Principal	Interest	Total
2023	\$ 415,488	\$ 173,350	\$ 588,838
2024	428,004	160,834	588,838
2025	440,897	147,941	588,838
2026	454,178	134,660	588,838
2027	467,860	120,978	588,838
2028-2032	2,559,386	384,802	2,944,188
2033-2037	1,134,941	42,733	1,177,674
Totals	<u>\$ 5,900,754</u>	<u>\$ 1,165,298</u>	<u>\$ 7,066,052</u>

*Lease Liabilities*

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2021, City of Menifee, CA entered into a 50-month lease as Lessee for the use of Vehicle - Unit # 23K5V8. An initial lease liability was recorded in the amount of \$23,635. As of June 30, 2022, the value of the lease liability is \$18,004. City of Menifee is required to make monthly fixed payments of \$515. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 50 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$23,635 with accumulated amortization of \$5,672 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$4,870.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 6: Long-Term Liabilities (continued)**

*Lease Liabilities (continued)*

On August 18, 2021, City of Menifee, CA entered into a 60-month lease as Lessee for the use of Vehicle - Unit # 2554ZP. An initial lease liability was recorded in the amount of \$29,847. As of June 30, 2022, the value of the lease liability is \$25,192. City of Menifee is required to make monthly fixed payments of \$559. The lease has an interest rate of 0.6870%. The Vehicles estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$29,847 with accumulated amortization of \$5,153 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$5,276.

On August 16, 2021, City of Menifee, CA entered into a 60-month lease as Lessee for the use of Vehicle - Unit # 25552Z. An initial lease liability was recorded in the amount of \$37,115. As of June 30, 2022, the value of the lease liability is \$31,285. City of Menifee is required to make monthly fixed payments of \$685. The lease has an interest rate of 0.6870%. The Vehicles estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$37,115 with accumulated amortization of \$6,441 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$6,496.

On July 1, 2021, City of Menifee, CA entered into a 49-month lease as Lessee for the use of Vehicle - Unit # 23LSC9. An initial lease liability was recorded in the amount of \$18,826. As of June 30, 2022, the value of the lease liability is \$13,934. City of Menifee is required to make monthly fixed payments of \$426. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 49 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$18,826 with accumulated amortization of \$4,509 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$3,743.

On July 1, 2022, City of Menifee, CA entered into a 48-month lease as Lessee for the use of Vehicle - Unit # 23L9ND. An initial lease liability was recorded in the amount of \$28,766. As of June 30, 2022, the value of the lease liability is \$21,155. City of Menifee is required to make monthly fixed payments of \$640. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$28,766 with accumulated amortization of \$7,035 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$5,963.

On July 1, 2022, City of Menifee, CA entered into a 49-month lease as Lessee for the use of Vehicle - Unit # 23K2W7. An initial lease liability was recorded in the amount of \$27,314. As of June 30, 2022, the value of the lease liability is \$20,228. City of Menifee is required to make monthly fixed payments of \$602. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 49 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$27,314 with accumulated amortization of \$6,545 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$5,372.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 6: Long-Term Liabilities (continued)**

*Lease Liabilities (continued)*

On July 1, 2021, City of Menifee, CA entered into a 48-month lease as Lessee for the use of Vehicle - Unit # 23L9NJ. An initial lease liability was recorded in the amount of \$18,540. As of June 30, 2022, the value of the lease liability is \$13,622. City of Menifee is required to make monthly fixed payments of \$429. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$18,540 with accumulated amortization of \$4,530 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$3,815.

On July 1, 2021, City of Menifee, CA entered into a 58-month lease as Lessee for the use of Vehicle - Unit # 23TV6R. An initial lease liability was recorded in the amount of \$30,340. As of June 30, 2022, the value of the lease liability is \$23,684. City of Menifee is required to make monthly fixed payments of \$562. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 58 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$30,340 with accumulated amortization of \$6,164 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$5,393.

On July 1, 2021, City of Menifee, CA entered into a 56-month lease as Lessee for the use of Vehicle - Unit # 23TXCV. An initial lease liability was recorded in the amount of \$29,015. As of June 30, 2022, the value of the lease liability is \$22,431. City of Menifee is required to make monthly fixed payments of \$565. The lease has an interest rate of 0.6870%. The Vehicles estimated useful life was 56 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$29,015 with accumulated amortization of \$6,100 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$5,432.

On July 1, 2021, City of Menifee, CA entered into a 33-month lease as Lessee for the use of SendPro P Series. An initial lease liability was recorded in the amount of \$37,615. As of June 30, 2022, the value of the lease liability is \$25,533. City of Menifee is required to make monthly fixed payments of \$1,220. The lease has an interest rate of 0.4110%. The Equipment estimated useful life was 33 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$37,615 with accumulated amortization of \$13,678 is included with vehicles and equipment in Note 5.

On July 1, 2021, City of Menifee, CA entered into an 86 month lease as Lessee for the use of 29844 Haun Road. An initial lease liability was recorded in the amount of \$4,964,514. As of June 30, 2022, the value of the lease liability is \$4,522,623. City of Menifee is required to make monthly fixed payments of \$35,760. The lease has an interest rate of 0.9470%. The Buildings estimated useful life was 86 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$4,964,514 with accumulated amortization of \$692,723 is included with buildings in Note 5. The City has 1 extension option, each for 60 months.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 6: Long-Term Liabilities (continued)**

*Lease Liabilities (continued)*

On June 1, 2022, City of Menifee, CA entered into a 60-month lease as Lessee for the use of 29826 Haun Road. An initial lease liability was recorded in the amount of \$224,370. As of June 30, 2022, the value of the lease liability is \$220,416. City of Menifee is required to make monthly fixed payments of \$3,953. The lease has an interest rate of 2.2870%. The Buildings estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$224,370 with accumulated amortization of \$3,740 is included with buildings in Note 5. The City has 1 extension option, each for 60 months.

On July 1, 2021, City of Menifee, CA entered into a 33-month lease as Lessee for the use of 29714 Haun Road. An initial lease liability was recorded in the amount of \$965,407. As of June 30, 2022, the value of the lease liability is \$625,743. City of Menifee is required to make monthly variable principal and interest payments of \$28,555 based on a CPI index of 0.00%. The lease has an interest rate of 0.4110%. The Buildings estimated useful life was 33 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$965,407 with accumulated amortization of \$347,895 is included with buildings in Note 5. The City has 4 extension options, each for 60 months.

On July 1, 2021, City of Menifee, CA entered into an 18-month lease as Lessee for the use of 28115 Bradley Road. An initial lease liability was recorded in the amount of \$36,461. As of June 30, 2022, the value of the lease liability is \$12,169. City of Menifee is required to make monthly fixed payments of \$2,030. The lease has an interest rate of 0.3080%. The Buildings estimated useful life was 18 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$36,461 with accumulated amortization of \$24,307 is included with buildings in Note 5. The City has 1 extension option, each for 60 months.

On July 1, 2021, City of Menifee, CA entered into a 36-month lease as Lessee for the use of Menifee PD Site. An initial lease liability was recorded in the amount of \$175,347. As of June 30, 2022, the value of the lease liability is \$118,165. City of Menifee is required to make monthly fixed payments of \$4,900. The lease has an interest rate of 0.4110%. The Land estimated useful life was 36 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$175,347 with accumulated amortization of \$58,449 is included with buildings in Note 5. The City has 2 extension options, each for 60 months.

On July 1, 2021, City of Menifee, CA entered into a 39-month lease as Lessee for the use of Pacific Mobile Unit. An initial lease liability was recorded in the amount of \$221,925. As of June 30, 2022, the value of the lease liability is \$153,944. City of Menifee is required to make monthly fixed payments of \$5,729. The lease has an interest rate of 0.4110%. The Buildings estimated useful life was 39 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$221,925 with accumulated amortization of \$66,968 is included with buildings in Note 5.

CITY OF MENIFEE

NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 6: Long-Term Liabilities (continued)**

*Lease Liabilities (continued)*

On July 1, 2021, City of Menifee, CA entered into a 50-month lease as Lessee for the use of Vehicle - Unit # 23K5VF. An initial lease liability was recorded in the amount of \$23,635. As of June 30, 2022, the value of the lease liability is \$18,004. City of Menifee is required to make monthly fixed payments of \$515. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 50 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$23,635 with accumulated amortization of \$3,947 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$4,870.

On July 1, 2021, City of Menifee, CA entered into a 50-month lease as Lessee for the use of Vehicle - Unit # 23K5VM. An initial lease liability was recorded in the amount of \$23,635. As of June 30, 2022, the value of the lease liability is \$18,004. City of Menifee is required to make monthly fixed payments of \$515. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 50 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$23,803 with accumulated amortization of \$5,713 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$4,870.

On July 1, 2021, City of Menifee, CA entered into a 50-month lease as Lessee for the use of Vehicle - Unit # 23K5VN. An initial lease liability was recorded in the amount of \$23,635. As of June 30, 2022, the value of the lease liability is \$18,004. City of Menifee is required to make monthly fixed payments of \$515. The lease has an interest rate of 0.5600%. The Vehicles estimated useful life was 50 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$23,803 with accumulated amortization of \$5,713 is included with vehicles and equipment in Note 5. The lease has a guaranteed residual value payment of \$4,870.

Future payments on the total lease liabilities are as follows.

Leases			
Year Ending June 30	Principal	Interest	Total
2023	\$ 1,151,861	\$ 50,351	\$ 1,202,212
2024	1,174,581	41,843	1,216,424
2025	835,975	33,314	869,289
2026	892,735	24,979	917,714
2027	962,828	15,755	978,583
2028-2029	904,160	6,640	910,800
Totals	<u>\$ 5,922,140</u>	<u>\$ 172,882</u>	<u>\$ 6,095,022</u>

*Compensated Absences*

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounts to \$1,730,179 at June 30, 2022. These liabilities have been described in Note 1.

**CITY OF MENIFEE**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Note 7: Interfund Receivable, Payable and Transfers**

Due to/from other funds balances at June 30, 2022 were as follows:

Funds	Nonmajor Governmental Funds
<i>Due From Other Funds:</i>	
General Fund	<u>\$ 1,157,868</u>

These represent borrowings from other governmental funds to cover temporary cash deficit.

Transfers in and out for the year ended June 30, 2022 were as follows:

Transfers in	Transfers out	Amount
General Fund	Nonmajor Governmental Funds	(a) \$ 3,871,153
Nonmajor Governmental Funds	Nonmajor Governmental Funds	(b) <u>2,180,572</u>
Total transfers		<u>\$ 6,051,725</u>

(a) Transfers made from Nonmajor Governmental Funds to the General Fund were to fund frontline Police services from the COPS Grants, fleet support from various funds and from the ARPA fund for public safety expenditures.

(b) Transfers made between Nonmajor Funds for debt service and capital projects.

**Note 8: Pension Plan**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in three rate plans (two miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 8: Pension Plan (continued)**

**A. General Information about the 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, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	<b>Miscellaneous</b>		<b>Safety</b>
	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2% @ 62	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%	2.0% to 2.7%
Required employee contribution rates	7.960%	7.250%	13.750%
Required employer contribution rates	14.870%	7.730%	13.980%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2022 were \$2,881,799. The actual employer payments of \$2,503,455 made to CalPERS by the City during the measurement period ended June 30, 2021 differed from the City's proportionate share of the employer's contributions of \$638,253 by \$1,865,202, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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**Note 8: Pension Plan (continued)*****B. Net Pension Liability (Asset)***

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

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

***Long-term Expected Rate of Return***

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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**Note 8: Pension Plan (continued)*****B. Net Pension Liability (Asset) (continued)***

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

<b>Asset Class<sup>1</sup></b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10<sup>2</sup></b>	<b>Real Return Year 11+<sup>3</sup></b>
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	100.0%		

<sup>1</sup> In the System's ACFR, 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.

<sup>2</sup> An expected inflation of 2.00% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

***Change of Assumptions***

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

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

***Subsequent Events***

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



**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 8: Pension Plan (continued)**

***B. Net Pension Liability (Asset) (continued)***

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

***Pension Plan Fiduciary Net Position***

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

***C. Proportionate Share of Net Pension Liability***

The following table shows the Plan's proportionate share of the net pension liability (asset) over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability (Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2020 (VD)	\$ 10,555,712	\$ 10,299,004	\$ 256,708
Balance at: 6/30/2021 (MD)	13,970,552	16,103,843	(2,133,291)
Net changes during 20-21	<u>\$ 3,414,840</u>	<u>\$ 5,804,839</u>	<u>\$ (2,389,999)</u>

Valuation Date (VD), Measurement Date (MD).

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The Local Government's proportionate share of the net pension liability for the Plan as of the June 30, 2020 and 2021 measurement dates was as follows:

Proportion - June 30, 2020	0.00236%
Proportion - June 30, 2021	(0.03945%)
Change - Increase (Decrease)	<u>(0.04180%)</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 8: Pension Plan (continued)*****C. Proportionate Share of Net Pension Liability (continued)******Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Local Government's proportionate share of the net pension liability (asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Miscellaneous Plan's Net Pension Liability (Asset)	\$ (281,942)	\$ (2,087,036)	\$ (3,579,281)
Safety Plan's Net Pension Liability (Asset)	(6,034)	(46,255)	(79,292)

***Amortization of Deferred Outflows and Deferred Inflows of Resources***

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

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

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

Difference between projected 5 year straight-line amortization  
and actual earnings

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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**Note 8: Pension Plan (continued)**
***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources  
Related to Pensions***

As of the start of the measurement period (July 1, 2020), the City's net pension liability was \$256,708. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a pension expense/(credit) of \$(2,534,185).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 241,941
Differences between Projected and Actual Investment Earnings	1,849,403	-
Differences between Employer's Contributions and Proportionate Share of Contributions	1,875,305	-
Change in Employer's Proportion	279,537	87,933
Pension Contributions Made Subsequent to Measurement Date	2,881,799	-
Total	<u>\$ 6,886,044</u>	<u>\$ 329,874</u>

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$2,881,799 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability (asset) in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2023	\$ 1,250,162
2024	1,104,607
2025	808,554
2026	511,048
2027	-
Thereafter	-

***E. Payable to the Pension Plan***

At June 30, 2022, the City reported a payable of \$385,238 for the outstanding amount of contributions to the pension plan required for the year then ended.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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**Note 9: Other Post-Employment Benefits****Plan Description**

The City has established a single-employer Retiree Healthcare Plan (HC Plan). This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 50 or older with at least five years of State or public agency service. The healthcare coverage provided by PERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. Medical plan benefits are provided through PERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). A separate financial report is not prepared for the HC Plan.

**Employees Covered**

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	196
Inactive employees or beneficiaries currently receiving benefits	4
Total	<u>200</u>

**Contributions**

The HC Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. For the fiscal year ended June 30, 2022, the City's cash contributions were \$5,975 in payments for benefits.

**Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2021 and was calculated based on the following actuarial methods and assumptions from the valuation dated June 30, 2021:

**Actuarial Assumptions:**

Discount Rate	2.16%
Inflation	2.50%
Salary Increases	2.75
Investment Rate of Return	3.50%
Mortality Rate	2017 CalPERS Mortality for Miscellaneous and Safety Employees, respectively
Pre-Retirement Turnover	4.0% per year
Healthcare Trend Rate	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.16% percent.

**Change of Assumptions**

The discount rate changed from 3.50% to 2.16% for the measurement date June 30, 2021.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**
**Note 9: Other Post-Employment Benefits (continued)****Changes in OPEB Liability**

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

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net OPEB Liability/(Asset) (c)= (a) - (b)</b>
<b>Balance at June 30, 2021</b> (Valuation Date June 30, 2020)	<u>\$ 1,715,699</u>	<u>\$ -</u>	<u>\$ 1,715,699</u>
<b>Changes recognized for the measurement period:</b>			
Service Cost	606,096	-	606,096
Interest	44,239	-	44,239
Changes of assumptions	32,710	-	32,710
Plan experience differences	313,441	-	313,441
Contributions - employer	-	16,144	(16,144)
Net investment income	-	-	-
Expected Minus Actual Benefit Payment	407	-	407
Benefit payments	<u>(16,144)</u>	<u>(16,144)</u>	<u>-</u>
<b>Net Changes</b>	<u>980,749</u>	<u>-</u>	<u>980,749</u>
<b>Balance at June 30, 2022</b> (Measurement Date June 30, 2021)	<u><u>\$ 2,696,448</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,696,448</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	<b>1% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
Total OPEB Liability	\$ 3,218,735	\$ 2,696,448	\$ 2,282,357

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

The following presents the total OPEB liability of the Authority 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, 2021:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 2,135,336	\$ 2,696,448	\$ 3,465,441

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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**Note 9: Other Post-Employment Benefits (continued)****OPEB Plan Fiduciary Net Position**

The City is not prefunding with an OPEB trust. Plan Fiduciary Net Position was \$0 at June 30, 2022. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

**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 City determined that it was not reasonable to rerun prior valuations under GASB 75. Therefore, the transition approach was used as provided in GASB 75, Paragraph 244. This means that there are no deferred inflows/outflows in the first year of implementation of GASB 75 with the exception of employer contributions after the measurement date.

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$708,652. The City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 5,975	\$ -
Changes of assumptions	752,804	10,760
Differences between expected and actual experience	376,848	1,118
	-	-
<b>Total</b>	<b>\$ 1,135,627</b>	<b>\$ 11,878</b>

The \$5,975 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 58,317
2024	58,317
2025	58,317
2026	58,317
2027	58,317
Thereafter:	826,189

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Note 10: Risk Management**

The City of Menifee ("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 Member Entity 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 \$ 25,000 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 \$49 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 coverage 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 reasonably estimated. Liabilities include an amount for claims that have been incurred but 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 surplus revenues or may be required to pay additional assessments based upon the Authority's 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](http://www.parsac.org) or by calling (916) 927-7727.

**Note 11: Commitments and Contingencies**

**Litigation**

The City is involved as a defendant in various legal proceedings. While it is not feasible to predict or determine the outcome in these cases, it is the opinion of the City that the outcome will have no material adverse effect on the financial position of the City.

**Grants**

The City has received State and Federal funds for specific purposes that are subject to audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

**Construction Commitments**

No material construction commitments existed at June 30, 2022.

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## REQUIRED SUPPLEMENTARY INFORMATION

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## CITY OF MENIFEE

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 56,313,361	\$ 56,313,361	\$ 56,313,361	\$ -
<b>Resources (Inflows):</b>				
Taxes	46,830,726	52,113,583	56,042,702	3,929,119
Licenses and permits	11,026,993	10,607,002	13,343,572	2,736,570
Intergovernmental	8,454,500	8,831,827	8,916,620	84,793
Charges for services	4,038,210	6,751,761	4,457,998	(2,293,763)
Use of money and property	290,000	306,904	(2,707,826)	(3,014,730)
Fines and forfeitures	322,071	304,052	438,833	134,781
Miscellaneous	82,136	100,623	114,987	14,364
Transfers in	10,683,969	10,683,969	3,871,153	(6,812,816)
Lease acquisition	-	6,939,942	6,939,942	-
<b>Amounts Available for Appropriation</b>	<b>138,041,966</b>	<b>152,953,024</b>	<b>147,731,342</b>	<b>(5,221,682)</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	15,306,963	21,277,134	17,709,756	3,567,378
Public safety	36,740,708	39,779,667	34,696,841	5,082,826
Community development	6,821,137	10,197,019	6,602,904	3,594,115
Parks and recreation	2,964,774	3,861,095	3,018,091	843,004
Engineering and public works	5,318,126	5,464,236	3,712,814	1,751,422
Capital outlay	8,517,158	30,237,480	5,085,229	25,152,251
Transfers out	6,939,185	6,939,185	-	6,939,185
<b>Total Charges to Appropriations</b>	<b>82,608,051</b>	<b>117,755,816</b>	<b>70,825,635</b>	<b>46,930,181</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 55,433,915</b>	<b>\$ 35,197,208</b>	<b>\$ 76,905,707</b>	<b>\$ 41,708,499</b>

## CITY OF MENIFEE

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEVELOPMENT IMPACT FEES – SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 36,188,645	\$ 36,188,645	\$ 36,188,645	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	45,945	204,653	(1,595,371)	(1,800,024)
Developer participation	5,200,800	9,799,918	10,090,078	290,160
<b>Amounts Available for Appropriation</b>	<b>41,435,390</b>	<b>46,193,216</b>	<b>44,683,352</b>	<b>(1,509,864)</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	50,000	50,000	49,996	4
Parks and recreation	-	78	-	78
Capital outlay	7,262,353	33,795,704	6,064,486	27,731,218
<b>Total Charges to Appropriations</b>	<b>7,312,353</b>	<b>33,845,782</b>	<b>6,114,482</b>	<b>27,731,300</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 34,123,037</b>	<b>\$ 12,347,434</b>	<b>\$ 38,568,870</b>	<b>\$ 26,221,436</b>

**CITY OF MENIFEE**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE PENSION PLAN'S NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE  
LAST TEN YEARS\***

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability<sup>1</sup></u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
6/30/2014	0.00921%	\$ 288,345	\$ 2,658,666	10.85%	83.02%
6/30/2015	0.00368%	252,740	3,376,969	7.48%	89.51%
6/30/2016	0.00420%	363,319	4,222,698	8.60%	89.67%
6/30/2017	0.00556%	551,431	4,350,553	12.67%	88.92%
6/30/2018	0.00519%	499,769	5,130,794	9.74%	91.91%
6/30/2019	0.00023%	23,598	6,773,265	0.35%	99.71%
6/30/2020	0.00236%	256,708	10,202,569	2.52%	97.57%
6/30/2021	-0.03945%	(2,133,291)	17,087,839	-12.48%	115.27%

<sup>1</sup> Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

**CITY OF MENIFEE**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE PENSION PLAN'S CONTRIBUTIONS  
LAST TEN YEARS\***

<u>Fiscal Year</u>	<u>Actuarially Determined Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2015	\$ 525,168	\$ (525,168)	\$ -	\$ 3,376,969	15.55%
6/30/2016	447,484	(447,484)	-	4,222,698	10.60%
6/30/2017	461,164	(461,164)	-	4,350,553	10.60%
6/30/2018	524,088	(524,088)	-	5,130,794	10.21%
6/30/2019	727,566	(1,360,520)	(632,954)	6,773,265	20.09%
6/30/2020	1,089,277	(1,089,277)	-	10,202,569	10.68%
6/30/2021	1,631,504	(2,053,455)	(421,951)	17,087,839	12.02%
6/30/2022	2,881,799	(2,881,799)	-	20,641,512	13.96%

**Notes to Schedule:**

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

Changes in Assumptions: There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

# CITY OF MENIFEE

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN YEARS\*

Measurement Period	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 606,096	\$ 449,840	\$ 71,218	\$ 74,816
Interest on the Total OPEB Liability	44,239	38,328	10,868	8,305
Actual and expected experience difference	32,710	364,149	91,138	-
Changes in assumptions	313,441	(1,232)	453,877	(13,488)
Changes in benefit terms	-	-	-	-
Expected Minus Actual Benefit Payments	407	-	-	-
Benefit payments	(16,144)	(12,360)	(775)	(256)
<b>Net change in Total OPEB Liability</b>	<b>980,749</b>	<b>838,725</b>	<b>626,326</b>	<b>69,377</b>
<b>Total OPEB Liability - beginning</b>	<b>1,715,699</b>	<b>876,974</b>	<b>250,648</b>	<b>181,271</b>
<b>Total OPEB Liability - ending (a)</b>	<b>\$ 2,696,448</b>	<b>\$ 1,715,699</b>	<b>\$ 876,974</b>	<b>\$ 250,648</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 17,087,839	\$ 10,202,569	\$ 6,773,265	\$ 5,130,794
Net OPEB liability as a percentage of covered employee payroll	15.78%	16.82%	12.95%	4.89%

### Notes to schedule:

The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits. Benefits are not based on a measure of pay, therefore covered employee payroll is used.

### Changes Since the Prior Valuation:

The discount rate of 2.20% was used in the valuation. The interest rate used in the prior valuation was 2.16%.

\* 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.

Fiscal year 2017-18 was the first year of implementation.

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**REQUIRED SUPPLEMENTARY INFORMATION  
NOTES**

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**Notes to the Required Supplementary Information:**

Budget Basis of Accounting

Budgets for all governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception of the Veteran's Memorial Fund which does not have an adopted budget.

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## SUPPLEMENTAL SCHEDULES

## **NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS**

#### **Gas Tax**

Used to account for revenue and expenditures of money apportioned under Street and Highways Code, Sections 2103, 2105, 2106, 2107 and 2107.5 of the State of California. These funds are earmarked for maintenance, rehabilitation or improvement of public streets. Section 2107.5 funds can be used for engineering and gas tax audit costs. In addition, beginning in FY 2010/11, the new excise tax on fuel, which took the place of Traffic Congestion Relief/Proposition 42 funds, is recorded in the Gas Tax Fund.

#### **SB1**

Used to account for revenue and expenditures of the Road Maintenance and Rehabilitation Account to address deferred maintenance on the State Highway System and the local streets and road system. A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

#### **Measure A**

Represents funds apportioned by the Riverside County Transportation Commission (RCTC) and received by the City as a result of the voter-approved initiative that increased sales tax by 1/2 percent in Riverside County to fund transportation projects. Measure "A" funds were originally approved by voters in 1988, and an extension was approved in 2002 which will fund projects through 2039.

#### **Air Quality Management District**

This fund was established to account for the City's share of vehicle registration fees collected under Assembly Bill 2766 passed during the 1990 State Legislative session. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks and buses. Allocations to agencies are made through an apportionment basis and also through a competitive process. The South Coast Air Quality Management District distributes these funds to the City.

#### **Grants**

This fund accounts for all of the various miscellaneous grants, in order to properly segregate and track grant funding. Grants are budgeted upon being awarded by a third party agency and approved by the City Council. Only grants that are approved at the time of the adoption of this budget are listed in this budget document.

#### **Landscape and Lighting Maintenance**

Upon incorporation, the City acquired the responsibility of a portion of one LLMD which included both street lighting and traffic signals. In January 2015, the City requested from the County of Riverside to become solely responsible for all LLMDs located exclusively within the City jurisdiction. This resulted in the City acquiring 24 individual LLMD zones. These LLMDs had originally been established by Riverside County prior to the City's incorporation, and maintained responsibility for the maintenance of these zones until January 2015.

### **CFD Audie Murphy Ranch**

In January 2012 the Audie Murphy Ranch Community Facility District (CFD) was formed. This CFD encompasses approximately 1,059.3 gross acres and upon full build out will contain approximately 2,129 residential dwelling units. Each July 1, commencing on July 1, 2013, the maximum special tax for developed property shall be increased based on the percentage change in the Consumer Price Index, with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) per fiscal year. The assessed fees will be used towards street lighting, landscaping, street sweeping, water quality basin improvements, parks, trails and recreation improvements.

### **CFD Hidden Hills**

In June 2012 the Hidden Hills Community Facility District (CFD) was formed. This CFD boundary includes approximately 157 gross acres and upon full build out will contain 511 single family homes. Services provided by the CFD include landscape maintenance, park and trails maintenance, as well as incidental costs such as capital replacement and administrative costs. The maximum special tax for developed property shall be increased based on the percentage change in the Consumer Price Index, with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) per fiscal year.

### **CFD 2014-1 Town Center**

In August 2014 the Menifee Town Center Community Facility District (CFD) was formed. This CFD encompasses approximately 149 gross acres of mix use development consisting of retail, commercial and residential housing units. Beginning July 1, 2015 and each year thereafter, the maximum special tax for developed property shall be increased based on the percentage change in the Consumer Price Index with a maximum annual increase of six percent (6%) and a minimum annual increase of two percent (2%) per fiscal year. The assessed fees will be used towards street lighting, landscaping, street sweeping, water quality basin improvements, parks, trails and recreation improvements.

### **TUMF Fees**

This fund tracks revenues and expenditures associated with the regional transportation mitigation fee program. These funds are generated from impact fees assessed by Western Riverside Council of Governments (WRCOG) on all new residential and commercial development. These funds are later divided among the three (3) zones comprising of the Northern, Central and Southern zones. The City of Menifee is located within the Central zone along with the Cities of Perris, Moreno Valley and Riverside County. The City is eligible to receive TUMF funds on major road and bridge projects located within the City. These projects must first be approved by WRCOG and the Central zone Technical Advisory Committee (TAC). The City uses these funds to supplement capital projects relating to road and bridge improvements and they are treated as grant funding.

### **CFD 2014-2 Commerce Point**

In August 2014 the Commerce Point Community Facility District (CFD) was formed. This CFD boundary includes approximately 46 taxable acres of commercial real estate. Services provided by the CFD include landscape maintenance, street lighting, water quality improvements, graffiti removal, street sweeping, and park and trails maintenance. On July 1 of each year, and commencing July 1, 2016, the maximum special tax for developed property shall be the greater of the increased based on the percentage change in the Consumer Price Index or two percent (2%) per fiscal year.

### **Veteran's Memorial**

In August 2009, the City Council instructed staff to set up the fund to receive donations along with the Riverside County's donation of \$25,000 and the City's match of \$25,000 to construct a Veteran's Memorial. Construction began in 2010 and the Memorial was completed in 2011. Citizens can purchase personalized bricks that are added to the Memorial.

## **2015-2 Citywide CFD**

In April 2015 the City-Wide Community Facility District (CFD) was formed under Resolution No. 15- 430. CFD No. 2015-2 (Maintenance Services) currently consists of one Tax Zone consisting of one residential tract that will include 359 residential units. Services provided by the CFD include landscape maintenance, street lighting, water quality improvements, graffiti removal, public street sweeping, and park and trails maintenance. On July 1 of each year, and commencing July 1, 2016, the maximum special tax for developed property shall be the greater of the increased based on the percentage change in the Consumer Price Index or two percent (2%) per fiscal year.

## **2017-1 Maintenance Services CFD**

In December 2017 the Community Facilities District (CFD) 2017-1 was formed. This CFD boundary includes approximately 104 acres of vacant commercial and residential property within the City (TR 36299-1 and PM 9504). The improvements proposed to be maintained include items such as landscaping, lighting, storm drains, water quality improvements, graffiti, streets, streetlights, traffic signals, street sweeping, and trail maintenance. On July 1 of each year, and commencing July 1, 2019, the maximum special tax for developed property shall be the greater of the increased based on the percentage change in the Consumer Price Index or two percent (2%), whichever is greater, per fiscal year.

## **Public Education and Government Access**

This fund will be used to acquire equipment for and broadcasting on a future City cable channel. Used to account for revenue and expenditures of money pursuant to section 611 of the Communications Act. Local Franchising authorities (The City) may require cable operations to remit funds and set aside channels for public, educational, or governmental use.

## **County Service Areas (CSA)**

Upon incorporation, the City assumed responsibility for seven (7) County Service Area Districts within the City limits. These districts were established by the County of Riverside to provide a mechanism through special assessments to fund services such as street lighting, street sweeping, park maintenance, road maintenance, and law enforcement services to property owners within each district. Each CSA fund provides a unique set of services to the residents within that individual district.

## **Maintenance CFD**

On September 18, 2019, the City Council adopted Resolution No. 19-830 declaring its intent to annex territory to CFD No. 2017-1 and commence the annexation proceedings for the territory to be annexed, also known as Annexation No. 1. Subsequently, the city has continued to annex additional zones into the Maintenance CFD. Services provided by the CFD include landscape maintenance, street lighting, water quality improvements, graffiti removal, public street sweeping, and park and trails maintenance. On July 1 of each year, and commencing July 1, 2019, the maximum special tax for developed property shall be the greater of the increased based on the percentage change in the Consumer Price Index or two percent (2%) per fiscal year. Specific improvements and applicable maximum special tax rates are established and applied per the corresponding Rate and Method of Apportionment (RMA) of the respective annexed tax zone.

## **CAPITAL PROJECTS FUND**

### **Capital Projects Fund**

This fund is used to account for the project completion of street and highways capital improvements financed through various sources including, but not limited to, developer contributions and grants.

## **DEBT SERVICE FUND**

### **Debt Service**

Debt Service Funds are used to track revenues and expenditures related to repayment of principal and interest costs associated with borrowing money for long-term obligations. In May 2012 the City issued Certificates of Participation in the amount of \$20.0 million under the Total Road Improvement Program (TRIP) financing. These proceeds were used for the construction of the Newport Road/I-215 interchange and will be paid back over a 30 year period. In 2020, the TRIP financing was refinanced in 2020 in a favorable low interest environment, resulting in anticipated interest savings exceeding \$4 million of the balance of the debt service schedule. In June 2019, the City entered into a financing agreement for \$6,550,000 with Banc of America to purchase and retrofit Certain Southern California Edison Company Street Light Facilities. In 2021, the City refinanced the Streetlight Retrofit Project in 2020 in a favorable low interest environment, resulting in anticipated interest savings exceeding \$400k of the balance of the debt service schedule. Currently, the City has only the TRIP debt and Streetlight Retrofit Project outstanding debt accounted for in this fund.

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## CITY OF MENIFEE

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Special Revenue Funds		
	Gas Tax	SB1	Measure A
<b>Assets</b>			
Cash and investments	\$ 510,589	\$ 2,035,279	\$ 1,937,057
Receivables:			
Accounts, grants and taxes	347,037	360,589	733,665
Accrued interest	290	1,873	1,467
Prepaid items	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b>\$ 857,916</b>	<b>\$ 2,397,741</b>	<b>\$ 2,672,189</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 141,272	\$ 54,610	\$ 71,546
Accrued liabilities	40,359	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b>181,631</b>	<b>54,610</b>	<b>71,546</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid items	-	-	-
<b>Restricted for:</b>			
Community development projects	-	-	-
Engineering and public works	676,285	2,343,131	2,600,643
Debt service	-	-	-
<b>Unassigned (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>676,285</b>	<b>2,343,131</b>	<b>2,600,643</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 857,916</b>	<b>\$ 2,397,741</b>	<b>\$ 2,672,189</b>

## CITY OF MENIFEE

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS (continued)**  
**JUNE 30, 2022**

Special Revenue Funds				
Air Quality Management District	Grants	Landscape and Lighting Maintenance	CFD Audie Murphy Ranch	CFD Hidden Hills
\$ 104,329	\$ 2,981,656	\$ 3,524,989	\$ 2,727,289	\$ 567,303
32,786	984,782	31,738	17,461	891
41	-	3,231	2,395	855
-	-	-	-	-
-	-	-	-	-
<b>\$ 137,156</b>	<b>\$ 3,966,438</b>	<b>\$ 3,559,958</b>	<b>\$ 2,747,145</b>	<b>\$ 569,049</b>
\$ -	\$ 128,374	\$ 74,173	\$ 119,202	\$ 18,370
-	2,711	4,919	9,699	1,766
-	2,818,257	-	-	-
-	126,446	163,882	-	-
-	<b>3,075,788</b>	<b>242,974</b>	<b>128,901</b>	<b>20,136</b>
-	-	-	-	-
-	-	-	2,618,244	548,913
137,156	890,650	3,316,984	-	-
-	-	-	-	-
-	-	-	-	-
<b>137,156</b>	<b>890,650</b>	<b>3,316,984</b>	<b>2,618,244</b>	<b>548,913</b>
<b>\$ 137,156</b>	<b>\$ 3,966,438</b>	<b>\$ 3,559,958</b>	<b>\$ 2,747,145</b>	<b>\$ 569,049</b>

## CITY OF MENIFEE

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS (continued)**  
**JUNE 30, 2022**

	Special Revenue Funds		
	CFD 2014-1 Town Center	TUMF Fees	CFD 2014-2 Commerce Point
<b>Assets</b>			
Cash and investments	\$ 164,877	\$ -	\$ 54,547
Receivables:			
Accounts, grants and taxes	-	11,897	-
Accrued interest	66	-	5
Prepaid items	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b>\$ 164,943</b>	<b>\$ 11,897</b>	<b>\$ 54,552</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 228	\$ 172,976	\$ 1,014
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	251,629	-
<b>Total Liabilities</b>	<b>228</b>	<b>424,605</b>	<b>1,014</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid items	-	-	-
<b>Restricted for:</b>			
Community development projects	164,715	-	53,538
Engineering and public works	-	-	-
Debt service	-	-	-
<b>Unassigned (deficit)</b>	<b>-</b>	<b>(412,708)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>164,715</b>	<b>(412,708)</b>	<b>53,538</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 164,943</b>	<b>\$ 11,897</b>	<b>\$ 54,552</b>

## CITY OF MENIFEE

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS (continued)**  
**JUNE 30, 2022**

Special Revenue Funds				
<u>Veteran's Memorial</u>	<u>2015-2 Citywide CFD</u>	<u>CFD 2017-1 Maintenance Services</u>	<u>Public, Education and Governmental Access</u>	<u>County Service Areas</u>
\$ 3,604	\$ 2,264,205	\$ 469,024	\$ 457,740	\$ 1,739,421
-	9,347	686	38,512	63,950
3	1,379	-	-	1,076
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,607</u>	<u>\$ 2,274,931</u>	<u>\$ 469,710</u>	<u>\$ 496,252</u>	<u>\$ 1,804,447</u>
\$ 380	\$ 68,223	\$ 6,488	\$ -	\$ 122,351
-	4,981	1,302	-	13,757
-	-	-	-	-
-	702	-	-	615,209
<u>380</u>	<u>73,906</u>	<u>7,790</u>	<u>-</u>	<u>751,317</u>
-	-	-	-	-
3,227	2,201,025	461,920	496,252	1,053,130
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,227</u>	<u>2,201,025</u>	<u>461,920</u>	<u>496,252</u>	<u>1,053,130</u>
<u>\$ 3,607</u>	<u>\$ 2,274,931</u>	<u>\$ 469,710</u>	<u>\$ 496,252</u>	<u>\$ 1,804,447</u>

## CITY OF MENIFEE

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS (continued)  
JUNE 30, 2022**

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Non-Major Governmental Funds
	Maintenance CFD	Capital Projects	Debt Service	
<b>Assets</b>				
Cash and investments	\$ 149,979	\$ 4,664,790	\$ 301,192	\$ 24,657,870
Receivables:				
Accounts, grants and taxes	2,553	-	-	2,635,894
Accrued interest	-	3,868	571	17,120
Prepaid items	-	-	166,085	166,085
Restricted assets:				
Cash and investments with fiscal agents	-	-	95,443	95,443
<b>Total Assets</b>	<b>\$ 152,532</b>	<b>\$ 4,668,658</b>	<b>\$ 563,291</b>	<b>\$ 27,572,412</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,583	\$ 52,045	\$ -	\$ 1,032,835
Accrued liabilities	-	-	-	79,494
Unearned revenue	-	-	-	2,818,257
Due to other funds	-	-	-	1,157,868
<b>Total Liabilities</b>	<b>1,583</b>	<b>52,045</b>	<b>-</b>	<b>5,088,454</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid items	-	-	166,085	166,085
<b>Restricted for:</b>				
Community development projects	150,949	4,616,613	-	12,368,526
Engineering and public works	-	-	-	9,964,849
Debt service	-	-	397,206	397,206
<b>Unassigned (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(412,708)</b>
<b>Total Fund Balances</b>	<b>150,949</b>	<b>4,616,613</b>	<b>563,291</b>	<b>22,483,958</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 152,532</b>	<b>\$ 4,668,658</b>	<b>\$ 563,291</b>	<b>\$ 27,572,412</b>

## CITY OF MENIFEE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds		
	Gas Tax	SB1	Measure A
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,363,599	2,028,480	2,899,174
Charges for services	-	-	-
Use of money and property	(5,313)	(35,278)	(7,727)
Developer participation	-	-	-
<b>Total Revenues</b>	<b>2,358,286</b>	<b>1,993,202</b>	<b>2,891,447</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Parks and recreation	-	-	-
Engineering and public works	1,347,664	-	-
Capital outlay	285,015	661,431	347,530
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
<b>Total Expenditures</b>	<b>1,632,679</b>	<b>661,431</b>	<b>347,530</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	725,607	1,331,771	2,543,917
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	(429,558)	-	(1,080,703)
Proceeds of long-term debt	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(429,558)</b>	<b>-</b>	<b>(1,080,703)</b>
Net Change in Fund Balances	296,049	1,331,771	1,463,214
Fund Balances, Beginning of Year	380,236	1,011,360	1,137,429
<b>Fund Balances, End of Year</b>	<b>\$ 676,285</b>	<b>\$ 2,343,131</b>	<b>\$ 2,600,643</b>

## CITY OF MENIFEE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

## Special Revenue Funds

<b>Air Quality Management District</b>	<b>Grants</b>	<b>Landscape and Lighting Maintenance</b>	<b>CFD Audie Murphy Ranch</b>	<b>CFD Hidden Hills</b>
\$ -	\$ -	\$ -	\$ -	\$ -
127,054	6,284,690	-	-	-
-	-	844,418	1,771,308	197,786
(203)	(166,602)	(15,967)	(61,256)	(4,451)
-	-	-	-	-
<b>126,851</b>	<b>6,118,088</b>	<b>828,451</b>	<b>1,710,052</b>	<b>193,335</b>
-	700,191	35,888	11,206	-
-	120,213	-	-	-
-	209,043	-	-	-
-	-	554,750	985,980	145,503
-	11,365	77,300	36,804	-
171,330	1,042,037	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>171,330</b>	<b>2,082,849</b>	<b>667,938</b>	<b>1,033,990</b>	<b>145,503</b>
(44,479)	4,035,239	160,513	676,062	47,832
-	-	-	-	-
-	(3,716,323)	(10,536)	(33,667)	-
-	-	-	-	-
<b>-</b>	<b>(3,716,323)</b>	<b>(10,536)</b>	<b>(33,667)</b>	<b>-</b>
(44,479)	318,916	149,977	642,395	47,832
181,635	571,734	3,167,007	1,975,849	501,081
<b>\$ 137,156</b>	<b>\$ 890,650</b>	<b>\$ 3,316,984</b>	<b>\$ 2,618,244</b>	<b>\$ 548,913</b>

## CITY OF MENIFEE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds		
	CFD 2014-1 Town Center	TUMF Fees	CFD 2014-2 Commerce Point
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	545,797	-
Charges for services	15,443	-	8,680
Use of money and property	(327)	-	(24)
Developer participation	-	-	-
<b>Total Revenues</b>	<b>15,116</b>	<b>545,797</b>	<b>8,656</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Parks and recreation	1,550	-	5,479
Engineering and public works	-	-	1,048
Capital outlay	-	676,902	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
<b>Total Expenditures</b>	<b>1,550</b>	<b>676,902</b>	<b>6,527</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,566	(131,105)	2,129
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	165,377	-
Transfers out	-	-	(426)
Proceeds of long-term debt	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>165,377</b>	<b>(426)</b>
Net Change in Fund Balances	13,566	34,272	1,703
Fund Balances (Deficit), Beginning of Year	151,149	(446,980)	51,835
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 164,715</b>	<b>\$ (412,708)</b>	<b>\$ 53,538</b>



## CITY OF MENIFEE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

## Special Revenue Funds

<b>Veteran's Memorial</b>	<b>2015-2 Citywide CFD</b>	<b>CFD 2017-1 Maintenance Services</b>	<b>Public, Education and Governmental Access</b>	<b>County Service Areas</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,350	1,062,110	215,987	137,644	1,905,417
(15)	(7,475)	(28,496)	(21,273)	(44,506)
-	-	-	-	-
<b>1,335</b>	<b>1,054,635</b>	<b>187,491</b>	<b>116,371</b>	<b>1,860,911</b>
-	-	-	-	23,794
-	-	-	-	133,418
-	-	-	-	-
2,375	330,446	54,283	-	653,843
-	141,247	22,189	-	177,817
-	-	-	218,254	49,832
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>2,375</b>	<b>471,693</b>	<b>76,472</b>	<b>218,254</b>	<b>1,038,704</b>
(1,040)	582,942	111,019	(101,883)	822,207
-	24,686	-	-	208,319
-	(10,646)	(2,554)	-	(577,249)
-	-	-	-	-
<b>-</b>	<b>14,040</b>	<b>(2,554)</b>	<b>-</b>	<b>(368,930)</b>
(1,040)	596,982	108,465	(101,883)	453,277
4,267	1,604,043	353,455	598,135	599,853
<b>\$ 3,227</b>	<b>\$ 2,201,025</b>	<b>\$ 461,920</b>	<b>\$ 496,252</b>	<b>\$ 1,053,130</b>

## CITY OF MENIFEE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS (continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Non-Major Governmental Funds
	Maintenance CFD	Capital Projects	Debt Service	
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	14,248,794
Charges for services	185,482	-	-	6,345,625
Use of money and property	-	(186,838)	(2,433)	(588,184)
Developer participation	-	172,368	-	172,368
<b>Total Revenues</b>	<b>185,482</b>	<b>(14,470)</b>	<b>(2,433)</b>	<b>20,178,603</b>
<b>Expenditures</b>				
Current:				
General government	9,847	-	94,649	875,575
Public safety	-	-	-	253,631
Community development	-	-	-	209,043
Parks and recreation	-	-	-	2,734,209
Engineering and public works	-	412	-	1,815,846
Capital outlay	-	1,104,926	-	4,557,257
Debt service:				
Principal retirement	-	-	7,250,613	7,250,613
Interest and fiscal charges	-	-	742,812	742,812
Bond issuance costs	-	-	40,000	40,000
<b>Total Expenditures</b>	<b>9,847</b>	<b>1,105,338</b>	<b>8,128,074</b>	<b>18,478,986</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	175,635	(1,119,808)	(8,130,507)	1,699,617
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	1,782,190	2,180,572
Transfers out	(24,686)	(165,377)	-	(6,051,725)
Proceeds of long-term debt	-	-	6,355,581	6,355,581
<b>Total Other Financing Sources (Uses)</b>	<b>(24,686)</b>	<b>(165,377)</b>	<b>8,137,771</b>	<b>2,484,428</b>
Net Change in Fund Balances	150,949	(1,285,185)	7,264	4,184,045
Fund Balances, Beginning of Year	-	5,901,798	556,027	18,299,913
<b>Fund Balances, End of Year</b>	<b>\$ 150,949</b>	<b>\$ 4,616,613</b>	<b>\$ 563,291</b>	<b>\$ 22,483,958</b>

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## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**GAS TAX**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 380,236	\$ 380,236	\$ 380,236	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,385,327	2,603,207	2,363,599	(239,608)
Use of money and property	8,000	858	(5,313)	(6,171)
<b>Amounts Available for Appropriation</b>	<b>2,773,563</b>	<b>2,984,301</b>	<b>2,738,522</b>	<b>(245,779)</b>
<b>Charges for Appropriation (Outflows):</b>				
Engineering and public works	2,172,088	2,026,244	1,347,664	678,580
Capital outlay	-	614,470	285,015	329,455
Transfers out	221,239	429,558	429,558	-
<b>Total Charges to Appropriations</b>	<b>2,393,327</b>	<b>3,070,272</b>	<b>2,062,237</b>	<b>1,008,035</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 380,236</b>	<b>\$ (85,971)</b>	<b>\$ 676,285</b>	<b>\$ 762,256</b>

## CITY OF MENIFEE

## BUDGETARY COMPARISON SCHEDULE

SB1

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,011,360	\$ 1,011,360	\$ 1,011,360	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,826,490	2,064,746	2,028,480	(36,266)
Use of money and property	1,000	1,631	(35,278)	(36,909)
<b>Amounts Available for Appropriation</b>	<b>2,838,850</b>	<b>3,077,737</b>	<b>3,004,562</b>	<b>(73,175)</b>
<b>Charges for Appropriation (Outflows):</b>				
Capital outlay	2,015,366	2,640,885	661,431	1,979,454
<b>Total Charges to Appropriations</b>	<b>2,015,366</b>	<b>2,640,885</b>	<b>661,431</b>	<b>1,979,454</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 823,484</b>	<b>\$ 436,852</b>	<b>\$ 2,343,131</b>	<b>\$ 1,906,279</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**MEASURE A**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 1,137,429	\$ 1,137,429	\$ 1,137,429	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,950,000	1,950,000	2,899,174	949,174
Use of money and property	2,000	1,014	(7,727)	(8,741)
<b>Amounts Available for Appropriation</b>	<b>3,089,429</b>	<b>3,088,443</b>	<b>4,028,876</b>	<b>940,433</b>
<b>Charges for Appropriation (Outflows):</b>				
Capital outlay	871,297	1,607,937	347,530	1,260,407
Transfers out	1,080,703	1,080,703	1,080,703	-
<b>Total Charges to Appropriations</b>	<b>1,952,000</b>	<b>2,688,640</b>	<b>1,428,233</b>	<b>1,260,407</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,137,429</b>	<b>\$ 399,803</b>	<b>\$ 2,600,643</b>	<b>\$ 2,200,840</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY MANAGEMENT DISTRICT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 181,635	\$ 181,635	\$ 181,635	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	116,700	131,017	127,054	(3,963)
Use of money and property	-	27	(203)	(230)
<b>Amounts Available for Appropriation</b>	<b>298,335</b>	<b>312,679</b>	<b>308,486</b>	<b>(4,193)</b>
<b>Charges for Appropriation (Outflows):</b>				
Capital outlay	116,700	223,670	171,330	52,340
<b>Total Charges to Appropriations</b>	<b>116,700</b>	<b>223,670</b>	<b>171,330</b>	<b>52,340</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 181,635</b>	<b>\$ 89,009</b>	<b>\$ 137,156</b>	<b>\$ 48,147</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**GRANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 571,734	\$ 571,734	\$ 571,734	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	7,274,526	11,637,468	6,284,690	(5,352,778)
Use of money and property	-	-	(166,602)	(166,602)
<b>Amounts Available for Appropriation</b>	<b>7,846,260</b>	<b>12,209,202</b>	<b>6,689,822</b>	<b>(5,519,380)</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	527,689.00	3,661,508	700,191	2,961,317
Public safety	70,815	311,337	120,213	191,124
Community development	-	782,264	209,043	573,221
Parks and recreation	-	143,689	-	143,689
Engineering and public works	-	70,925	11,365	59,560
Capital outlay	69,185	1,873,214	1,042,037	831,177
Transfers out	3,616,644	3,616,644	3,716,323	(99,679)
<b>Total Charges to Appropriations</b>	<b>4,284,333</b>	<b>10,459,581</b>	<b>5,799,172</b>	<b>4,660,409</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,561,927</b>	<b>\$ 1,749,621</b>	<b>\$ 890,650</b>	<b>\$ (858,971)</b>



## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE  
LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 3,167,007	\$ 3,167,007	\$ 3,167,007	\$ -
<b>Resources (Inflows):</b>				
Charges for services	840,062	795,681	844,418	48,737
Use of money and property	-	-	(15,967)	(15,967)
<b>Amounts Available for Appropriation</b>	<b>4,007,069</b>	<b>3,962,688</b>	<b>3,995,458</b>	<b>32,770</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	36,852	36,789	35,888	901
Parks and recreation	593,138	648,066	554,750	93,316
Engineering and public works	195,741	195,765	77,300	118,465
Transfer out	10,536	10,536	10,536	-
<b>Total Charges to Appropriations</b>	<b>836,267</b>	<b>891,156</b>	<b>678,474</b>	<b>212,682</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,170,802</b>	<b>\$ 3,071,532</b>	<b>\$ 3,316,984</b>	<b>\$ 245,452</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY FACILITIES DISTRICT – AUDIE MURPHY RANCH**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 1,975,849	\$ 1,975,849	\$ 1,975,849	\$ -
<b>Resources (Inflows):</b>				
Charges for services	1,710,709	1,772,511	1,771,308	(1,203)
Use of money and property	10,000	10,000	(61,256)	(71,256)
<b>Amounts Available for Appropriation</b>	<b>3,696,558</b>	<b>3,758,360</b>	<b>3,685,901</b>	<b>(72,459)</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	10,417	11,417	11,206	211
Parks and recreation	1,068,445	1,157,778	985,980	171,798
Engineering and public works	132,207	125,207	36,804	88,403
Capital outlay	650,000	666,649	-	666,649
Transfers out	33,667	33,667	33,667	-
<b>Total Charges to Appropriations</b>	<b>1,894,736</b>	<b>1,994,718</b>	<b>1,067,657</b>	<b>927,061</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,801,822</b>	<b>\$ 1,763,642</b>	<b>\$ 2,618,244</b>	<b>\$ 854,602</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY FACILITIES DISTRICT – HIDDEN HILLS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 501,081	\$ 501,081	\$ 501,081	\$ -
<b>Resources (Inflows):</b>				
Charges for services	197,019	197,019	197,786	767
Use of money and property	-	-	(4,451)	(4,451)
<b>Amounts Available for Appropriation</b>	<b>698,100</b>	<b>698,100</b>	<b>694,416</b>	<b>(3,684)</b>
<b>Charges for Appropriation (Outflows):</b>				
Parks and recreation	197,019	197,019	145,503	51,516
<b>Total Charges to Appropriations</b>	<b>197,019</b>	<b>197,019</b>	<b>145,503</b>	<b>51,516</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 501,081</b>	<b>\$ 501,081</b>	<b>\$ 548,913</b>	<b>\$ 47,832</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**CFD 2014-1 Town Center**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 151,149	\$ 151,149	\$ 151,149	\$ -
<b>Resources (Inflows):</b>				
Charges for services	15,443	15,443	15,443	-
Use of money and property	-	-	(327)	(327)
<b>Amounts Available for Appropriation</b>	<b>166,592</b>	<b>166,592</b>	<b>166,265</b>	<b>(327)</b>
<b>Charges for Appropriation (Outflows):</b>				
Parks and recreation	12,943	12,943	1,550	11,393
Engineering and public works	2,500	2,500	-	2,500
<b>Total Charges to Appropriations</b>	<b>15,443</b>	<b>15,443</b>	<b>1,550</b>	<b>13,893</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 151,149</b>	<b>\$ 151,149</b>	<b>\$ 164,715</b>	<b>\$ 13,566</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**TUMF FEES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (446,980)	\$ (446,980)	\$ (446,980)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	14,762,046	19,160,188	545,797	(18,614,391)
Use of money and property	1,000	1,000	-	(1,000)
Transfers in	165,377	165,377	165,377	-
<b>Amounts Available for Appropriation</b>	<b>14,481,443</b>	<b>18,879,585</b>	<b>264,194</b>	<b>(18,615,391)</b>
<b>Charges for Appropriation (Outflows)</b>				
Capital outlay	13,385,958	17,332,672	676,902	16,655,770
<b>Total Charges to Appropriations</b>	<b>13,385,958</b>	<b>17,332,672</b>	<b>676,902</b>	<b>16,655,770</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ 1,095,485</b>	<b>\$ 1,546,913</b>	<b>\$ (412,708)</b>	<b>\$ (1,959,621)</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY FACILITIES DISTRICT – 2014-2 COMMERCE POINT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 51,835	\$ 51,835	\$ 51,835	\$ -
<b>Resources (Inflows):</b>				
Charges for services	8,680	8,680	8,680	-
Use of money and property	-	-	(24)	(24)
<b>Amounts Available for Appropriation</b>	<b>60,515</b>	<b>60,515</b>	<b>60,491</b>	<b>(24)</b>
<b>Charges for Appropriation (Outflows):</b>				
Parks and recreation	5,790	5,790	5,479	311
Engineering and public works	3,035	3,035	1,048	1,987
Transfer out	426	426	426	-
<b>Total Charges to Appropriations</b>	<b>9,251</b>	<b>9,251</b>	<b>6,953</b>	<b>2,298</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 51,264</b>	<b>\$ 51,264</b>	<b>\$ 53,538</b>	<b>\$ 2,274</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY FACILITIES DISTRICT – 2015-2 CITYWIDE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 1,604,043	\$ 1,604,043	\$ 1,604,043	\$ -
<b>Resources (Inflows):</b>				
Charges for services	1,061,706	1,064,871	1,062,110	(2,761)
Use of money and property	200	200	(7,475)	(7,675)
Transfers in	148,088	199,726	24,686	(175,040)
<b>Amounts Available for Appropriation</b>	<b>2,814,037</b>	<b>2,868,840</b>	<b>2,683,364</b>	<b>(185,476)</b>
<b>Charges for Appropriation (Outflows):</b>				
Parks and recreation	471,478	508,976	330,446	178,530
Engineering and public works	347,352	350,855	141,247	209,608
Capital outlay	75,000	34,000	-	34,000
Transfers out	175,040	175,040	10,646	164,394
<b>Total Charges to Appropriations</b>	<b>1,068,870</b>	<b>1,068,871</b>	<b>482,339</b>	<b>586,532</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,745,167</b>	<b>\$ 1,799,969</b>	<b>\$ 2,201,025</b>	<b>\$ 401,056</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY FACILITIES DISTRICT – 2017-1 MAINTENANCE SERVICES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 353,455	\$ 353,455	\$ 353,455	\$ -
<b>Resources (Inflows):</b>				
Charges for services	216,058	216,058	215,987	(71)
Use of money and property	-	-	(28,496)	(28,496)
<b>Amounts Available for Appropriation</b>	<b>569,513</b>	<b>569,513</b>	<b>540,946</b>	<b>(28,567)</b>
<b>Charges for Appropriation (Outflows):</b>				
Parks and recreation	85,512	92,012	54,283	37,729
Engineering and public works	114,427	107,927	22,189	85,738
Transfers out	2,554	2,554	2,554	-
<b>Total Charges to Appropriations</b>	<b>202,493</b>	<b>202,493</b>	<b>79,026</b>	<b>123,467</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 367,020</b>	<b>\$ 367,020</b>	<b>\$ 461,920</b>	<b>\$ 94,900</b>



## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE  
 PUBLIC, EDUCATION AND GOVERNMENTAL ACCESS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**


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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 598,135	\$ 598,135	\$ 598,135	\$ -
<b>Resources (Inflows):</b>				
Charges for services	175,000	160,279	137,644	(22,635)
Use of money and property	-	6,338	(21,273)	(27,611)
<b>Amounts Available for Appropriation</b>	<b>773,135</b>	<b>764,752</b>	<b>714,506</b>	<b>(50,246)</b>
<b>Charges for Appropriation (Outflows):</b>				
Capital outlay	268,000	268,000	218,254	49,746
<b>Total Charges to Appropriations</b>	<b>268,000</b>	<b>268,000</b>	<b>218,254</b>	<b>49,746</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 505,135</b>	<b>\$ 496,752</b>	<b>\$ 496,252</b>	<b>\$ (500)</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**COUNTY SERVICE AREAS (CSA)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 599,853	\$ 599,853	\$ 599,853	\$ -
<b>Resources (Inflows):</b>				
Charges for services	1,875,820	1,876,159	1,905,417	29,258
Use of money and property	-	-	(44,506)	(44,506)
Transfers in	-	-	208,319	208,319
<b>Amounts Available for Appropriation</b>	<b>2,475,673</b>	<b>2,476,012</b>	<b>2,669,083</b>	<b>193,071</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	25,501	25,501	23,794	1,707
Public safety	141,707	141,707	133,418	8,289
Parks and recreation	770,257	790,740	653,843	136,897
Engineering and public works	472,661	461,078	177,817	283,261
Capital outlay	-	49,832	49,832	-
Transfers out	577,249	577,249	577,249	-
<b>Total Charges to Appropriations</b>	<b>1,987,375</b>	<b>2,046,107</b>	<b>1,615,953</b>	<b>430,154</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 488,298</b>	<b>\$ 429,905</b>	<b>\$ 1,053,130</b>	<b>\$ 623,225</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE  
MAINTENANCE CFD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Charges for services	181,238	184,753	185,482	729
<b>Amounts Available for Appropriation</b>	<b>181,238</b>	<b>184,753</b>	<b>185,482</b>	<b>729</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	40,200	40,200	9,847	30,353
Transfers out	24,686	24,686	24,686	-
<b>Total Charges to Appropriations</b>	<b>64,886</b>	<b>64,886</b>	<b>34,533</b>	<b>30,353</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 116,352</b>	<b>\$ 119,867</b>	<b>\$ 150,949</b>	<b>\$ 31,082</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 556,027	\$ 556,027	\$ 556,027	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	(2,433)	(2,433)
Transfers in	1,787,151	1,787,151	1,782,190	(4,961)
Proceeds of long-term debt	-	6,355,581	6,355,581	-
<b>Amounts Available for Appropriation</b>	<b>2,343,178</b>	<b>8,698,759</b>	<b>8,691,365</b>	<b>(7,394)</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	86,909	86,909	94,649	(7,740)
Debt service:				
Principal retirement	934,363	7,250,613	7,250,613	-
Interest and fiscal charges	765,879	765,210	742,812	22,398
Bond issuance costs	-	40,000	40,000	-
<b>Total Charges to Appropriations</b>	<b>1,787,151</b>	<b>8,142,732</b>	<b>8,128,074</b>	<b>14,658</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 556,027</b>	<b>\$ 556,027</b>	<b>\$ 563,291</b>	<b>\$ 7,264</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR FUND – BONDED CFDs**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	5,023	5,023
Contributions from property owners	-	14,110,187	14,110,185	
<b>Amounts Available for Appropriation</b>	<b>-</b>	<b>14,110,187</b>	<b>14,115,208</b>	<b>5,023</b>
<b>Charges for Appropriation (Outflows):</b>				
General government	-	68,500	53,500	15,000
Capital outlay	-	-	1,898,455	(1,898,455)
Debt service:				
Interest and fiscal changes	-	919,886	459,942	459,944
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>988,386</b>	<b>2,411,897</b>	<b>(1,423,511)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ 13,121,801</b>	<b>\$ 11,703,311</b>	<b>\$ (1,418,488)</b>

## CITY OF MENIFEE

**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
Budgetary Fund Balance, July 1	\$ 5,901,798	\$ 5,901,798	\$ 5,901,798	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	2,500	11,518	(186,838)	(198,356)
Developer participation	-	60,000	172,368	112,368
Transfers in	112,368	112,368	-	(112,368)
<b>Amounts Available for Appropriation</b>	<b>6,016,666</b>	<b>6,085,684</b>	<b>5,887,328</b>	<b>(198,356)</b>
<b>Charges for Appropriation (Outflows):</b>				
Engineering and public works	-	416	412	4
Capital outlay	112,368	3,366,851	1,104,926	2,261,925
Transfers out	165,377	165,377	165,377	-
<b>Total Charges to Appropriations</b>	<b>277,745</b>	<b>3,532,644</b>	<b>1,270,715</b>	<b>2,261,929</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,738,921</b>	<b>\$ 2,553,040</b>	<b>\$ 4,616,613</b>	<b>\$ 2,063,573</b>

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## STATISTICAL SECTION DESCRIPTIONS

This section of the City of Menifee'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.

Financial Trends Schedules – 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
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Major Revenues by Source – Governmental Funds

Revenue Capacity Schedules – 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 Schedules – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratio of Outstanding Debt by Type
- Ratio of General Bonded Debt Outstanding
- Direct and Overlapping Bonded Debt
- Legal Debt Margin

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers
- Full-time and Part-time City Employees by Program

Operating Information – These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information related to the services the City provides and the activities it performs.

- Capital Asset Statistics by Function/Program
- Operating Indicators by Function/Program
- Miscellaneous Statistics
- Taxable Sales by Category
- Top 25 Sales Tax Producers
- Measure DD 1% Sales Tax – Revenues and Expenditures History

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 MENIFEE

## NET POSITION

As of June 30,	2013	2014	2015	2016
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 18,660,912	\$ 16,372,388	\$ 25,425,778	\$ 51,416,214
Restricted for:				
Community Development Projects	52,861	785,619	1,182,477	4,448,198
Public Safety	520,300	166,413	(360,254)	-
Public Works	16,712,925	18,577,377	23,094,019	23,908,504
Capital Projects	1,305,962	23,541,211	20,022,031	9,619,732
Debt service	6,513,444	1,338,301	1,354,467	1,359,694
Unrestricted	6,523,468	8,301,753	12,103,855	10,903,072
Total Governmental Activities				
<b>Net Position</b>	<b>\$ 50,289,872</b>	<b>\$ 69,083,062</b>	<b>\$ 82,822,373</b>	<b>\$ 101,655,414</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 18,660,912	\$ 16,372,388	\$ 25,425,778	\$ 51,416,214
Restricted for:				
Community Development Projects	52,861	785,619	1,182,477	4,448,198
Public Safety	520,300	166,413	(360,254)	-
Public Works	16,712,925	18,577,377	23,094,019	23,908,504
Capital Projects	1,305,962	23,541,211	20,022,031	9,619,732
Debt service	6,513,444	1,338,301	1,354,467	1,359,694
Unrestricted	6,523,468	8,301,753	12,103,855	10,903,072
Total Primary Government				
<b>Net Position</b>	<b>\$ 50,289,872</b>	<b>\$ 69,083,062</b>	<b>\$ 82,822,373</b>	<b>\$ 101,655,414</b>

Source: City Finance Department

(continued)

2017	2018	2019	2020	2021	2022
\$ 69,469,330	\$110,924,809	\$156,771,192	\$ 215,774,004	\$ 259,935,987	\$ 276,956,837
4,660,916	5,363,977	6,373,715	4,569,409	5,239,814	11,312,169
-	12,472	191,737	-	-	-
20,471,018	32,360,079	44,929,363	40,108,013	49,139,697	61,290,160
4,772,166	-	-	-	-	-
1,358,034	1,371,931	7,884,527	1,572,272	556,027	563,291
14,504,934	26,052,076	30,064,613	36,384,684	51,217,507	82,742,476
<b>\$ 115,236,398</b>	<b>\$176,085,344</b>	<b>\$246,215,147</b>	<b>\$ 298,408,382</b>	<b>\$ 366,089,032</b>	<b>\$ 432,864,933</b>
\$ 69,469,330	\$110,924,809	\$156,771,192	\$ 215,774,004	\$ 259,935,987	\$ 276,956,837
4,660,916	5,363,977	6,373,715	4,569,409	5,239,814	11,312,169
-	12,472	191,737	-	-	-
20,471,018	32,360,079	44,929,363	40,108,013	49,139,697	61,290,160
4,772,166	-	-	-	-	-
1,358,034	1,371,931	7,884,527	1,572,272	556,027	563,291
14,504,934	26,052,076	30,064,613	36,384,684	51,217,507	82,742,476
<b>\$ 115,236,398</b>	<b>\$176,085,344</b>	<b>\$246,215,147</b>	<b>\$ 298,408,382</b>	<b>\$ 366,089,032</b>	<b>\$ 432,864,933</b>

# CITY OF MENIFEE

## CHANGES IN NET POSITION

For the Year Ended June 30,	2013	2014	2015	2016
<b>EXPENSES</b>				
<b>Governmental Activities:</b>				
General Government	\$ 2,966,563	\$ 3,731,602	\$ 4,160,012	\$ 4,236,457
Public Safety	16,265,992	17,371,349	19,413,871	20,927,524
Community Development	2,514,802	3,161,672	3,091,768	3,255,560
Recreation Services	736,915	555,384	1,903,871	1,145,208
Engineering and Public Works	7,785,539	8,198,856	7,292,714	10,361,131
Interest on Long-term Debt	942,270	885,488	918,204	902,716
Total Governmental Activities Expenses	<u>31,212,081</u>	<u>33,904,351</u>	<u>36,780,440</u>	<u>40,828,596</u>
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities:</b>				
Charges for Services	6,788,528	11,776,032	12,407,481	12,764,259
Operating Contributions and Grants	5,044,016	5,536,969	3,777,617	3,041,014
Capital Contributions and Grants	8,235,741	14,267,238	9,151,362	16,930,639
Total Governmental Activities Program Revenues	<u>20,068,285</u>	<u>31,580,239</u>	<u>25,336,460</u>	<u>32,735,912</u>
<b>Total Net Revenues (Expenses)</b>	<u><b>\$ (11,143,796)</b></u>	<u><b>\$ (2,324,112)</b></u>	<u><b>\$ (11,443,980)</b></u>	<u><b>\$ (8,092,684)</b></u>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
<b>Governmental Activities:</b>				
Taxes:				
Property Tax	\$ 8,783,126	\$ 11,945,065	\$ 14,634,225	\$ 14,577,983
Transient Occupancy Tax	151,151	166,958	190,972	217,122
Sales Taxes	4,892,206	5,386,619	5,924,347	7,137,168
Franchise Tax	2,921,048	2,967,476	3,586,271	3,084,175
Other Taxes	346,972	387,364	409,003	460,751
Motor Vehicle in-lieu tax, unrestricted	45,443	34,912	34,308	34,451
Use of Money and Property	127,399	154,230	151,450	253,336
Other	64,956	(36,693)	84,370	94,005
Loss on Disposal of Asset	-	-	-	-
Total Governmental Activities	<u>17,332,301</u>	<u>21,005,931</u>	<u>25,014,946</u>	<u>25,858,991</u>
Special item	-	-	-	1,066,734
Restatement	<u>(381,010)</u>	<u>111,371</u>	<u>168,345</u>	<u>-</u>
<b>Change in Net Position</b>	<u><b>\$ 6,188,505</b></u>	<u><b>\$ 18,681,819</b></u>	<u><b>\$ 13,570,966</b></u>	<u><b>\$ 17,766,307</b></u>

Source: City Finance Department

(continued)

2017	2018	2019	2020	2021	2022
\$ 5,158,876	\$ 6,265,963	\$ 8,177,727	\$ 9,907,689	\$ 14,183,374	\$ 12,323,993
18,129,742	25,497,233	27,595,237	29,559,843	27,853,563	31,656,830
3,403,182	4,925,868	5,347,196	5,253,832	5,408,287	6,437,034
1,664,348	3,034,270	4,082,858	5,432,196	3,546,483	1,083,554
8,281,676	6,082,233	16,979,928	18,331,483	16,251,977	3,257,056
891,605	917,342	863,713	1,108,218	569,679	1,240,597
37,529,429	46,722,909	63,046,659	69,593,261	67,813,363	55,999,064
19,257,460	27,218,239	33,823,689	24,835,036	30,631,445	35,013,739
3,578,315	4,722,133	5,141,336	5,530,426	8,057,443	10,832,899
3,107,374	33,885,278	46,785,288	38,642,004	34,739,876	17,727,525
25,943,149	65,825,650	85,750,313	69,007,466	73,428,764	63,574,163
<b>\$ (11,586,280)</b>	<b>\$ 19,102,741</b>	<b>\$ 22,703,654</b>	<b>\$ (585,795)</b>	<b>\$ 5,615,401</b>	<b>\$ 7,575,099</b>
\$ 12,369,587	\$ 18,876,904	\$ 20,771,353	\$ 22,361,021	\$ 24,076,949	\$ 26,024,300
225,956	232,117	238,464	189,032	506,967	529,006
8,661,218	18,005,117	20,384,878	21,102,457	27,476,156	31,684,459
2,973,633	3,076,719	3,141,174	6,289,806	3,653,129	4,055,791
582,937	615,333	623,801	801,896	1,126,860	1,523,574
39,873	47,721	44,113	73,963	73,963	115,162
221,371	613,165	2,011,031	1,805,179	48,592	(4,886,350)
92,689	166,682	211,335	155,676	665,758	185,488
-	-	-	-	-	(30,628)
25,167,264	41,633,758	47,426,149	52,779,030	57,628,374	59,200,802
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 13,580,984</b>	<b>\$ 60,736,499</b>	<b>\$ 70,129,803</b>	<b>\$ 52,193,235</b>	<b>\$ 63,243,775</b>	<b>\$ 66,775,901</b>

# CITY OF MENIFEE

## FUND BALANCES OF GOVERNMENTAL FUNDS

As of June 30,	2013	2014	2015	2016
<b>GENERAL FUND:</b>				
Nonspendable	\$ -	\$ -	\$ 2,173,477	\$ 1,880,909
Committed	6,546,700	6,546,700	6,546,700	6,546,700
Assigned	58,429	40,836	40,836	226,500
Unassigned	951,533	2,002,972	(486,600)	1,268,621
<b>Total General Fund</b>	<b>7,556,662</b>	<b>8,590,508</b>	<b>8,274,413</b>	<b>9,922,730</b>
<b>ALL OTHER GOVERNEMENTAL FUNDS</b>				
Nonspendable	-	-	-	-
Restricted for Community Development Projects	520,300	785,619	1,184,687	4,180,264
Restricted for Public Safety	52,861	166,413	194,826	267,934
Restricted for Engineering/Public Works	16,712,925	18,577,229	25,022,383	23,908,504
Restricted for Capital Projects	6,513,444	23,541,211	20,022,031	9,619,732
Restricted for Debt Service	20,620,358	1,338,301	1,354,467	1,359,694
Unassigned	(16,810)	(1,655,616)	-	-
<b>Total All Other Governmental Funds</b>	<b>44,403,078</b>	<b>42,753,157</b>	<b>47,778,394</b>	<b>39,336,128</b>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 51,959,740</b>	<b>\$ 51,343,665</b>	<b>\$ 56,052,807</b>	<b>\$ 49,258,858</b>

The City of Menifee was incorporated during fiscal year 2008-2009. No information prior to that date is available.

- 1 Fund balance classification reflects GASB 54 implementation beginning Fiscal Year 2011.
- 2 Establish \$15,000 self-insurance, retention reserve.
- 3 Certificates of Participations issued for capital construction.
- 4 Establish emergency reserve of 20% of General Fund expenditures and \$250,000 towards construction of new City Hall.
- 5 Transferred proceeds from Certificates of Participation to debt service fund.
- 6 Transferred proceeds from Certificates of Participation to capital project fund.

Source: City Finance Department

(continued)

2017	2018	2019	2020	2021	2022
\$ 64,540	\$ 28,073	\$ 65,751	\$ 13,473	\$ -	\$ -
3,543,729	3,543,729	3,543,729	5,688,958	7,642,510	13,365,638
461,890	4,396,969	13,437,218	8,701,430	9,349,272	12,362,984
8,547,350	16,886,664	18,089,574	27,202,215	39,321,579	51,177,085
<b>12,617,509</b>	<b>24,855,435</b>	<b>35,136,272</b>	<b>41,606,076</b>	<b>56,313,361</b>	<b>76,905,707</b>
-	-	-	-	174,389	166,085
4,660,916	5,363,977	6,373,715	4,569,409	5,839,667	12,368,526
234,782	12,472	191,737	-	-	-
19,781,187	32,360,079	44,929,363	40,165,976	48,539,844	60,237,030
5,461,997	-	-	-	-	-
1,358,034	1,371,931	7,884,527	1,572,272	381,638	397,206
-	(154)	-	(57,963)	(446,980)	(412,708)
<b>31,496,916</b>	<b>39,108,305</b>	<b>59,379,342</b>	<b>46,249,694</b>	<b>54,488,558</b>	<b>72,756,139</b>
<b>\$ 44,114,425</b>	<b>\$ 63,963,740</b>	<b>\$ 94,515,614</b>	<b>\$ 87,855,770</b>	<b>\$ 110,801,919</b>	<b>\$ 149,661,846</b>

**CITY OF MENIFEE**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

<b>For the Year Ended June 30,</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>REVENUES</b>				
Taxes	\$ 17,180,634	\$ 20,853,483	\$ 24,744,819	\$ 25,477,199
Licenses and permits	2,627,988	6,330,389	5,463,643	6,832,170
Intergovernmental	8,355,898	5,527,820	9,151,033	6,369,501
Charges for services	98,707	167,830	658,972	1,630,272
Use of money and property	127,399	154,230	151,449	254,526
Fines and forfeitures	407,637	447,996	502,613	553,986
Developer participation	9,521,754	4,878,374	6,079,281	4,518,711
Miscellaneous	23,185	53,677	54,509	77,778
Contributions from property owners	-	-	-	-
Total Revenues	<u>38,343,202</u>	<u>38,413,799</u>	<u>46,806,319</u>	<u>45,714,143</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,818,701	3,296,176	4,087,029	4,253,708
Public safety	16,255,888	17,363,329	19,336,968	20,836,489
Community development	2,500,826	3,126,267	2,838,474	3,154,443
Parks and recreation	736,915	555,384	2,075,562	1,182,854
Engineering and public works	6,174,881	6,583,127	11,457,614	20,576,193
Capital outlay	1,164,653	6,804,204	997,142	1,200,818
Debt service:				
Principal retirement	290,000	350,000	360,000	370,000
Interest and fiscal charges	1,013,023	951,387	944,388	933,587
Bond issuance costs	-	-	-	-
Total Expenditures	<u>30,954,887</u>	<u>39,029,874</u>	<u>42,097,177</u>	<u>52,508,092</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,388,315</u>	<u>(616,075)</u>	<u>4,709,142</u>	<u>(6,793,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	22,485,729	20,916,110	1,566,639	1,645,900
Transfers out	(22,485,729)	(20,916,110)	(1,566,639)	(1,645,900)
Other debts issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from lease	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>7,388,315</u>	<u>(616,075)</u>	<u>4,709,142</u>	<u>(6,793,949)</u>
Fund Balances, beginning of year	<u>44,571,425</u>	<u>51,959,740</u>	<u>51,343,665</u>	<u>56,052,807</u>
Restatements	-	-	-	-
Fund Balances, end of year	<u>\$ 51,959,740</u>	<u>\$ 51,343,665</u>	<u>\$ 56,052,807</u>	<u>\$ 49,258,858</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NON CAPITAL EXPENDITURES</b>	4.37%	4.04%	3.17%	2.54%

Source: City Finance Department

(continued)

2017	2018	2019	2020	2021	2022
\$ 24,813,331	\$ 34,743,397	\$ 38,523,243	\$ 44,111,372	\$ 49,468,537	\$ 56,042,702
8,061,714	10,867,727	10,765,702	10,011,450	10,914,819	13,343,572
5,748,048	12,580,822	13,820,929	16,762,108	19,146,908	23,165,414
6,219,925	6,677,180	8,428,907	8,177,911	9,431,071	10,803,623
221,382	613,165	2,011,031	1,805,179	63,611	(4,886,358)
655,544	718,890	942,403	598,244	329,487	438,833
5,295,110	9,078,142	14,077,226	5,559,177	9,600,934	10,262,446
95,359	128,323	162,935	117,986	630,271	114,987
-	-	-	-	-	14,110,185
51,110,413	75,407,646	88,732,376	87,143,427	99,585,638	123,395,404
5,391,081	6,151,518	8,169,511	9,981,475	13,962,912	18,688,827
21,350,629	25,062,622	27,389,574	33,869,480	29,174,294	34,950,472
3,643,590	4,872,304	5,693,505	5,196,946	5,377,780	6,811,947
2,461,119	2,833,753	3,592,890	3,977,479	4,943,713	5,752,300
5,947,990	9,438,808	13,436,193	20,997,861	7,041,057	5,528,660
16,157,949	5,898,238	5,143,341	18,164,545	13,332,826	17,605,427
380,000	390,000	410,000	475,088	2,585,843	7,250,613
922,488	911,088	895,488	1,140,397	540,059	1,202,754
-	-	-	-	306,935	40,000
56,254,846	55,558,331	64,730,502	93,803,271	77,265,419	97,831,000
(5,144,433)	19,849,315	24,001,874	(6,659,844)	22,320,219	25,564,404
1,442,815	1,475,606	2,444,198	11,477,822	5,509,717	6,051,725
(1,442,815)	(1,475,606)	(2,444,198)	(11,477,822)	(5,509,717)	(6,051,725)
-	-	6,550,000	-	17,885,000	6,355,581
-	-	-	-	(17,372,007)	-
-	-	-	-	-	6,939,942
-	-	6,550,000	-	512,993	13,295,523
(5,144,433)	19,849,315	30,551,874	(6,659,844)	22,833,212	38,859,927
49,258,858	44,114,425	63,963,740	94,515,614	87,855,770	110,801,919
-	-	-	-	112,937	-
\$ 44,114,425	\$ 63,963,740	\$ 94,515,614	\$ 87,855,770	\$ 110,801,919	\$ 149,661,846
3.25%	2.62%	2.19%	2.14%	4.89%	10.54%



**CITY OF MENIFEE****MAJOR REVENUES BY SOURCE – GOVERNMENTAL FUNDS**

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Motor Vehicle In Lieu Tax</b>	<b>Franchise Tax</b>	<b>Total</b>
2013	\$ 8,783,126	\$ 4,978,337	\$ 45,443	\$ 2,921,048	\$ 16,727,954
2014	11,945,065	5,386,619	34,912	2,967,476	20,334,072
2015	14,634,225	5,924,347	34,308	3,586,271	24,179,151
2016	14,577,983	7,137,168	34,451	3,084,175	24,833,777
2017	12,369,587	8,661,218	39,873	2,973,633	24,044,311
2018	18,876,904	18,005,117	47,721	3,076,719	40,006,461
2019	20,771,353	20,384,878	44,113	3,141,174	44,341,518
2020	22,361,021	21,102,457	73,963	6,289,086	49,826,527
2021	24,076,949	27,476,156	73,963	3,653,129	55,280,197
2022	26,024,300	31,684,459	115,162	4,055,791	61,879,712

Source: City Finance Department

# CITY OF MENIFEE

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	Secured	Unsecured	SBE Nonunitary	Exemptions	Total Taxable Assessed Value	Percent Change
2013	\$ 5,802,742,402	\$ 101,020,305	\$ 577,528,271	\$ (19,336,905)	\$ 6,461,954,073	-4.13%
2014	6,179,136,921	94,335,266	440,228,271	(19,630,098)	6,694,070,360	3.59%
2015	6,987,584,499	92,460,808	346,628,271	(19,962,118)	7,406,711,460	10.65%
2016	7,686,424,297	95,234,280	295,028,271	(131,240,361)	7,945,446,487	7.27%
2017	8,204,501,816	94,227,737	253,828,271	(144,682,408)	8,407,875,416	5.82%
2018	8,712,740,063	99,807,071	105,828,271	(21,427,691)	8,896,947,714	5.82%
2019	9,492,168,800	113,916,759	118,100,000	(21,889,314)	9,702,296,245	9.05%
2020	10,257,311,309	119,918,747	13,800,000	(1,199,425)	10,389,830,631	7.09%
2021	11,130,368,586	140,615,466	-	-	11,270,984,052	9.05%
2022	12,129,504,862	174,182,957	-	-	12,303,687,819	9.16%

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 time it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price 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.

Source: HdL Companies, Riverside County Assessor

## CITY OF MENIFEE

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY USE CATEGORY

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Dry Farm	Other	Exemptions	Total Taxable Assessed Value	Percent Change	Total Direct Rate
2013	\$ 4,653,661,495	\$ 400,175,540	\$ 71,956,220	\$ 21,439,147	\$ 1,334,058,576	\$ (19,336,905)	\$ 6,461,954,073	-4.13%	0.06617
2014	5,025,043,795	419,255,659	74,872,731	22,134,820	1,172,393,453	(19,630,098)	6,694,070,360	3.59%	0.14552
2015	5,837,398,400	419,946,710	78,550,017	20,875,554	1,069,902,897	(19,962,118)	7,406,711,460	10.65%	0.14230
2016	6,349,493,758	444,912,094	79,232,788	21,615,968	1,070,534,347	(20,342,468)	7,945,446,487	7.27%	0.14069
2017	6,823,268,713	465,564,229	80,678,726	21,511,185	1,038,617,091	(21,764,528)	8,407,875,416	5.82%	0.13943
2018	7,368,551,565	522,390,630	86,731,580	20,505,027	920,196,603	(21,427,691)	8,896,947,714	5.82%	0.13809
2019	8,050,646,652	592,624,119	97,305,521	20,895,440	962,713,827	(21,889,314)	9,702,296,245	9.05%	0.13739
2020	8,789,370,483	634,623,902	96,855,473	84,679,342	785,500,856	(1,199,425)	10,389,830,631	7.09%	0.13697
2021	9,605,927,556	718,201,265	92,954,481	61,632,016	792,268,734	-	11,270,984,052	8.48%	0.14302
2022	10,521,453,404	768,722,082	96,436,403	69,173,323	847,902,607	-	12,303,687,819	9.16%	0.14144

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 time it is sold to new owner. At that point, the new assessed value is reassessed at the purchase price 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.

Source: HdL Companies, Riverside County Assessor

## CITY OF MENIFEE

### DIRECT AND OVERLAPPING PROPERTY TAX RATES

Agency	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Basic Levy*	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Imp District	0.21100	0.21100	0.15800	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000
Menifee School Debt Service	0.03486	0.03421	0.03275	0.03010	0.03269	0.06080	0.06303	0.06277	0.06111	0.06319
Metropolitan Water District Original Area	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Perris Union High School Debt Service	0.03429	0.06970	0.06303	0.06236	0.06092	0.01320	0.01320	0.08244	0.08569	0.01320
Mt. San Jacinto Jr. College	-	-	-	0.01394	0.01320	0.05675	0.05243	0.01320	0.01320	0.08859
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.28385</b>	<b>1.31841</b>	<b>1.25728</b>	<b>1.14596</b>	<b>1.14711</b>	<b>1.18425</b>	<b>1.18216</b>	<b>1.21191</b>	<b>1.21350</b>	<b>1.21848</b>
City of Menifee Share of 1% per Prop 13	0.06459	0.12740	0.12740	0.12740	0.12740	0.12904	0.12903	0.12903	0.12643	0.12643
<b>Total Direct Rate**</b>	<b>0.06454</b>	<b>0.06373</b>	<b>0.06617</b>	<b>0.14552</b>	<b>0.14227</b>	<b>0.14069</b>	<b>0.13943</b>	<b>0.13809</b>	<b>0.14302</b>	<b>0.14144</b>

This schedule shows information for all city tax rate areas.

\*In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% fixed amount. This 1.00% is shared by 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 or assessments.

\*\*Total Direct Rate is the weighted average of all individual direct rates applied by the government entity.

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.

**CITY OF MENIFEE**

**PRINCIPAL PROPERTY TAX PAYERS**

Taxpayer	2022			2013		
	Total Assessed Value	Percent of Total City Taxable Assessed Value	Rank	Total Assessed Value	Percent of Total City Taxable Assessed Value	Rank
MG Artesa Apartments LLC	\$ 92,625,716	0.75%	1			
Malcolm Jerome and Maxine Winer	91,477,994	0.74%	2			
Newport Property LLC	86,961,483	0.71%	3			
Antelope Ridge Apartments LLC	47,730,235	0.39%	4	\$ 30,855,140	0.48%	6
Cantabria Development LP	46,880,565	0.38%	5			
Lennar Home of California Inc	37,833,556	0.31%	6			
PHH Real Estate	33,271,044	0.27%	7	28,672,012	0.44%	7
BLC Fleming LLC	31,566,961	0.26%	8			
Target Corporation	26,556,335	0.22%	9	23,072,677	0.36%	8
SRP LLC	25,895,534	0.21%	10			
Inland Empire Energy Center, LLC				577,500,000	8.94%	1
BJS Restaurant				57,610,040	0.89%	2
Stark Menifee Land				53,597,608	0.83%	3
Carrington Place Limited				40,000,000	0.62%	4
Strata Cantabria LLC				35,778,745	0.55%	5
HCP HB2 Carrington Cherry Hills				20,654,266	0.32%	9
CV Communities				15,944,387	0.25%	10
Totals	520,799,423	4.23%		883,684,875	13.68%	
All Other	11,782,888,396	95.77%		5,578,269,198	86.32%	
City Total	\$ 12,303,687,819	100.00%		\$ 6,461,954,073	100.00%	

# CITY OF MENIFEE

## PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy		Amount Collected in Subsequent Year	Total Tax Collections	Percentage of Levy
		Amount	Percentage of Levy			
2013	\$ 8,354,848	\$ 8,321,443	99.60%	\$ 144,969	\$ 8,466,413	100%
2014	9,319,167	9,159,856	98.29%	159,311	9,319,168	100%
2015	10,165,063	10,091,501	99.28%	73,562	10,165,064	100%
2016	10,903,160	10,707,116	98.20%	196,044	10,903,161	100%
2017	11,592,282	11,391,985	98.27%	200,297	11,592,283	100%
2018	12,027,685	11,935,913	99.24%	91,772	12,027,686	100%
2019	13,268,770	13,077,732	98.56%	191,038	13,268,771	100%
2020	14,397,065	14,170,014	98.42%	227,051	14,397,066	100%
2021	16,382,479	16,347,132	99.78%	35,348	16,382,481	100%
2022	17,649,773	17,263,608	97.81%	386,165	17,649,774	100%

With the passage of Resolution 10-138 in June 2010, the City of Menifee agreed to participate in the Riverside County Teeter Program. Under the Teeter Plan, the City is paid in full each year for the actual amount of property taxes levied, regardless of the amount of delinquencies.

Source: County of Riverside

# CITY OF MENIFEE

## RATIO OF OUTSTANDING DEBT BY TYPE

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Distribution Facilities Financing</u>	<u>County Repayment (1)</u>	<u>Total Governmental Activities</u>	<u>Percentage of Personal Income</u>	<u>Per Capita (2)</u>
2013	\$ -	\$ -	\$ 20,942,080	\$ -	\$ 1,099,390	\$ 22,918,222	1.22%	\$ 267.84
2014	-	-	20,586,752	-	1,057,619	22,490,715	1.20%	258.55
2015	-	-	20,206,344	-	1,057,619	22,079,899	1.14%	249.04
2016	-	-	19,815,936	-	1,057,619	20,873,555	1.10%	235.80
2017	-	-	19,415,528	-	-	19,415,528	1.00%	214.16
2018	-	-	19,005,120	-	-	19,005,120	0.09%	206.80
2019	-	-	18,144,304	6,550,000	-	24,694,304	1.09%	264.25
2020	-	-	17,688,896	6,499,912	-	24,188,808	0.99%	249.13
2021	-	-	16,040,392	6,120,786	-	22,161,178	0.84%	222.31
2022	-	-	16,315,000	5,900,754	-	22,215,754	0.84%	216.74

(1) County Repayment is not bonded debt

(2) See the schedule of demographic and economic statistics for population data.

Source: City Finance Division

**CITY OF MENIFEE****RATIO OF GENERAL BONDED DEBT OUTSTANDING**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Total General Obligation Bonds</b>	<b>Less Debt Service Fund (1)</b>	<b>Net Bonded Debt</b>	<b>Percent of Debt to Assessed Value (2)</b>	<b>Debt per Capita</b>
2013	82,292	\$ 6,461,954,073	-	-	-	0.00%	-
2014	83,716	6,694,070,360	-	-	-	0.00%	-
2015	85,385	7,406,711,460	-	-	-	0.00%	-
2016	88,524	7,945,446,487	-	-	-	0.00%	-
2017	90,660	8,407,875,416	-	-	-	0.00%	-
2018	91,902	8,896,947,714	-	-	-	0.00%	-
2019	93,452	9,702,296,245	-	-	-	0.00%	-
2020	97,093	10,389,830,631	-	-	-	0.00%	-
2021	99,686	11,270,984,052	-	-	-	0.00%	-
2022	106,627	12,303,687,819	-	-	-	0.00%	-

(1) Amounts available for repayment of general obligation bonds.

(2) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City Finance Division



## CITY OF MENIFEE

## DIRECT AND OVERLAPPING BONDED DEBT

JUNE 30, 2022

	Total Debt	Percent Applicable to City	City's Share of Debt
<b>Direct Debt</b>			
City of Menifee-County Loan Repayment	\$ -	0.0%	\$ -
City of Menifee-Certificates of Participation	16,315,000	100.0%	16,315,000
City of Menifee-Distribution Facilities Financing Agreement	5,900,754	100.0%	5,900,754
<b>Total Direct Debt</b>	<b>\$ 22,215,754</b>	<b>100.0%</b>	<b>\$ 22,215,754</b>
<b>Direct and Overlapping Tax and Assessment Debt</b>			
Metropolitan Water District	\$ 20,175,000	0.352%	\$ 71,016
Riverside County Flood Control & Water Conservation District Zone	7,880,000	19.295%	1,520,446
Eastern Municipal Water District Improvement Districts	13,975,000	80.528-100.0%	11,802,898
Mount San Jacinto Community College District	253,195,000	10.79300%	28,742,696
Perris Union High School District	308,808,231	57.517%	179,593,603
Menifee Union School District	124,944,720	75.293%	94,097,118
Perris Union High School District Community Facilities District No. 9	31,910,000	60.672%	19,360,435
Menifee Union School District Community Facilities Districts	173,315,000	33.681-100%	169,615,182
Romoland School District Community Facilities Districts	172,655,000	54.833-100%	159,665,026
Eastern Municipal Water District Community Facilities Districts	93,887,000	62.092-100%	90,941,548
City of Menifee Community Facilities District Nos. 2016-2 and 2017	14,080,000	100%	14,080,000
Riverside County Community Facilities Districts	29,900,000	27.147-95.731%	22,347,092
Eastern Municipal Water District 1915 Act Bonds	2,545,000	64.200%	1,636,079
<b>Total Direct and Overlapping Tax and Assessment Debt</b>			<b>\$ 793,473,139</b>
<b>Overlapping General Fund Debt:</b>			
Riverside County General Fund Obligations	\$ 720,218,351	3.716%	\$ 26,763,314
Riverside County Pension Obligations	820,060,000	3.716%	30,473,430
Perris Union High School District Certificates of Participation	40,793,235	58.157%	23,724,122
Menifee Union School District Certificates of Participation	45,872,408	75.311%	34,546,969
<b>Total Gross Overlapping General Fund Debt</b>			<b>\$ 115,507,835</b>
Less: Riverside County Supported Obligations			-
<b>Total Net Overlapping General Fund Debt</b>			<b>\$ 115,507,835</b>
<b>Overlapping Tax Increment Debt (Riverside County Successor Agency)</b>	<b>\$ 231,912,748</b>	<b>1.924-12.217%</b>	<b>\$ 14,752,601</b>
<b>Total Direct Debt</b>			
			\$ 22,215,754
<b>Total Gross Overlapping Debt</b>			
			\$ 923,733,575
<b>Total Net Overlapping Debt</b>			
			\$ 923,733,575
<b>Total Direct and Overlapping Debt</b>			
			\$ 945,949,329
<b>Gross Combined Total Debt</b>			
			<sup>1</sup> \$ 946,844,361
<b>Net Combined Total Debt</b>			
			\$ 946,844,361
<b>Ratios to 2019-20 Assessed Valuation:</b>			
Total Direct Debt	0.19%		
Total Direct and Overlapping Tax and Assessment Debt	6.45%		
Gross Combined Total Debt	7.70%		
Net Combined Total Debt	7.70%		

The 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 district's assessed value that is within the boundaries of the city divided by the district's total assessed value.

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics

## CITY OF MENIFEE

### LEGAL DEBT MARGIN INFORMATION

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	2018	2019	2020	2021	2022
Assessed valuation	\$ 8,896,947,714	\$ 9,702,296,245	\$ 10,389,830,631	\$ 11,270,984,052	\$ 12,303,687,819
Debit Limit Percentage	15%	15%	15%	15%	15%
Debt limit	1,334,542,157	1,455,344,437	1,558,474,595	1,690,647,608	1,845,553,173
Total Net Debt Applicable to the Limit General Obligation Bonds:	-	-	-	-	-
Legal debt margin	<u>\$ 1,334,542,157</u>	<u>\$ 1,455,344,437</u>	<u>\$ 1,558,474,595</u>	<u>\$ 1,690,647,608</u>	<u>\$ 1,845,553,173</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

The City of Menifee has no general obligation indebtedness.

Only last five years shown.

Source: City Finance Department, HdL Companies

**CITY OF MENIFEE****DEMOGRAPHIC AND ECONOMIC STATISTICS**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (In 1000)</b>	<b>Per Capita Personal Income</b>	<b>Median Home Price</b>	<b>Occupied Housing Units</b>	<b>Persons per Household</b>	<b>Median Age</b>	<b>Unemployment Rate</b>
2013	82,292	\$ 1,812,481	\$ 22,025	\$ 198,750	31,975	2.57	38.2	10.20%
2014	83,716	1,808,600	21,604	250,000	28,933	2.89	38.0	8.90%
2015	85,385	1,868,959	22,333	280,000	29,383	2.91	37.9	9.60%
2016	88,524	1,891,622	21,253	300,000	30,226	2.93	38.7	7.90%
2017	90,660	1,936,648	21,253	325,000	31,253	3.94	37.4	7.10%
2018	91,902	2,055,023	22,667	340,000	31,253	2.94	37.4	4.70%
2019	93,452	2,264,845	24,235	350,000	31,222	2.99	37.9	4.50%
2020	97,093	2,450,076	25,234	374,000	33,348	2.91	37.9	4.00%
2021	99,686	2,647,056	26,553	450,000	34,256	2.91	37.7	10.10%
2022	106,627	2,871,857	26,933	560,000	36,308	2.94	38.0	7.50%

Source: Riverside County Center for Demographic Research, California Department of Finance E-5

**CITY OF MENIFEE****PRINCIPAL EMPLOYERS**

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<b>Employer</b>	<b>2022</b>		<b>Rank</b>
	<b>Number of Employees</b>	<b>Percentage of Employment</b>	
Mt San Jacinto College District	1,500	27.43%	1
Menifee Union School District	1,290	23.59%	2
Romoland Elementary School District	554	10.13%	3
Target Corporation	417	7.63%	4
Menifee Global Medical Center	365	6.68%	5
Stater Brothers	362	6.62%	6
City of Menifee	312	5.71%	7
United Parcel Service (UPS)	248	4.54%	8
Southern California Edison	220	4.02%	9
Texas Roadhouse	200	3.66%	10
<b>Total Employment Listed</b>	<b>5,468</b>	<b>100.00%</b>	

Source: Menifee Valley Chamber of Commerce, City of Menifee Business License Division

## CITY OF MENIFEE

### FULL AND PART-TIME CITY EMPLOYEES BY PROGRAM

FUNCTION	2013 Full Time Equivalent	2014 Full Time Equivalent	2015 Full Time Equivalent	2016 Full Time Equivalent	2017 Full Time Equivalent	2018 Full Time Equivalent	2019 Full Time Equivalent	2020 Full Time Equivalent	2021 Full Time Equivalent	2022 Full Time Equivalent
City Manager	1.50	1.25	2.00	2.00	1.00	4.00	4.00	5.00	5.00	8.00
Administrative Services	4.50	2.75	4.50	5.00	6.00	-	-	-	-	-
City Clerk	2.00	2.00	2.00	2.00	2.00	3.00	3.00	5.00	5.00	6.00
Emergency Services	-	0.75	-	-	-	-				-
Finance	6.00	6.00	6.00	6.00	7.00	10.00	12.50	13.50	13.50	17.00
Human Resources	1.00	1.00	1.00	1.00	-	4.00	8.50	6.50	6.50	8.00
Information Technology	-	-	-	-	-	2.00	5.00	8.00	8.00	13.00
Economic Development	2.25	2.00	2.00	2.00	3.00	3.00	5.00	3.50	3.50	4.00
Community Development	3.00	3.00	4.00	4.00	5.00	11.00	13.50	13.00	13.00	15.00
Code Enforcement	4.00	4.00	5.00	4.00	4.00	7.00	7.00	5.00	6.00	8.00
Fire	-	-	-	-	-	1.00	2.00	2.00	2.00	2.00
Engineering/ Pub Works	5.00	6.00	10.00	12.00	16.00	24.00	32.00	33.00	33.00	44.50
Building/Safety	4.00	4.00	7.00	8.00	9.00	12.00	14.00	12.00	12.00	15.00
Community Services	3.00	2.25	3.00	13.00	18.58	21.55	31.68	23.39	23.39	44.20
Police	-	-	-	-	-	-	76.00	77.00	78.00	118.00
<b>Total</b>	<b>36.25</b>	<b>35.00</b>	<b>46.50</b>	<b>59.00</b>	<b>71.58</b>	<b>102.55</b>	<b>214.18</b>	<b>206.89</b>	<b>208.89</b>	<b>302.70</b>

Part-Time Employees are expressed as Full-Time Equivalents.

Source: City Finance Department

## CITY OF MENIFEE

### CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

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As of June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>FUNCTION</b>										
Public Works										
Streets (Miles)	240	244	265	317.9	317.9	317.9	317.9	327.1	341.0	347.2
Traffic Signals	63	67	67	73	68	71	72	75	84	89
Community Services										
Parks	5	7	7	7	8	11	12	14	14	15
Park Acreage	31	39	39	39	45	53.7	58.7	79.1	79.0	85.1

Source: City Public Works Department, Community Services

# CITY OF MENIFEE

## OPERATING INDICATORS BY FUNCTION/PROGRAM

As of June 30, FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police Services										
Physical Arrests	824	1,107	1,061	1,295	1,412	1,385	1,500	1,582	1,403	1,154
Parking Citations	1,377	1,208	1,763	330	230	569	435	241	473	356
Traffic Citations	1,618	1,199	3,438	3,720	1,733	4,422	5,927	2,492	2,877	3,835
Calls for Service	37,485	41,052	44,395	47,728	47,926	47,961	49,291	48,615	52,152	50,342
Fire Services										
Medical/Public service Calls	6,964	7,301	7,220	9,741	10,081	9,342	10,071	9,172	10,232	10,612
Fire calls	119	122	130	144	184	182	167	193	225	210
All other calls	939	960	1,810	1,310	1,499	2,158	1,552	2,315	1,494	2,327
Total	8,022	8,443	9,160	11,195	11,764	11,682	11,790	11,680	11,951	13,149
Public Works										
Potholes/Skinpatch (square feet)	10,567	15,067	16,121	12,335	18,215	31,458	135,277	63,348	16,358	20,052
Curb Refurbishment/Painting (linear feet)	12,505	10,414	12,877	285	3,254	983	722	3,540	7,276	39,246
Right of Way Clearing (linear feet)	72,357	119,137	116,237	14,020,200	13,853,520	4,475,936	886,818	20,006	988,916	381,828
Traffic Signs repaired/replaced	642	911	729	213	275	821	418	461	1,176	572
Building & Safety										
Building Permits Issued	2,811	3,180	2,969	4,031	4,365	5,179	6,232	6,147	6,778	5,959
Building Inspections Completed	8,075	13,119	10,655	13,410	15,417	21,522	23,540	25,480	33,567	30,736
Community Development										
Planning Applications Completed	199	216	189	275	327	259	208	348	393	402

Source: City Finance Division, City Community Development Department, City Building Department, City Police Services Department, City Public Works Department

## CITY OF MENIFEE

### MISCELLANEOUS STATISTICS

JUNE 30, 2022

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Geographic Location:	The City of Menifee is located approximately 80 miles south east of Los Angeles in the southwestern portion of Riverside County
Population:	106,627
Area in square miles:	46
Form of Government:	Council-Manager
Date of Incorporation:	October 1, 2008
Number of Full Time Employees:	302.70
Public Safety:	
Police Department	Menifee City Police Department as of 6/30/2022, 118 FTE
Fire Department	Riverside County/Cal Fire Department contract, 56 FTE, 4 Fire Stations
Library:	2 branches, Riverside County Library System
Recreation:	22 Parks owned by Valley Wide Recreation and Park District 15 Parks owned by the City
Schools:	
Elementary	17
Middle Schools	7
High Schools	5
Community Colleges	1

Source: City Finance Division



# CITY OF MENIFEE

## TAXABLE SALES BY CATEGORY LAST TEN CALENDAR YEARS (IN THOUSANDS OF DOLLARS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel Stores	\$ 29,535	\$ 30,580	\$ 27,954	\$ 30,932	\$ 34,067	\$ 35,507	\$ 38,758	\$ 41,395	\$ 30,128	\$ 45,601
Auto Dealers and Suppliers	20,590	26,155	34,741	42,077	54,191	57,093	53,556	59,676	55,986	61,284
Building Materials	32,152	36,673	40,262	71,069	-	-	-	-	-	-
Eating and Drinking Places	65,823	72,382	80,640	90,887	102,368	116,223	123,562	141,849	142,570	180,626
Food Stores	25,475	26,470	26,342	29,326	28,855	31,882	36,919	39,695	47,606	49,349
Furniture & Appliances	46,616	48,036	51,441	61,039	-	-	-	-	-	-
General Merchandise	58,670	62,730	66,091	68,839	69,542	71,748	75,453	76,431	81,510	105,867
Packaged Liquor	4,734	5,100	5,253	5,965	-	-	-	-	-	-
Service Stations	104,973	100,388	106,979	91,389	84,642	95,334	117,573	123,359	101,822	153,051
Other Retail Stores	36,863	38,921	43,360	47,519	206,277	226,351	237,971	234,076	243,019	323,048
All other Outlets	76,029	86,476	96,505	114,523	128,848	136,300	171,299	182,774	214,298	229,222
Total	<u>\$ 501,460</u>	<u>\$ 533,911</u>	<u>\$ 579,568</u>	<u>\$ 653,565</u>	<u>\$ 708,790</u>	<u>\$ 770,438</u>	<u>\$ 855,091</u>	<u>\$ 899,255</u>	<u>\$ 916,939</u>	<u>\$1,148,048</u>

Source: State of California Board of Equalization and the HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.

**TOP 25 SALES TAX PRODUCERS  
FOR FISCAL YEAR ENDED JUNE 30, 2022 AND JUNE 30, 2013**

Firms Listed Alphabetically (April through March data for each year)

# CITY OF MENIFEE

## MEASURE DD 1% SALES TAX REVENUES AND EXPENDITURES HISTORY JUNE 30, 2022

Fiscal Year	2017	2018	2019	2020	2021
<b>Revenues</b>					
1% Transaction Tax	\$ 1,369,814	\$ 9,961,049	\$ 11,416,810	\$ 12,617,232	\$ 16,724,722
Interest Income	-	24,668	96,362	141,559	4,951
<b>Total Revenue:</b>	<u>1,369,814</u>	<u>9,985,717</u>	<u>11,513,172</u>	<u>12,758,791</u>	<u>16,729,673</u>
<b>Expenditures</b>					
Code Enforcement	-	-	188,042	234,261	263,112
County Sheriff Services	-	2,404,849	1,869,310	3,573,072	-
County Fire Services	-	1,969,424	1,768,811	3,893,526	3,353,950
Capital Equipment	-	-	-	593,105	1,305,108
Capital Projects-Roads	-	2,852,248	3,791,111	1,646,995	942,402
Menifee Police	-	-	273,779	4,855,886	4,906,555
<b>Total Expenditures:</b>	<u>-</u>	<u>7,226,521</u>	<u>7,891,053</u>	<u>14,796,845</u>	<u>10,771,127</u>
<b>Cumulative Balance:</b>	<u>\$ 1,369,814</u>	<u>\$ 4,129,010</u>	<u>\$ 7,751,129</u>	<u>\$ 5,713,075</u>	<u>\$ 11,671,621</u>
	<b>2022</b>				
<b>Revenues</b>					
1% Transaction Tax	\$ 19,607,014				
Interest Income	(110,856)				
<b>Total Revenue:</b>	<u>19,496,159</u>				
<b>Expenditures</b>					
Code Enforcement	319,706				
County Sheriff Services	-				
County Fire Services	5,171,600				
Capital Equipment	42,319				
Capital Projects-Roads	2,765,313				
Menifee Police	5,746,016				
<b>Total Expenditures:</b>	<u>14,044,955</u>				
<b>Cumulative Balance:</b>	<u>\$ 17,122,825</u>				

The City's citizens voted and approved the 1% sales tax in November 2016 with the implementation date of January 2017. No information prior to that year is available.

Source: Finance Department

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