

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ending
June 30, 2021

CITY OF HEMET
CALIFORNIA

Karlee Meyer – Mayor
Malcolm Lilienthal – Mayor Pro-Tem
Vacant – Councilmember
Russ Brown – Councilmember
Linda Krupa – Councilmember

PREPARED BY: CITY OF HEMET FINANCE DEPARTMENT

CITY OF HEMET, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2021

**City of Hemet
Annual Comprehensive Financial Report
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TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of transmittal	i
Organizational Chart	v
List of Principal Officials	vi
GFOA ACFR Certificate of Achievement	vii
 II. FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion & Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds	
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to Financial Statements	29
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	62
Sewer and Storm Drain	63
Schedule of Changes in the Net Pension Liability – Miscellaneous Plan	64
Schedule of Changes in the Net Pension Liability – Safety Plan	66
Schedule of Contributions – Agent-Multiple Employer Pension Plans	68
Schedule of Changes in the Net OPEB Liability	69
Notes to Required Supplementary Information	70
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Bridges/Streets/Traffic Signals Capital Projects Fund	71
Non-Major Governmental Funds:	72
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	81

City of Hemet
Annual Comprehensive Financial Report
Year Ended June 30, 2021

TABLE OF CONTENTS - Continued

	PAGE
Supplementary Information - Continued:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Public Safety Towing	87
Gas Tax	88
Measure A	89
Air Pollution Reduction	90
Lighting/Landscaping Maintenance	91
Post Prop 218 Lighting	92
Post Prop 218 Landscape	93
Public Works CFD	94
Asset Seizure	95
Public Safety Grants	96
Public Safety CFD	97
COPS/AB 3229	98
Local Law Enforcement Block Grant	99
Community Development Block Grant	100
General Plan	101
HOME Program	102
CalHome Grant	103
2001 - 2008 HOME Program	104
Neighborhood Stabilization Program Grant	105
Housing Authority	106
Indian Gaming Grants	107
Public Meeting Facilities	108
General Facilities	109
Flood Control	110
Law Enforcement Facilities	111
Fire Facilities	112
Park Development	113
Valley Wide DVL Park	114
Library Facilities	115
Equipment Replacement	116
General Capital	117
LaSalle Library Endowment Permanent Fund	118
Internal Service Funds	119
Combining Statement of Net Position	120
Combining Statement of Revenues, Expenditures, and Changes in Net Position	122
Combining Statement of Cashflows	124
Custodial Funds:	126
Combining Statement of Fiduciary Net Position	127
Combining Statement of Changes in Fiduciary Net Position	128
III. STATISTICAL SECTION	129
Net Position by Component	130
Change in Net Position	132
Fund Balance of Governmental Funds	136
Changes in Fund Balances of Governmental Funds	138
Own Source Revenues	140
Assessed Value and Estimated Actual Value of Taxable Property	141
Property Tax Rates – Direct and Overlapping Governments	142
Principal Property Taxpayers	144
Property Tax Levies and Collections	145
Ratios of Outstanding Debt by Type	146
Ratios of General Bonded Debt Outstanding	147

**City of Hemet
Annual Comprehensive Financial Report
Year Ended June 30, 2021**

TABLE OF CONTENTS - Continued

	PAGE
III. STATISTICAL SECTION - Continued	
Direct and Overlapping Governmental Activities Debt	148
Legal Debt Margin Information	149
Pledged Revenue Coverage	151
Demographic and Economic Statistics	152
Principal Employers	153
Full-time and Part-time City Employees	154
Operating Indicators	156
Capital Asset Statistics	158
Water, Refuse, and Sewer Rates	159
Water Sold by Type of Customer	160

INTRODUCTORY SECTION



City of Hemet

445 E FLORIDA AVENUE * HEMET, CALIFORNIA 92543 * (951)765-2330

February 15, 2022

To the Members of the City Council and Citizens of the City of Hemet

It is the policy of the City of Hemet to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Hemet for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets for loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by VLF, LLP., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2021 was fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirement involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP 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 it. The City's MD&A can be found immediately following the report of the

independent auditors in the financial section of the CAFR.

Profile of the City of Hemet, California

The City of Hemet, incorporated in 1910, is located at the foot of the San Jacinto Mountains in the western region of Riverside County. The City currently occupies a land area of approximately 30 square miles and serves an estimated population of 84,525 residents. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Hemet has operated under the council-manager form of government since 1984. Policy making and legislative authority are vested in a City Council consisting of the Mayor and four council members elected at-large. Beginning with the election in November 2016, council members are now elected by council districts. The City Council is responsible for, among other things, passing ordinances, adopting the annual budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and for appointing the heads of various departments. Council members are elected on a non-partisan basis and serve four-year staggered terms, with two or three council members elected every two years. The Mayor is selected in December by the City Council to serve a one-year term.

The City of Hemet provides a full range of services which include general government, public safety (police and fire protection), economic development, library services, water service, and the construction and maintenance of highways, streets, and other infrastructure. In addition to general City activities, the Council is financially accountable for the Hemet Housing Authority (additional information on this legally separate agency can be found on Note 1 in the notes to the financial statements) and the Successor Agency to the former Hemet Redevelopment Agency (RDA).

The annual budget serves as the foundation for the City's financial planning and control. The Finance Department, under the direction of the Director of Finance, is responsible for compiling the estimated revenues and appropriations for the City Manager. Prior to the beginning of the new fiscal year, the City Council adopts the annual operating budget at a public budget workshop.

The development of the City of Hemet's annual operating budget begins with the submission of appropriation requests by all departments in March. These requests are the starting point for developing a proposed budget. The City Manager reviews the budget requests with the departments and the finance division in order to compile recommendations. The City Manager then presents these recommendations in the form of a proposed budget to the entire council for review prior to the final City Council meeting in June. The Council is required to hold public meetings on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may approve transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the approval of the City Council.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

Economic Condition and Outlook

The City of Hemet is located in the Inland Empire (Metropolitan Statistical Area – “MSA”), which consists of Riverside and San Bernardino Counties. There have been modest improvements in the real estate and home building sectors as well as Sales Tax. The Inland Empire MSA is projected to grow in future years as land values continue to remain well below those in Los Angeles, Orange and San Diego Counties.

Fiscal Year 2020-2021 started in the midst of the ongoing COVID-19 global pandemic. Despite the many obstacles that have presented itself due to this pandemic, Council approved a timely and balanced budget.

This pandemic forced the City and its local businesses to find alternative platforms and methods to reach its citizens and customer base. Because of the advances in technology and the keen ability to adapt, the City of Hemet was fortunate to continue a high level of service. As a result of the ingenuity, sales taxes gained a substantial increase as community members were able to purchase much of their needs online and through pick-up and delivery services. Sales tax collected for online sales go into a County pool, and each City gets a proportionate share of the pool. However, any items shipped into Hemet are charged the additional one percent sales tax for Measure U. This does not go into the County pool and instead is remitted in whole to the City.

Overall the City experienced a significant increase in the General Revenue categories such as, Motor Vehicle in-lieu, Sales Tax, and Property Taxes. Additionally, Hemet residents and developers have continued to work with the City on their projects with an increase of approximately \$300,000 in Community Development fees related to plan checks and inspections.

The City and its local economy pushed forward and ended the fiscal year on a positive note. This was a combination of higher than expected revenues and expenditure savings generated by actions taken to reduce costs.

While slowly improving, interest rates continue to be dramatically affected by the pandemic. Many of the City's investments were called and due to all time low rates, have not been re-invested in long term investments. Funds remain in Local Agency Investment Fund (LAIF) which is slower to decrease but generally has a lower rate of return.

CalPERS reported much higher than expected returns on investments of 21.3% compared to 4.7%. While this higher rate of return will be good news for the year, CalPERS has lowered the discount rate as a result of it. This will play an important role in budgets and ongoing retirement costs moving forward.

In November 2016, the citizens of Hemet voted to approve Measure U, a general 1% sales tax measure. While this Measure is considered a General Tax, the City's Council passed a Resolution restricting the use of Measure U revenues to the addition and retention of Public Safety Personnel. Although the funds are housed within the General Fund, by Resolution, they are required to be tracked in separate accounts from General Fund revenues and expenditures. Any Measure U funds not spent at the end of the fiscal year are required to be reserved for future use of the Measure U program. Over the last three fiscal years, Measure U revenues have outpaced projections with the current fiscal year collecting the highest revenues yet.

In March 2021, Congress passed the American Rescue Plan Act (ARPA). This bill is to provide additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. The City of Hemet was awarded approximately

\$21.7 million to assist small businesses, households, and hard-hit industries, and economic recovery. Additionally, the funds are eligible for premium pay to essential workers and investments in water, sewer, and broadband infrastructure.

In May 2021, the City received its first installment of \$10.8 million. The remaining funds are expected to be issued in fiscal year 2022. All funds must be committed by the end of calendar year 2024.

Long-term Financial Planning

The City of Hemet continues to take steps to improve its financial picture. Due to the fast paced increases to OPEB and pension liabilities, most cities are challenged with methods to address the financial sustainability. The City currently contributes to an OPEB trust that is designed to mitigate liability and has proven to yield positive results. The City is actively exploring a 115 trust which would address the future, unfunded pension liabilities. This type of trust allows municipalities to set aside extra resources for pension funds at reduced investment risk. Funds in the trust can then be used in future years to offset potential volatility in CalPERS annual contribution or rate requirements.

Awards and Acknowledgements

The City of Hemet is regularly recognized for excellence in financial reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to agencies for its Comprehensive Annual Financial Report. In order to receive this prestigious award, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must also satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe our current Comprehensive Annual Financial Report conforms to the GFOA Certificate of Achievement Program and will be submitted for review and consideration.

The preparation of the City's Annual Comprehensive Financial Report is an undertaking of the Finance Department. The report was made possible by the dedicated service of the entire staff and the City's independent auditor.

Credit also must be given to the Mayor, City Council and City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Hemet's finances.

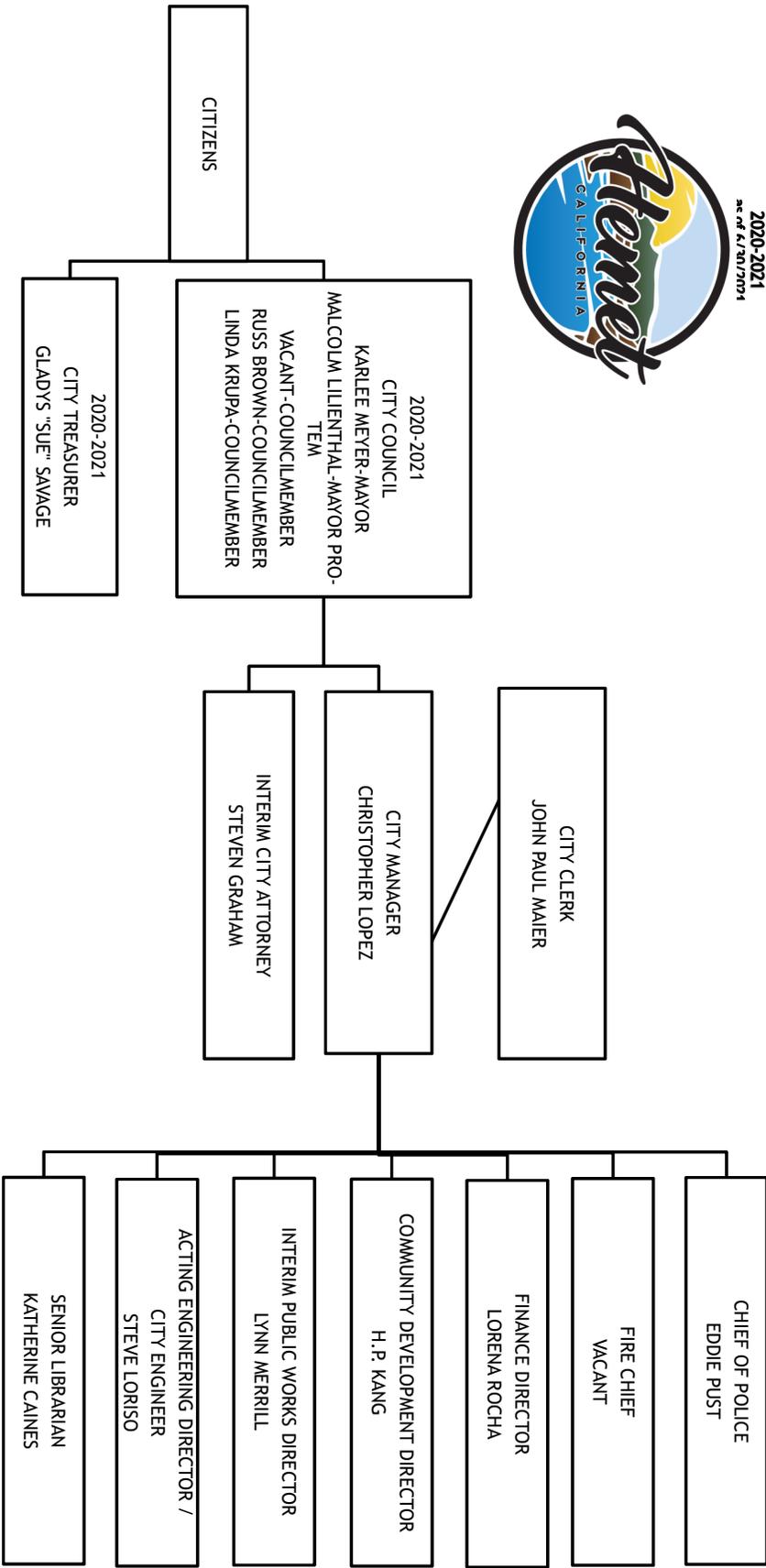
Respectfully Submitted,

A handwritten signature in cursive script that reads "Lorena Rocha".

Lorena Rocha
Finance Director



CITY OF HEMET
ORGANIZATIONAL CHART
2020-2021
as of 6/30/2021



PRINCIPAL OFFICIALS OF THE CITY OF HEMET, CALIFORNIA

June 30, 2021

Elected and Administrative Officials

City Council

Karlee Meyer	Mayor
Malcolm Lilienthal	Mayor Pro-Tem
Russ Brown	Councilmember
Linda Krupa	Councilmember
Vacant	Councilmember

Other Elected Officials

Gladys “Sue” Savage	City Treasurer
---------------------	----------------

Administrative Officials

Christopher Lopez	City Manager
Steven Graham	Interim City Attorney
Lorena Rocha	Finance Director
H.P. Kang	Community Services Director
Eddie Pust	Police Chief
Vacant	Fire Chief
Lynn Merrill	Interim PW Director
Steve Loriso	Acting Engineering Director/City Engineer
Katherine Caines	Senior Librarian



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hemet
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditors' Report

The Honorable City Council
City of Hemet, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Hemet, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Hemet's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Hemet, California, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As reported in the financial statements, in fiscal year 2020-21, the City adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022, on our consideration of the City of Hemet'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Van Lant & Fankhaenel, LLP

February 15, 2022

City of Hemet
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

The following discussion and analysis of the financial performance of the City of Hemet provides an overview of the City’s financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of five parts – 1) *management’s discussion and analysis* (this section), 2) the *basic financial statements*, 3) *required supplementary information*, 4) a *supplementary section* that presents *combining statements* for non-major governmental funds and internal service funds, and 5) a *statistical section*. The basic financial statements include two kinds of statements that present different views of the City; the government-wide financial statements and the fund financial statements.

Government-wide Financial Statements

The governmental fund statements provide readers with a broad overview of the City’s finances.

The *Statement of Net Position* presents financial information on all of the City’s assets/deferred outflows of resources and liabilities/deferred inflows, with the difference reported as net position (Exhibit 2). Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information regarding changes to the City’s net position during the most recent fiscal year (Exhibit 3). 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 for some items that will only result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- *Governmental activities* – Most of the City’s basic services are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities. The governmental activities of the City include general government, police, fire, public works, community development, housing, parks and library.
- *Business-type activities* – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for these funds. The business-type activities of the City include water.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the City’s most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. 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 administrative responsibilities for using certain taxes, grants, or other money. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds:

Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in a reconciliation at the bottom of the fund financial statements.

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriation budget for its governmental funds. A budgetary comparison statement is provided for general and special revenue major funds to demonstrate compliance with budgets.

Proprietary Funds:

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Proprietary funds can be classified into two subcategories: enterprise funds and internal service funds.

- *Enterprise fund* is reported as business-type activities in the government-wide financial statements. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.
- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service funds account for the management of the City's liability insurance and for medical and dental coverage for its employees; as well as, unemployment and other postemployment benefits, administrative services, vehicle and facility maintenance, city attorney and emergency services. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes to financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

Exhibit 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

City of Hemet
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Exhibit 1

Major Features of the City’s Government-wide and Fund Financial Statements

	<u>Fund Statements</u>			
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City’s fiduciary funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *statement of net position* follows:

Exhibit 2

Net Position
(in Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 128.6	\$ 103.4	\$ 29.7	\$ 26.0	\$ 158.3	\$ 129.4
Noncurrent assets	\$ 4.4	\$ 5.9	\$ -	\$ -	\$ 4.4	\$ 5.9
Capital assets	<u>\$ 303.8</u>	<u>\$ 308.6</u>	<u>\$ 4.0</u>	<u>\$ 4.5</u>	<u>\$ 307.8</u>	<u>\$ 313.2</u>
Total assets	\$ 436.8	\$ 418.0	\$ 33.7	\$ 30.5	\$ 470.5	\$ 448.5
Deferred outflows of resources:						
OPEB DOR	\$ 3.8	\$ 1.6	\$ 0.3	\$ 0.2	\$ 4.1	\$ 1.8
Pension DOR	\$ 16.9	\$ 17.1	\$ 0.7	\$ 0.5	\$ 17.6	\$ 17.7
Total deferred outflows of resources	<u>\$ 20.7</u>	<u>\$ 18.7</u>	<u>\$ 1.0</u>	<u>\$ 0.7</u>	<u>\$ 21.7</u>	<u>\$ 19.5</u>
Long-term debt outstanding	\$ 155.4	\$ 142.4	\$ 8.9	\$ 10.0	\$ 164.3	\$ 152.4
Other liabilities	<u>\$ 22.6</u>	<u>\$ 20.9</u>	<u>\$ 2.1</u>	<u>\$ 1.8</u>	<u>\$ 24.7</u>	<u>\$ 22.7</u>
Total liabilities	\$ 178.0	\$ 163.3	\$ 11.0	\$ 11.8	\$ 189.0	\$ 175.1
Deferred inflows of resources:						
OPEB DIR	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ 0.3	\$ 0.1
Pension DIR	\$ 0.2	\$ 2.3	\$ -	\$ 0.2	\$ 0.2	\$ 2.5
Total deferred inflows of resources	<u>\$ 0.5</u>	<u>\$ 2.4</u>	<u>\$ -</u>	<u>\$ 0.2</u>	<u>\$ 0.5</u>	<u>\$ 2.6</u>
Net Position:						
Net Investment in Capital Assets	\$ 303.8	\$ 308.6	\$ 4.0	\$ 4.5	\$ 307.7	\$ 313.2
Restricted	\$ 53.8	\$ 53.9	\$ -	\$ -	\$ 53.8	\$ 53.9
Unrestricted	\$ (78.5)	\$ (91.5)	\$ 19.6	\$ 14.8	\$ (58.9)	\$ (76.7)
Total net position	<u>\$ 279.1</u>	<u>\$ 271.0</u>	<u>\$ 23.6</u>	<u>\$ 19.4</u>	<u>\$ 302.7</u>	<u>\$ 290.4</u>

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

A summary of the government-wide *statement of activities* follows:

Exhibit 3

Changes in Net Position
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues:						
Charges for services	\$ 16.0	\$ 13.3	\$ 12.1	\$ 12.0	\$ 28.1	\$ 25.3
Operating grants/contributions	4.0	2.4	-	10.4	4.0	12.8
Capital grants/contributions	7.8	8.4	-	-	7.8	8.4
General revenues:						
Property taxes	8.0	7.9	-	-	8.0	7.9
Transient occupancy taxes	0.9	0.8	-	-	0.9	0.8
Sales taxes	17.5	13.6	-	-	17.5	13.6
Measure U sales tax	14.8	11.7	-	-	14.8	11.7
Motor vehicle in-lieu taxes	7.4	7.1	-	-	7.4	7.1
Franchise and other taxes	5.5	5.2	-	-	5.5	5.2
Investment income and misc.	0.3	1.4	-	0.3	0.3	1.7
Total revenues	<u>\$ 82.3</u>	<u>\$ 71.8</u>	<u>\$ 12.1</u>	<u>\$ 22.7</u>	<u>\$ 94.4</u>	<u>\$ 94.5</u>
Program expenses						
General government	\$ 2.0	\$ 4.1	\$ -	\$ -	\$ 2.0	\$ 4.1
Public safety	37.1	39.3	-	-	37.1	39.3
Public Safety Measure U	9.6	8.8	-	-	9.6	8.8
Community development	5.4	5.1	-	-	5.4	5.1
Public works	10.7	12.5	-	-	10.7	12.5
Sanitation	2.4	1.8	-	-	2.4	1.8
Parks and library	2.9	3.3	-	-	2.9	3.3
Interest on long-term debt	-	-	-	-	-	-
Water and refuse	-	-	10.2	9.8	10.2	9.8
Total expenses	<u>\$ 70.2</u>	<u>\$ 75.0</u>	<u>\$ 10.2</u>	<u>\$ 9.8</u>	<u>\$ 80.4</u>	<u>\$ 84.8</u>
Excess (deficiency)	\$ 12.1	\$ (3.1)	\$ 1.8	\$ 12.9	\$ 13.9	\$ 9.7
Other Financing Sources (Uses)						
Transfers In	\$ 0.2	\$ 0.2	\$ -	\$ -	\$ 0.2	\$ 0.2
Transfers Out	-	-	(0.2)	(0.2)	(0.2)	(0.2)
Total Other Financing Sources (Uses)	<u>\$ 0.2</u>	<u>\$ 0.2</u>	<u>\$ (0.2)</u>	<u>\$ (0.2)</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning Net Position	<u>\$ 271.0</u>	<u>\$ 273.8</u>	<u>\$ 19.4</u>	<u>\$ 5.8</u>	<u>\$ 290.4</u>	<u>\$ 279.6</u>
Prior Period Adjustment *	\$ (4.2)	\$ 0.2	\$ 2.6	\$ 1.0	\$ (1.6)	\$ 1.2
Ending Net Position	<u>\$ 279.1</u>	<u>\$ 271.0</u>	<u>\$ 23.6</u>	<u>\$ 19.4</u>	<u>\$ 302.7</u>	<u>\$ 290.4</u>

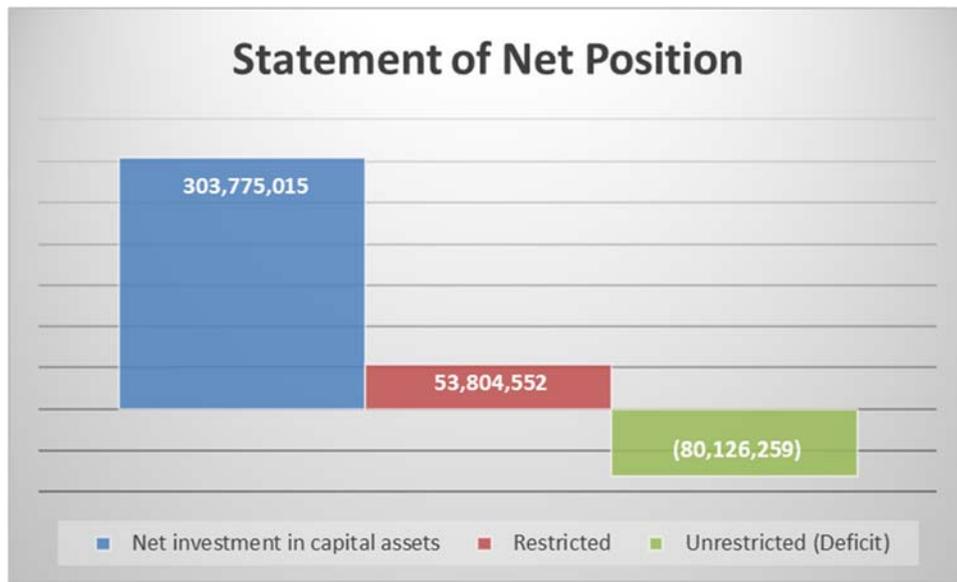
* Please see details in Note 14 of the Basic Financial Statement

City of Hemet
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

The increase or decrease in net position can provide an indication as to whether the overall financial position of the City improved or deteriorated during the year. The Net Position of the City’s *governmental activities increased by 3.0%* (from \$271.0 million to \$279.1 million, as restated) in 2021. Despite the ongoing impact of COVID-19 and the significant impact it had to citizens and businesses within the community, revenues have remained strong and surpassed fiscal year estimates. The *unrestricted net position* – the part of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from a deficit of \$91.5 million in 2020 to a deficit of \$78.5 million in 2021. This increase is largely due to a change in the Pension and OPEB Allocation in Administrative Services and partly due to sales tax revenues.

Total Net Position – Governmental Activities

Exhibit 4



The Net Position of the City’s *business-type activities increased by 21.6%* (from \$19.4 million to \$23.6 million, as restated) in 2021. The increase was due in part to a GASB 75 adjustment that added approximately \$2.8 million to fund balance. Additionally, the ground water management budget was not fully expended and will be used in future years.

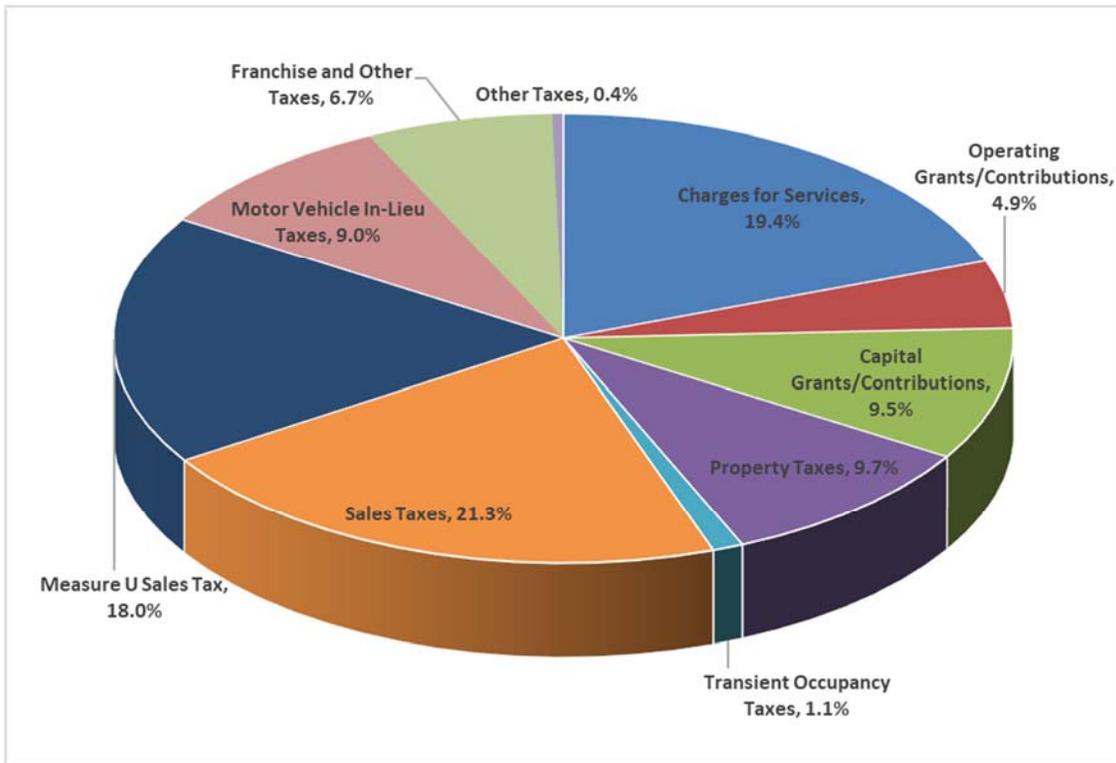
The net position (financial position) of the City changed as a result of the revenue and expense fluctuations described below for the governmental and business-type activities of the City.

Governmental Activities

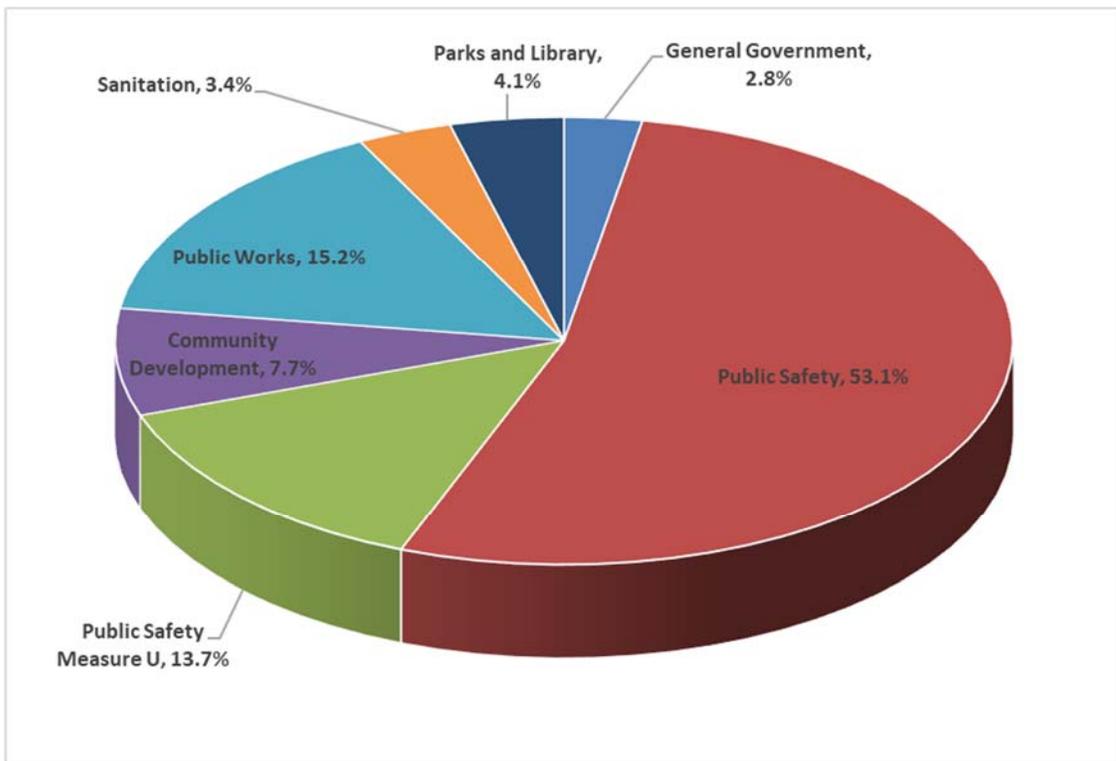
Revenues for the City’s governmental activities saw an overall increase of \$10.5 million in 2021. This can be attributed to the strong stream of sales taxes which alone grew \$7.0 million. In addition, Charges for Services have increased in conjunction with the increase in Community Development activity.

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Revenues by Source – Governmental Activities



Expenses by Function – Governmental Activities



City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Business-Type Activities

The City's business-type activities had an overall decrease in revenues of \$10.6 million in 2021 compared to 2020. This is due to the large legal settlement in excess of \$10 million that was accrued to fiscal year 2020.

GENERAL FUND BUDGET HIGHLIGHTS

The difference between the adopted budget and the final amended budget reflects a \$4.7 million increase in appropriations, excluding operating transfers out, and can be briefly summarized as follows:

- General Government budget increased approximately \$800,000 largely due to Continuing Appropriations carried forward from the prior fiscal year which include a PEG fees project. Mid-year adjustments within the City Manager's and City Clerk budgets are also included in this overall increase.
- Public Safety budget increased by approximately \$3.1 million largely due to Continuing Appropriations carried forward from the prior fiscal year which include a radio system replacement and an Apparatus Type 1 fire engine. Mid-year adjustments to purchase 5 Police motorcycles also increased the budget appropriations for the fiscal year.
- Community Development budget increased by approximately \$800,000 due to Continuing Appropriations carried forward from the prior fiscal year which include SB2 Planning Grant Program. Mid-year adjustments to complete updates to the Housing Element of the General Plan also increase budget appropriations for the fiscal year.

Actual revenues, excluding transfers in, received for the General Fund were approximately \$10.4 million higher than the adopted budget and are summarized as follows:

- Taxes exceeded the budget by approximately \$9.1 million primarily due to higher than anticipated sales taxes and Measure U transaction tax; as well as, franchise fee payments and property taxes as a result of increased assessed valuations.
- Licenses and Permits along with Charges for Services exceeded the budget by approximately \$900,000 due to higher than anticipated development activity.
- Intergovernmental Revenue exceeded the budget by approximately \$360,000 due to higher than anticipated State Motor Vehicle in Lieu Tax; as well as, Mutual Aid Reimbursement.

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds. The **General Fund** is the chief operating fund of the city. At the end of the current fiscal year, the General Fund's total fund balance was \$39.6 million. The fund balance increased \$12.7 million. This increase was partly due to a \$2.8 million increase in Measure U funds. While many cities in the nation have been impacted by the COVID-19 pandemic, the City of Hemet was fortunate to continue to see strong increases in property and sales taxes. However, the impact COVID-19 continues to have on interest rates will hinder the City's potential growth in future fiscal years. This is mainly due to the impact on Retirement Unfunded Liabilities which can result in higher required annual contributions from the City.

Measure U sales tax collection increased \$3.1 million for 2021 and the account balance increased from \$13.4 million in 2020 to \$16.2 million 2021. Of this balance, there is \$1.0 million reserved for ongoing projects, purchases; as well as, its portion of the 20% reserve requirement which calculates out to be approximately \$1.9 million.

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

A summary of the Measure U activities follows:

Measure U Activity For the Year Ended June 30, 2021			
	Police	Fire	Total
Revenues:			
Police 2/3, Fire 1/3 overall allocation	9,870,761	4,935,381	14,806,142
Expenditures:			
Salary & Fringe Benefits	(4,314,255)	(3,144,828)	(7,459,083)
Operating Supplies & Services	(210,720)	(94,530)	(305,250)
Internal Service Charges	(402,600)	(114,204)	(516,804)
Capital Outlay	(846,445)	(471,879)	(1,318,324)
	<u>(5,774,020)</u>	<u>(3,825,441)</u>	<u>(9,599,461)</u>
Measure U in Support of General Fund Public Safety	(2,253,867)	(159,201)	(2,413,068)
Change in Fund Balance	1,842,874	950,739	2,793,613
Beginning Fund Balance	<u>7,949,096</u>	<u>5,451,554</u>	<u>13,400,650</u>
Nonspendable	-	651,629	651,629
Committed	<u>9,791,970</u>	<u>5,750,664</u>	<u>15,542,634</u>
Ending Fund Balance	<u>9,791,970</u>	<u>6,402,293</u>	<u>16,194,263</u>

Major Special Revenue Fund. The Sewer and Storm Drain Fund provides Wastewater and Sanitation services through the City. The net position of the Sewer and Storm Drain Fund increased due to a continued reduction in expenditures.

Major Capital Projects Fund. The Bridges/Streets/Traffic Facilities Fund accounts for the financial transactions for bridges, streets and traffic facilities in the development impact fees funded through developer contributions.

Major Enterprise Funds. Total net position of the **Water Fund** at the end of the year amounted to \$23.6 million, an increase from \$19.4 million in 2020. This increase was due in part to a prior period adjustment that restated the ending balance in fiscal year 2020 in the amount of \$2.6 million, the majority of which is a GASB 75 adjustment.

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

CAPITAL ASSETS

Capital Assets
(net of depreciation, in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 12.3	\$ 12.3	\$ -	\$ -	\$ 12.3	\$ 12.3
Rights of way	190.5	190.5	-	-	190.5	190.5
Buildings and improvements	14.3	14.9	2.9	4.2	17.2	19.1
Machinery and equipment	6.7	6.8	0.8	0.1	7.5	6.9
Infrastructure	76.2	80.1	-	-	76.2	80.1
Construction in progress	3.8	4.0	0.3	0.2	4.1	4.2
Total	<u>\$ 303.8</u>	<u>\$ 308.6</u>	<u>\$ 4.0</u>	<u>\$ 4.5</u>	<u>\$ 307.8</u>	<u>\$ 313.1</u>

A total of five capital projects were completed in fiscal year 2021:

Project Description	Total Project Cost
CIP 5613; Warren & Auto Center Traffic Signal	\$369,606
CIP 5687; Kirby St. Improvements	\$493,840
CIP 5700; Whittier Ave Resurfacing	\$55,260
CIP 5703; 2019/20 Accessible Sidewalks & ADA	\$243,457

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

City of Hemet
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

LONG-TERM DEBT

Outstanding Debt
(in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
OPEB	\$ 46.8	\$ 42.3	3.3	\$ 5.8	\$ 50.1	\$ 48.1
Compensated absences	3.0	3.1	0.1	0.1	3.1	3.2
Claims Payable	2.8	2.0	-	-	2.8	2.0
Aggregate Net Pension liabilities	102.9	97.5	5.5	4.2	108.4	101.7
Capital Leases	-	-	-	-	-	-
Total Long-Term Liabilities	<u>\$ 155.4</u>	<u>\$ 144.8</u>	<u>\$ 8.9</u>	<u>\$ 10.1</u>	<u>\$ 164.3</u>	<u>\$ 154.9</u>

The net adjustment to long-term liabilities is an increase of \$10.9 million mainly due to a continual increase in aggregate net pension liabilities and OPEB due to changes in actuarial assumptions and investment returns.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Hemet Finance Division at 445 E. Florida Avenue, Hemet, California 92543.

BASIC FINANCIAL STATEMENTS

City of Hemet
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 113,815,857	\$ 27,396,252	\$ 141,212,109
Receivables:			
Accounts	2,582,397	2,187,242	4,769,639
Taxes	453,392	-	453,392
Interest	1,507,949	-	1,507,949
Due from Other Governments	8,398,514	84,650	8,483,164
Due from Fiduciary Funds	1,051,331	-	1,051,331
Inventories	130,322	-	130,322
Prepaid Items	664,460	5,399	669,859
Notes Receivable	7,933,735	-	7,933,735
Allowance for Forgivable Notes	(5,576,451)	-	(5,576,451)
Land Held for Resale	2,076,419	-	2,076,419
Capital Assets:			
Land	12,348,575	32,975	12,381,550
Rights of Way	190,468,181	-	190,468,181
Construction in Process	3,830,659	324,965	4,155,624
Other Capital Assets, Net	97,127,600	3,615,218	100,742,818
Total Assets	<u>436,812,940</u>	<u>33,646,701</u>	<u>470,459,641</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	16,898,295	711,841	17,610,136
OPEB Related Items	3,846,582	267,409	4,113,991
Total Deferred Outflows of Resources	<u>20,744,877</u>	<u>979,250</u>	<u>21,724,127</u>
LIABILITIES			
Accounts Payable	5,875,696	602,820	6,478,516
Accrued Salaries and Benefits	2,068,791	56,531	2,125,322
Accrued Liabilities	15,123	5,399	20,522
Deposits	3,764,026	1,438,012	5,202,038
Unearned Revenue	10,837,172	-	10,837,172
Noncurrent Liabilities:			
Due Within One Year	2,393,674	40,402	2,434,076
Due in More Than One Year	153,041,445	8,859,889	161,901,334
Total Liabilities	<u>177,995,927</u>	<u>11,003,053</u>	<u>188,998,980</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	185,368	5,121	190,489
OPEB Related Items	317,115	22,045	339,160
Total Deferred Inflows of Resources	<u>502,483</u>	<u>27,166</u>	<u>529,649</u>
NET POSITION			
Net Investment in Capital Assets	303,775,015	3,973,158	307,748,173
Restricted for:			
Community Development	7,788,639	-	7,788,639
Public Works	28,815,985	-	28,815,985
Public Safety	686,547	-	686,547
Sanitation	15,486,154	-	15,486,154
Libraries:			
Expendable	27,227	-	27,227
Nonexpendable	1,000,000	-	1,000,000
Unrestricted	(78,520,160)	19,622,574	(58,897,586)
Total Net Position	<u>\$ 279,059,407</u>	<u>\$ 23,595,732</u>	<u>\$ 302,655,139</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 1,963,774	\$ 2,588,818	\$ 1,051,667	\$ -
Public Safety	46,711,261	1,892,385	2,891,614	232,856
Community Development	5,419,544	250,666	-	-
Public Works	10,727,690	6,926,361	64,216	7,117,877
Sanitation	2,437,344	4,339,059	-	-
Parks	1,052,244	-	-	240,353
Libraries	1,892,497	2,053	31,752	166,497
Total Governmental Activities	70,204,354	15,999,342	4,039,249	7,757,583
Business-type Activities:				
Water	10,222,097	12,113,635	-	-
Total Business-type Activities	10,222,097	12,113,635	-	-
Total Primary Government	\$ 80,426,451	\$ 28,112,977	\$ 4,039,249	\$ 7,757,583

General Revenues:

Taxes:

- Property Taxes
- Transient Occupancy Taxes
- Sales Taxes
- Motor Vehicle in Lieu Taxes (Unrestricted)
- Franchise and Other Taxes
- Investment Income
- Miscellaneous
- Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Prior Period Adjustments

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 1,676,711	\$ -	\$ 1,676,711
(41,694,406)	-	(41,694,406)
(5,168,878)	-	(5,168,878)
3,380,764	-	3,380,764
1,901,715	-	1,901,715
(811,891)	-	(811,891)
<u>(1,692,195)</u>	<u>-</u>	<u>(1,692,195)</u>
<u>(42,408,180)</u>	<u>-</u>	<u>(42,408,180)</u>
-	1,891,538	1,891,538
-	1,891,538	1,891,538
<u>(42,408,180)</u>	<u>1,891,538</u>	<u>(40,516,642)</u>
8,028,096	-	8,028,096
891,349	-	891,349
32,267,900	-	32,267,900
7,393,814	-	7,393,814
5,491,068	-	5,491,068
305,082	(1,968)	303,114
41,866	-	41,866
<u>248,191</u>	<u>(248,191)</u>	<u>-</u>
<u>54,667,366</u>	<u>(250,159)</u>	<u>54,417,207</u>
12,259,186	1,641,379	13,900,565
271,000,757	19,359,815	290,360,572
<u>(4,200,536)</u>	<u>2,594,538</u>	<u>(1,605,998)</u>
<u>\$ 279,059,407</u>	<u>\$ 23,595,732</u>	<u>\$ 302,655,139</u>

The accompanying notes are an integral part of this statement.

**City of Hemet
Balance Sheet
Governmental Funds
June 30, 2021**

	General Fund	Special Revenue		Capital Projects
		Sewer and Storm Drain	ARPA	Bridges/Streets Traffic Facilities
ASSETS				
Cash and Investments	\$ 35,491,469	\$ 15,477,379	\$ 10,837,311	\$ 5,239,599
Receivables:				
Accounts	1,028,589	1,113,861	-	14,782
Taxes	453,392	-	-	-
Interest	206,349	-	-	-
Due from Other Governments	6,430,556	181,182	-	-
Due from Other Funds	-	-	-	-
Due from Fiduciary Fund	1,051,331	-	-	-
Prepaid Items	664,460	-	-	-
Advances to Other Funds	-	-	-	-
Notes Receivable	-	-	-	-
Allowance for Forgivable Notes	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	\$ 45,326,146	\$ 16,772,422	\$ 10,837,311	\$ 5,254,381
LIABILITIES				
Accounts Payable	\$ 1,320,717	\$ 1,258,555	\$ -	\$ 38,600
Accrued Salaries and Benefits	1,950,129	27,713	-	-
Accrued Liabilities	15,123	-	-	-
Deposits	2,444,826	-	-	1,136,657
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	10,837,172	-
Advances from Other Funds	-	-	-	-
Total Liabilities	5,730,795	1,286,268	10,837,172	1,175,257
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	664,460	-	-	-
Restricted	1,498,954	15,486,154	139	4,079,124
Committed	23,775,625	-	-	-
Assigned	1,945,392	-	-	-
Unassigned	11,710,920	-	-	-
Total Fund Balances (Deficits)	39,595,351	15,486,154	139	4,079,124
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 45,326,146	\$ 16,772,422	\$ 10,837,311	\$ 5,254,381

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 37,444,245	\$ 104,490,003
271,347	2,428,579
-	453,392
1,301,600	1,507,949
1,786,776	8,398,514
761,917	761,917
-	1,051,331
-	664,460
-	-
7,933,735	7,933,735
(5,576,451)	(5,576,451)
2,076,419	2,076,419
<u>\$ 45,999,588</u>	<u>\$ 124,189,848</u>
\$ 2,606,975	\$ 5,224,847
48,854	2,026,696
-	15,123
182,543	3,764,026
761,917	761,917
-	10,837,172
-	-
<u>3,600,289</u>	<u>22,629,781</u>
<u>-</u>	<u>-</u>
1,000,000	1,664,460
37,595,211	58,659,582
-	23,775,625
3,906,491	5,851,883
(102,403)	11,608,517
<u>42,399,299</u>	<u>101,560,067</u>
<u>\$ 45,999,588</u>	<u>\$ 124,189,848</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Fund Balances of Governmental Funds		\$ 101,560,067
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital Assets	488,591,708	
Accumulated Depreciation	<u>(185,513,923)</u>	303,077,785
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
		-
Long-term liabilities including compensated absences and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated Absences		(2,988,996)
Net Pension Liability		(102,850,775)
Net OPEB Liability		(46,803,659)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension and Net OPEB Liability are not reported in the funds.		
Deferred Outflows Related to Pensions		16,898,295
Deferred Inflows Related to Pensions		(185,368)
Deferred Outflows Related to OPEB		3,846,582
Deferred Inflows Related to OPEB		(317,115)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		
		<u>6,822,591</u>
Net Position of Governmental Activities		<u>\$ 279,059,407</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Special Revenue		Capital Projects
		Sewer and Storm Drain	ARPA	Bridges/Streets Traffic Facilities
REVENUES				
Taxes	\$ 46,678,413	\$ -	\$ -	\$ -
Licenses and Permits	2,104,137	-	-	-
Intergovernmental Revenues	10,156,631	-	-	-
Charges for Services	3,234,120	4,248,320	-	1,139,337
Fines and Forfeitures	234,000	-	-	-
Investment Income	299,232	1,105	139	374
Miscellaneous	7,794	224	-	13,453
Total Revenues	62,714,327	4,249,649	139	1,153,164
EXPENDITURES				
Current:				
General Government	2,382,573	-	-	-
Public Safety	41,120,793	-	-	-
Community Development	4,209,904	-	-	-
Public Works	17,884	-	-	52,077
Sanitation	-	2,437,344	-	-
Parks	1,052,244	-	-	-
Libraries	1,467,264	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	50,250,662	2,437,344	-	52,077
Excess (Deficiency) of Revenues Over Expenditures	12,463,665	1,812,305	139	1,101,087
OTHER FINANCING SOURCES (USES)				
Transfers In	248,191	-	-	-
Transfers Out	(20,004)	-	-	-
Total Other Financing Sources (Uses)	228,187	-	-	-
Net Change in Fund Balances	12,691,852	1,812,305	139	1,101,087
Fund Balances, Beginning	26,903,499	13,673,849	-	2,978,037
Prior Period Adjustmment	-	-	-	-
Fund Balances, Ending	\$ 39,595,351	\$ 15,486,154	\$ 139	\$ 4,079,124

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 2,336,742	\$ 49,015,155
-	2,104,137
5,342,067	15,498,698
6,628,643	15,250,420
-	234,000
7,774	308,624
306,271	327,742
<u>14,621,497</u>	<u>82,738,776</u>
7,161	2,389,734
917,866	42,038,659
1,209,640	5,419,544
5,055,196	5,125,157
-	2,437,344
-	1,052,244
119,257	1,586,521
4,127,494	4,127,494
<u>11,436,614</u>	<u>64,176,697</u>
<u>3,184,883</u>	<u>18,562,079</u>
20,004	268,195
-	(20,004)
<u>20,004</u>	<u>248,191</u>
3,204,887	18,810,270
39,439,564	82,994,949
(245,152)	(245,152)
<u>\$ 42,399,299</u>	<u>\$ 101,560,067</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 18,810,270

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	3,594,010
Depreciation Expense	(7,170,555)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(523,426)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Net Change in Compensated Absences	146,089
Net Change in Net Pension Liability	(5,398,262)
Net Change in Net OPEB Liability	(1,663,485)
Net Change in Deferred Outflows Pension Related Amounts	(237,735)
Net Change in Deferred Inflows Pension Related Amounts	2,156,899
Net Change in Deferred Outflows OPEB Related Amounts	2,130,831
Net Change in Deferred Inflows OPEB Related Amounts	(202,699)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

617,249

Change in Net Position of Governmental Activities	<u><u>\$ 12,259,186</u></u>
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The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 27,396,252	\$ 9,325,854
Receivables:		
Accounts	2,187,242	153,818
Due from Other Governmental Agencies	84,650	-
Prepaid Assets	5,399	-
Inventories	-	130,322
Total Current Assets	<u>29,673,543</u>	<u>9,609,994</u>
Noncurrent Assets:		
Land	32,975	-
Construction in Progress	324,965	-
Capital Assets	35,785,917	5,628,505
Less: Accumulated Depreciation	(32,170,699)	(4,931,275)
Total Noncurrent Assets	<u>3,973,158</u>	<u>697,230</u>
Total Assets	<u>33,646,701</u>	<u>10,307,224</u>
DEFERRED OUTFLOWS		
Deferred Outflows Related to OPEB	267,409	-
Deferred Outflows Related to Pensions	711,841	-
Total Deferred Outflows of Resources	<u>979,250</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	602,820	650,849
Accrued Salaries and Benefits	56,531	42,095
Accrued Liabilities	5,399	-
Deposits	1,438,012	-
Compensated Absences Payable - Current Portion	40,402	-
Claims and Judgments Payable - Current Portion	-	1,646,425
Total Current Liabilities	<u>2,143,164</u>	<u>2,339,369</u>
Noncurrent Liabilities:		
Compensated Absences Payable	121,206	-
Claims Payable	-	1,145,264
Net OPEB Liability	3,253,730	-
Net Pension Liability	5,484,953	-
Total Noncurrent Liabilities	<u>8,859,889</u>	<u>1,145,264</u>
Total Liabilities	<u>11,003,053</u>	<u>3,484,633</u>
DEFERRED INFLOWS		
Deferred Inflows Related to OPEB	22,045	-
Deferred Inflows Related to Pensions	5,121	-
Total Deferred Inflows of Resources	<u>27,166</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	3,973,158	697,230
Unrestricted	19,622,574	6,125,361
Total Net Position	<u>\$ 23,595,732</u>	<u>\$ 6,822,591</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities <u>Water Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for Sales and Services	\$ 12,060,604	\$ 16,100,969
Miscellaneous	53,031	106,301
	<u>12,113,635</u>	<u>16,207,270</u>
OPERATING EXPENSES		
Personnel Services	4,075,181	2,428,173
Parts and Supplies	114,221	1,047,986
Maintenance	829,508	1,019,842
Utilities	338,315	756,934
Water Purchases	448,382	-
Contracts, Rents and Leases	408,724	506,220
Insurance	164,100	7,043,856
Claims and Judgments	-	2,640,393
General Office	297,900	-
Enterprise Assessments	2,780,196	-
Depreciation	765,570	146,617
	<u>10,222,097</u>	<u>15,590,021</u>
Total Operating Expenses	<u>10,222,097</u>	<u>15,590,021</u>
Operating Income (Loss)	<u>1,891,538</u>	<u>617,249</u>
NONOPERATING REVENUES (EXPENSES)		
Investment Income	<u>(1,968)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(1,968)</u>	<u>-</u>
Income (Loss) Before Transfers and Capital Contributions	1,889,570	617,249
Transfers In	-	-
Transfers Out	<u>(248,191)</u>	<u>-</u>
SPECIAL ITEM		
Pension and OPEB Allocation	<u>-</u>	<u>10,953,119</u>
Change in Net Position	1,641,379	11,570,368
Total Net Position, Beginning	19,359,815	(4,747,777)
Prior Period Adjustment	<u>2,594,538</u>	<u>-</u>
Total Net Position, Ending	<u>\$ 23,595,732</u>	<u>\$ 6,822,591</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities Water Enterprise Fund	Governmental Activities - Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 22,164,139	\$ -
Cash Received from User Departments	-	24,663,214
Cash Paid to Suppliers for Goods and Services	(4,972,853)	(18,530,757)
Cash Paid to Employees for Services	(2,833,704)	(2,434,210)
Cash Payments for Insurance and Claims	-	(1,799,267)
Net Cash Provided (Used) by Operating Activities	14,357,582	1,898,980
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received From Other Funds	-	-
Cash Paid to Other Funds	(248,191)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(248,191)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(207,437)	(35,379)
Net Cash Provided (Used) by Capital and Related Financing Activities	(207,437)	(35,379)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income Received	(1,968)	-
Net Cash Provided (Used) by Investing Activities	(1,968)	-
Net Increase (Decrease) in Cash and Cash Equivalents	13,899,986	1,863,601
Cash and Cash Equivalents - Beginning of the Year	13,496,266	7,462,253
Cash and Cash Equivalents - End of the Year	\$ 27,396,252	\$ 9,325,854
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 1,891,538	\$ 617,249
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	765,570	146,617
(Increase) Decrease in Accounts Receivable	10,093,422	8,455,944
(Increase) Decrease in Inventories	-	(27,248)
(Increase) Decrease in Due from Other Governments	(6,004)	-
(Increase) Decrease in Deferred Outflows - Pensions	(194,584)	-
(Increase) Decrease in Deferred Outflows - OPEB	(157,893)	-
Increase (Decrease) in Accounts Payable	408,493	(8,128,671)
Increase (Decrease) in Accrued Salaries and Benefits	18,098	(6,037)
Increase (Decrease) in Claims Payable	-	841,126
Increase (Decrease) in Deposits Payable	(36,914)	-
Increase (Decrease) in Compensated Absences Payable	46,092	-
Increase (Decrease) in Deferred Inflows - Pensions	(140,536)	-
Increase (Decrease) in Deferred Inflows - OPEB	14,742	-
Increase (Decrease) in Net Pension Liability	1,283,116	-
Increase (Decrease) in Net OPEB Liability	372,442	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 14,357,582	\$ 1,898,980

The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	OPEB Trust Fund	Custodial Funds	Successor Agency Private-purpose Trust Fund
ASSETS			
Cash and Investments	\$ -	\$ 1,632,306	\$ 655,173
Investments:			
Balanced HighMark PLUS	2,215,420	-	-
Receivables:			
Accounts	-	2,131,464	-
Notes	-	-	168,309
Land Held for Resale	-	-	2,208,773
Restricted Assets:			
Cash and Investments with Fiscal Agents	-	1,304,591	40,136
	<u>2,215,420</u>	<u>5,068,361</u>	<u>3,072,391</u>
LIABILITIES			
Accounts Payable	-	1,774,611	338
Accrued Liabilities	-	-	7,497
Deposits Payable	-	-	-
Interest Payable	-	-	121,515
Due to City of Hemet	-	1,051,331	-
Bonds Payable	-	-	8,467,342
	<u>-</u>	<u>2,825,942</u>	<u>8,596,692</u>
NET POSITION			
Held in Trust for Successor Agency	-	-	(5,524,301)
Held in Trust for Other Organizations, Individuals, and Governments	<u>2,215,420</u>	<u>2,242,419</u>	<u>-</u>
	<u>\$ 2,215,420</u>	<u>\$ 2,242,419</u>	<u>\$ (5,524,301)</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	OPEB Trust Fund	Custodial Funds	Successor Agency Private-purpose Trust Fund
ADDITIONS			
Contributions:			
Taxes and Assessments Collected for Others	\$ -	\$ 4,184,229	\$ 1,086,949
Developer Contributions	-	2,122,321	-
Employer Contributions	200,000	-	-
Investment Earnings:			
Investment Income	438,403	15	15
Total Additions	<u>638,403</u>	<u>6,306,565</u>	<u>1,086,964</u>
DEDUCTIONS			
Administrative Costs	10,720	-	128,574
Interest on Bonds	-	-	283,520
Payments on behalf of Others	-	2,368,399	-
Payments to Other Agencies for Charges Collected	-	2,547,705	-
Total Deductions	<u>10,720</u>	<u>4,916,104</u>	<u>412,094</u>
Change in Net Position	627,683	1,390,461	674,870
Net Position - Beginning of Year	-	-	(6,199,171)
Restatement of Net Position	<u>1,587,737</u>	<u>851,958</u>	
Net Position - End of Year	<u>\$ 2,215,420</u>	<u>\$ 2,242,419</u>	<u>\$ (5,524,301)</u>

The accompanying notes are an integral part of this statement.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hemet, California was incorporated in 1910 as a general law City. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, refuse and recycling collection, water, sewer maintenance, public library, parks, public improvements, planning and zoning, and general administrative services.

The financial statements of the City of Hemet have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A) Description of Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of the organization's governing body and frequently has the ability to affect the organizations operations, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following entities should be reported as blended component units based on the criteria above. Although the following is legally separate from the City, it has been "blended" as though it is part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component unit provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

Hemet Housing Authority

The Hemet City Council is also the governing board of the Hemet Housing Authority; therefore the Authority is included within the reporting entity of the City. The authority was formed under the California Health and Safety Code Section 34200, et seq, to provide financing for supplying safe and sanitary dwelling accommodations to persons of low income at affordable rents. Separate financial statements are not issued for the Housing Authority.

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB 87 - Leases: This Statement requires 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide and Fund Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of sources, liabilities, and deferred inflows of sources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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

Governmental Fund Financial Statements

The 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, property taxes, franchise taxes, intergovernmental revenue and rental income 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Non-current portions of long-term receivables due from governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are considered proprietary funds. Proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. Proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expense.

The custodial funds account for monies held for the benefit of other organizations and governments to which the City provides accounting and investing services. The private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

D) Fund Classifications

The City reports the following major governmental funds:

General Fund - This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Sewer and Storm Drain Special Revenue Fund - This fund accounts for the financial transactions of a City-wide program to maintain storm drains and sewer transmission lines. Revenues are intended to cover the maintenance costs for these lines, not all of the costs associated with the replacement, and depreciation of these lines.

ARPA Special Revenue Fund – This fund accounts for the financial transactions as prescribed under the Federal American Rescue Plan Act (ARPA) of 2021.

Bridges, Streets and Traffic Facilities Capital Projects Fund - This fund accounts for the financial transactions for bridges, streets and traffic facilities in the development impact fee report and is funded through developer contributions.

The City reports the following major enterprise funds:

Water - This fund accounts for the financial transactions of the City's water utility service, including water production, transmission, and distribution system.

The City also reports the following fund types:

Internal Service Funds - These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis. These departments consist of administrative, facility maintenance, vehicle maintenance, workers' compensation, dental, vision, retiree medical and liability insurance.

OPEB Trust Fund - These funds account for the prefunding of post-employment benefits other than pensions.

Custodial Funds - These funds account for resources held by the City in a trustee capacity as an agent for individuals, private organizations, and/or other governments. Custodial Funds are custodial in nature and are held for the benefit of other individuals, organizations and/or governments. These funds consist of the Police Activities League, pass thru fees collected for the County, and a developer CFD.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Private-purpose Trust Fund - This fund is used to account for the balances and transactions of the Successor Agency to the former Hemet Redevelopment Agency.

E) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned from pooled investments is allocated to those various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or were purchased so near their maturity that they present insignificant risk of change in value because of changes in interest rates. Cash and cash equivalents in the accompanying statements include the proprietary funds' share of the cash and investment pool of the City of Hemet.

F) Receivables

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous accounts receivable, and interest receivable. No allowance for doubtful accounts has been established, as the City believes all amounts are considered to be collectible in the normal course of business.

G) Inventory and Prepaid Items

All inventories are valued on the average cost method. Inventory in the General Fund consists of City promotional items. Inventory in the Internal Service fund consists of hardware supplies, auto shop supplies, fuel and oil. Inventory in the Enterprise fund consists of expendable supplies held for use by the water utility. All costs are recorded as an expenditure at the time the individual inventory items are consumed.

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method.

H) Interfund Transactions

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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Forgivable Notes

Certain loans have been made by the City to third parties in order to enhance the redevelopment, community development, economic development, and housing objectives of the City. Certain loans contain conditions for non-collection (after being held for a certain period of time, etc.). The City has recorded as an allowance for forgivable notes the estimate of the amounts that will not be collected on these loans.

J) Land Held for Resale

Land held for resale represents land, structures and their related improvements that were acquired for resale in accordance with the objectives of the Redevelopment Projects and grants. These costs will be charged to current year project expenditures when the related land and structures are sold. Land held for resale is valued at the lower of cost or expected net realizable value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

K) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years except in the case of infrastructure-related capital projects, which would only be capitalized when total project costs are expected to exceed \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest were costs capitalized during the current fiscal year.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	25 - 50 years
Infrastructure	
Roadway	20 - 75 years
Storm Drain	100 years
Water System	30 years
Sewer System	30 years
Machinery and Equipment	
Vehicles	7 years
Office Equipment	5 years
Other Equipment	5 years

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L) Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

City employees receive from twelve to thirty-three (12-33) vacation days each year depending upon length of service and bargaining group. Vacation can be accumulated up to a maximum of two years for most City bargaining units; two years plus the current year's accumulation for other units. Unused vacation may be cashed in yearly per each bargaining unit's M.O.U. limitations or upon retirement. City and police employees receive eight (8) hours of sick leave for each month of employment. Management employees accrue six (6) days of sick leave per year. City fire fighters accrue twelve (12) hours per calendar month. City general employees' right to accrue sick leave is unlimited. Used sick leave may be cashed in upon retirement at a payment percentage of 25%, 50% or 75% determined by length of continuous service and bargaining unit M.O.U.

City and police employees are allowed to accumulate compensatory leave time for unpaid overtime at 150% rate up to a forty (40) hour or eighty (80) hour maximum depending on M.O.U. limitations.

M) Claims and Judgments

The expenditures for claims are recognized when it is probable that the liability has been incurred at year-end and the amount of the loss can be reasonably estimated. Such claims are reported as liabilities in the Internal Service Funds and government-wide financial statements.

N) Pension

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 plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

O) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, 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: January 1, 2021 Valuation Date; June 30, 2021 Measurement Date; and July 1, 2020 through June 30, 2021 Measurement Period.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

P) 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 represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has certain items that qualify for reporting in this category: deferred outflows relating to the City's net pension and OPEB liabilities.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, long-term loans receivable, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities.

Q) Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Investment in Capital Assets – this category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of those assets reduce this category.

Restricted Net Position – this category describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted – this category describes the portion of net position which is not restricted to use.

R) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

S) Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the 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.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

The City's committed fund balance includes:

- **General Fund Emergency Operating Contingency:**
Fund balance in the General Fund has been committed for emergency/fiscal emergency contingencies, as set by ordinance. Emergencies shall mean the actual or threatened conditions of disaster or of extreme peril to the safety of persons and property within the City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot or earthquake, or other conditions, including conditions resulting from a labor controversy, which conditions are likely to be beyond the control of the services, personnel, equipment and facilities of the City, requiring combined forces of other political subdivisions to combat. A fiscal emergency is defined by the City of Hemet Municipal Code Section 2-451. The amount of the commitment as set forth by the City of Hemet Municipal Code Section 2-452 is equal to at least 20% of General Fund budgeted expenditures.

Encumbrance accounting, under which purchase order, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Project funds. Encumbrances outstanding at year-end are reported as committed fund balances in the fund financial statements since they do not constitute expenditures or liabilities.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assigned Fund Balance – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources, but are neither restricted or committed. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has by resolution authorized the City Manager to assign fund balance.

Unassigned Fund Balance - This amount is for any portion of the fund balances that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental fund other than general fund, if expenditures incurred for specific purposes 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.

T) Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	March 1
Levy Date	July 1 to June 30
Due Date	November 1, 1 st Installment February 1, 2 nd Installment
Collection Date	December 1, 1 st Installment April 10, 2 nd Installment

The City receives from the County of Riverside a percentage of the basic 1% maximum tax rate allowed on assessments collected and allocated by the County. Property tax assessments are recognized as revenue when they become both measurable and available to finance the expenditures of the reported fiscal year. Material delinquent property taxes (net of estimated uncollectibles) are also recorded as current year receivables. Substantially all of the property taxes associated with the reported fiscal year were considered to be both measurable and available to finance expenditures of that fiscal year. When material amounts of property taxes are considered to be measurable but not available to finance the expenditures of the reported fiscal year, they are recorded as a receivable and as deferred revenue (to be recognized as revenue in the year in which they become available).

A delinquency penalty of 6% is assessed by the County of Riverside. If taxes become delinquent, they are deeded to the State and may be sold by the County Tax Collector for taxes due plus 1% per month redemption fee. All property taxes are collected by the County of Riverside and collection fees are deducted by the County before tax revenue is remitted to the City. The assessed valuation is at “full cash value”.

U) Use of Estimates

The presentation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

	Government-wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 113,815,857	\$ 27,396,252	\$ 2,287,479	\$ 143,499,588
Restricted Cash and Investments	-	-	3,560,147	3,560,147
Total Cash and Investments	\$ 113,815,857	\$ 27,396,252	\$ 5,847,626	\$ 147,059,735

Cash and Investments consist of the following:

Cash on Hand	\$ 7,250
Deposits with Financial Institutions	48,853,294
Investments	98,199,191
Total Cash and Investments	\$ 147,059,735

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

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. 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	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U.S. Treasury Obligations	Yes	None	None	None
U.S. Government Sponsored Agency Securities	Yes	5 years	None	None
Municipal Bonds	Yes	5 years	20%	None
Medium-Term Notes	Yes	5 years	20%	5%
Collateralized Certificate of Deposit	Yes	5 years	None	25%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Banker's Acceptance	Yes	180 days	40%	None
Commercial Paper	Yes	270 days	15%	10%
Money Market Mutual Funds	Yes	N/A	10%	None
Repurchase Agreements	Yes	30 days	10%	None
Local Agency Investment Fund	Yes	N/A	90%	\$75,000,000

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

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

Investment of debt proceeds held by 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. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Municipal Obligations	None	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Disclosures Relating to 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 is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			
	Total	12 Months Or Less	13 to 36 Months	37 to 60 Months
U.S. Agency Securities	\$ 2,977,790	\$ -	\$ -	\$ 2,977,790
LAIF	71,251,846	71,251,846	-	-
Municipal Obligations	7,604,151	2,756,054	3,802,337	1,045,760
Negotiable CD	6,365,184	1,761,647	3,332,584	1,270,953
Medium Term Notes	6,480,210	-	4,963,470	1,516,740
Money Market Mutual Funds	2,215,420	2,215,420	-	-
Held by Bond Trustees:				
Money Market Mutual Funds	1,304,590	1,304,590	-	-
Total	\$ 98,199,191	\$ 79,289,557	\$ 12,098,391	\$ 6,811,243

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Minimum Rating				
			AAA	AA	A	BBB	Unrated
U.S. Agency Securities	\$ 2,977,790	N/A	\$ 2,977,790	\$ -	\$ -	\$ -	\$ -
LAIF	71,251,846	N/A	-	-	-	-	71,251,846
Municipal Obligations	7,604,151	A	2,864,214	4,739,937	-	-	-
Negotiable CD	6,365,184	N/A	-	-	-	-	6,365,184
Medium Term Notes	6,480,210	A	1,032,360	2,070,820	2,854,830	522,200	-
Money Market Mutual Funds	2,215,420	AAA	2,215,420	-	-	-	-
Held by Bond Trustees:							
Money Market Mutual Funds	1,304,590	AAA	1,304,590	-	-	-	-
Total	\$ 98,199,191		\$ 10,394,374	\$ 6,810,757	\$ 2,854,830	\$ 522,200	\$ 77,617,030

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There was no investments in any one issuer (other than U.S. Government Agencies, Supranationals, Money Market Funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government 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. At June 30, 2021, the City deposits (bank balances were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California law. Investments held by bond trustee are selected under the terms of the applicable trust agreement. For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Fair Value of Investments

Investments (except those that may be reported at amortized cost) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2021 are described below.

Investment Type	Total	Measurement Input	
		Level 2	Not subject to Measurement
U.S. Agency Securities	\$ 2,977,790	\$ 2,977,790	\$ -
LAIF	71,251,846	-	71,251,846
Municipal Obligations	7,604,151	7,604,151	-
Negotiable CD	6,365,184	6,365,184	-
Medium Term Notes	6,480,210	6,480,210	-
Money Market Mutual Funds	2,215,420	-	2,215,420
Held by Bond Trustees:			
Money Market Mutual Funds	1,304,590	-	1,304,590
Total	\$ 98,199,191	\$ 23,427,335	\$ 74,771,856

Investments categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not rated.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following represents the composition of interfund balances as of June 30, 2021:

Due To / From Other Funds

The Other Governmental Funds borrowed \$761,917 from Other Governmental Funds as a result of routine, short-term interfund borrowing to eliminating temporary deficit cash balances.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The Fiduciary Funds borrowed \$1,051,331 from the General Fund as a result of routine, short-term borrowing to eliminate temporary deficit cash balances. These will be repaid when receivables are collected and restricted funds become available to repay.

Interfund Transfers

During the year, interfund transfers were made for purposes of financing administrative costs and capital improvements. Specifically, the following transfers were made:

TRANSFERS OUT	TRANSFERS IN		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 20,004	\$ 20,004
Water Enterprise Fund	248,191	-	248,191
	\$ 248,191	\$ 20,004	\$ 268,195

4) NOTES RECEIVABLE

The City administers various residential rehabilitation and down payment assistance loan programs for low and moderate income families. In addition, the City has loaned monies to developers for affordable housing projects and entered into owner participation agreements. The loans have different stated interest rates, payback periods and may be forgivable assuming all conditions are met. These notes are long-term in nature and are recorded as notes receivable in the governmental funds balance sheet. At June 30, 2021 the outstanding balance of notes receivable totaled \$7,933,735. The balance on the loans that will be forgiven by the City, assuming all requirements are met was \$5,576,451, and is considered uncollectible. The balance of loans receivable is recorded net of the uncollectible amount in the Statement of Net Position and the Governmental Funds Balance Sheet.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

5) CHANGES IN CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 is as follows:

Governmental Activities:	Beginning Balance	Prior Period Adjustment	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:						
Land and Improvements	\$ 12,348,575	\$ -	\$ -	\$ -	\$ -	\$ 12,348,575
Rights of Way	190,468,181	-	-	-	-	190,468,181
Construction in Progress	4,025,341	(1,176,309)	2,143,789	-	(1,162,162)	3,830,659
Total Capital Assets, Not Being Depreciated	<u>206,842,097</u>	<u>(1,176,309)</u>	<u>2,143,789</u>	<u>-</u>	<u>(1,162,162)</u>	<u>206,647,415</u>
Capital Assets Being Depreciated:						
Building and Improvements	29,766,548	-	-	-	-	29,766,548
Building and Improvements - ISF	75,899	-	-	-	-	75,899
Machinery and Equipment	39,778,588	-	1,450,222	-	-	41,228,810
Machinery and Equipment - ISF	5,517,228	-	35,378	-	-	5,552,606
Infrastructure						-
Pavement	145,744,076	-	-	-	477,280	146,221,356
Medians	163,384	-	-	-	-	163,384
Sidewalks	18,911,308	-	-	-	243,457	19,154,765
Curb and Gutter	16,810,245	-	-	-	44,195	16,854,440
Traffic Signal	6,973,887	-	-	-	369,607	7,343,494
Street Lights	4,064,223	-	-	-	-	4,064,223
Bridges	5,661,474	-	-	-	-	5,661,474
Storm Drain/Retention Basins	11,458,176	-	-	-	27,623	11,485,799
Total Capital Assets Being Depreciated	<u>284,925,036</u>	<u>-</u>	<u>1,485,600</u>	<u>-</u>	<u>1,162,162</u>	<u>287,572,798</u>
Less Accumulated Depreciation:						
Building and Improvements	(14,881,984)	-	(656,337)	-	-	(15,538,321)
Building and Improvements - ISF	(72,646)	-	(857)	-	-	(73,503)
Machinery and Equipment	(33,818,859)	-	(1,445,168)	-	-	(35,264,027)
Machinery and Equipment - ISF	(4,712,012)	-	(145,760)	-	-	(4,857,772)
Infrastructure						-
Pavement	(107,659,047)	-	(4,002,674)	-	-	(111,661,721)
Medians	(78,967)	-	(5,446)	-	-	(84,413)
Sidewalks	(5,218,211)	-	(253,774)	-	-	(5,471,985)
Curb and Gutter	(4,763,762)	-	(224,431)	-	-	(4,988,193)
Traffic Signal	(4,777,116)	-	(189,821)	-	-	(4,966,937)
Street Lights	(2,974,495)	-	(150,074)	-	-	(3,124,569)
Bridges	(1,253,292)	-	(75,486)	-	-	(1,328,778)
Storm Drain/Retention Basins	(2,917,635)	-	(167,344)	-	-	(3,084,979)
Total Accumulated Depreciation	<u>(183,128,026)</u>	<u>-</u>	<u>(7,317,172)</u>	<u>-</u>	<u>-</u>	<u>(190,445,198)</u>
Total Capital Assets Being Depreciated, Net	<u>101,797,010</u>	<u>-</u>	<u>(5,831,572)</u>	<u>-</u>	<u>1,162,162</u>	<u>97,127,600</u>
Total Capital Assets, Net	<u>\$ 308,639,107</u>	<u>\$ (1,176,309)</u>	<u>\$ (3,687,783)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,775,015</u>

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

General Government	\$ 602,025
Public Safety	1,193,504
Public Works	5,069,050
Libraries	305,976
Internal Service	146,617
	<u>\$ 7,317,172</u>

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

5) CHANGES IN CAPITAL ASSETS - Continued

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 32,975	\$ -	\$ -	\$ 32,975
Construction in Progress	137,448	207,437	(19,920)	324,965
Total Capital Assets, Not Being Depreciated	<u>170,423</u>	<u>207,437</u>	<u>(19,920)</u>	<u>357,940</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	29,927,283	19,920	-	29,947,203
Machinery and Equipment	5,838,714	-	-	5,838,714
Total Capital Assets Being Depreciated	<u>35,765,997</u>	<u>19,920</u>	<u>-</u>	<u>35,785,917</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(26,613,991)	(409,606)	-	(27,023,597)
Machinery and Equipment	(4,791,138)	(355,964)	-	(5,147,102)
Total Accumulated Depreciation	<u>(31,405,129)</u>	<u>(765,570)</u>	<u>-</u>	<u>(32,170,699)</u>
Total Capital Assets Being Depreciated, Net	<u>4,360,868</u>	<u>(745,650)</u>	<u>-</u>	<u>3,615,218</u>
Total Capital Assets, Net	<u>\$ 4,531,291</u>	<u>\$ (538,213)</u>	<u>\$ (19,920)</u>	<u>\$ 3,973,158</u>

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

Business-type Activities	
Water	\$ 765,570
Total Depreciation Expense	<u>\$ 765,570</u>

6) LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities and business-type activities are as follows:

	Beginning Balance	Adjustments*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Compensated Absences	\$ 3,135,085	\$ -	\$ 1,231,588	\$ (1,377,677)	\$ 2,988,996	\$ 747,249
Claims Payable	1,950,563	-	14,130,791	(13,289,665)	2,791,689	1,646,425
Net OPEB Liability	42,258,886	2,881,288	1,663,485	-	46,803,659	-
Net Pension Liability	97,452,513	-	5,398,262	-	102,850,775	-
Total	<u>\$ 144,797,047</u>	<u>\$ 2,881,288</u>	<u>\$ 22,424,126</u>	<u>\$ (14,667,342)</u>	<u>\$ 155,435,119</u>	<u>\$ 2,393,674</u>
Business-type Activities:						
Compensated Absences	\$ 115,516	\$ -	\$ 67,922	\$ (21,830)	\$ 161,608	\$ 40,402
Net OPEB Liability	5,762,576	(2,881,288)	372,442	-	3,253,730	-
Net Pension Liability	4,201,837	-	1,283,116	-	5,484,953	-
Total	<u>\$ 10,079,929</u>	<u>\$ (2,881,288)</u>	<u>\$ 1,723,480</u>	<u>\$ (21,830)</u>	<u>\$ 8,900,291</u>	<u>\$ 40,402</u>

*Beginning balance of the Net OPEB Liability was adjusted to reflect a correction to the allocation of the Net OPEB Liability to the Water Enterprise fund. See Note 14 for more information.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES - Continued

The net pension and OPEB liabilities in the governmental activities are generally liquidated by the General Fund. The net pension and OPEB liabilities in the business-type activities are liquidated by the Water Enterprise Fund.

Fiduciary Fund

Changes in long-term liabilities for Fiduciary Funds for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
Series 2014, Refunding	\$ 8,540,000	\$ -	\$ (545,000)	\$ 7,995,000	\$ 575,000
Premium	518,541	-	(46,199)	472,342	-
Total	<u>\$ 9,058,541</u>	<u>\$ -</u>	<u>\$ (591,199)</u>	<u>\$ 8,467,342</u>	<u>\$ 575,000</u>

2014 Tax Allocation Refunding Bonds

In December 2014, the Riverside County Public Financing Authority issued \$11,110,000 Riverside County Public Financing Authority 2014 Tax Allocation Revenue Bonds (Hemet Refunding Project) to 1) refund the Successor Agency Subordinate Tax Allocation Bonds, 1999 Series A and Tax Allocation Bonds, 2002 Series A, 2) to satisfy the reserve requirement and 3) to pay cost of issuance. Interest ranges from 3.00% to 5.00% is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2015. Principal is due in annual installments of \$580,000 to \$870,000 through September 1, 2031. The outstanding balance at June 30, 2021 was \$7,995,000.

The debt service to maturity is as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2022	\$ 575,000	\$ 301,719	\$ 876,719
2023	610,000	272,094	882,094
2024	635,000	240,969	875,969
2025	670,000	208,344	878,344
2026	700,000	174,094	874,094
2027	735,000	145,569	880,569
2028	765,000	122,591	887,591
2029	780,000	97,962	877,962
2030	815,000	72,044	887,044
2031	840,000	44,655	884,655
2032	870,000	15,255	885,255
Totals	<u>\$ 7,995,000</u>	<u>\$ 1,695,296</u>	<u>\$ 9,690,296</u>

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES - Continued

Non-Commitment Debt

CFD No. 1999-1 Special Tax Refunding Bonds, Series 2006 (Heartland Project)

In July 2006, the City of Hemet authorized and provided for the issuance of special tax bonds for the Community Facilities District No. 1999-1. Proceeds of these bonds are held by a fiscal agent and are being used to defease and refund the 1999-1 Heartland CFD Series 2001A and Series 2002B bonds. The original issues were used to finance off-site improvements of a 1,417 home community with an 18-hole golf course. This bond issue is not a legal obligation of the City as the City is only acting as an agent for the property owners in collecting the assessments. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. Therefore, these bonds are not reported as a liability in the financial statements of the City. The outstanding balance on these bonds at June 30, 2021 is \$6,260,000.

7) RISK MANAGEMENT AND SELF-INSURANCE PROGRAMS

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in municipal agency risk pools for their property and workers' compensation coverage and uses a private carrier for excess liability coverage.

Type	Limits	Deductible
Excess Insurance Authority Property Program	\$25,000,000 All risk various sub-limits per policy	All Risk and Boiler Machinery Breakdown: Per Schedule EIA Pool deductible: \$3,000,000 per occurrence, and \$10,000,000 annual aggregate excluding Earthquake and Flood \$400,000 per occurrence and annual aggregate for Auto Physical Damage, various deductibles apply
General Liability Program	\$25,000,000 total limit inclusive of SIR	\$250,000 SIR per occurrence, offense or wrongful act SIR
Primary Workers' Comp	\$125,000	None
Excess Workers' Comp	\$4,875,000 pooled layer (includes \$125,000 limit above)	\$125,000
Cyber Liability Program	\$2,000,000 aggregate limit of liability for each member/insured \$25,000,000 policy aggregate limit of liability. \$500,000 breach response costs. Various limits apply	\$50,000 SIR
Cyber Liability Program Excess Layer 1	\$15,000,000 aggregate limit \$3,000,000 per member	Excess limits layer is added
Cyber Liability Program Excess Layer 2	\$10,000,000 aggregate limit \$2,000,000 per member	Excess limits layer is added
Crime	\$1,000,000 aggregate limit	\$2,500

The City operates a self-insurance program for dental, vision, and retiree supplemental medical insurance costs. The retiree supplemental medical plan, for employees hired prior to July 24, 1990 and who subsequently retire from the City, is only intended to bridge decreases in health coverage benefits as measured between current coverage benefits and the highest level of such benefits as conferred during the employee's tenure. A separate internal service fund has been established to accumulate reserves and pay expenses of the program.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

7) CLAIMS AND JUDGMENTS - Continued

Currently, the various operating funds provide the financial support of these programs. It is, however, hoped that once adequate reserve levels are achieved, the interest earnings will carry the administration costs.

Estimated City costs of claims for liability, workers' compensation, dental, vision, and the retiree supplemental medical have been accrued as Claims and Judgments Payable in the accompanying financials statements.

	Beginning Balance	Claims Incurred	Claim Payments and Other Adjustments	Ending Balance
2018-2019 Total	\$ 1,311,708	\$ 10,315,274	\$ (9,248,383)	\$ 2,378,599
2019-2020 Total	\$ 2,378,599	\$ 16,409,189	\$ (16,837,225)	\$ 1,950,563
Dental - Vision	31,898	335,871	(328,667)	39,102
Workers' Comp	442,287	758	(758)	442,287
Liability	1,476,378	13,794,160	(12,960,238)	2,310,300
2020-2021 Total	\$ 1,950,563	\$ 14,130,789	\$ (13,289,663)	\$ 2,791,689

For the past three years, settled claims have not exceeded the amount of insurance coverage. Liabilities for claims payable including workers' compensation are typically liquidated by the internal service funds.

8) CITY EMPLOYEES RETIREMENT PLAN

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website: www.calpers.ca.gov

Benefits Provided

The Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan's June 30, 2019 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

8) CITY EMPLOYEES RETIREMENT PLAN - Continued

The Plans' provisions that are in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	8%	7.25%
Required employer contribution rates	12.478% + \$2,903,086	6.75%

(1) - Depending on years of service

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 50
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52
Monthly benefits, as a % of eligible compensation	(1)	(1)
Required employee contribution rates	9%	14.00%
Required employer contribution rates	22.092% + \$4,972,883	11.50%

(1) - Depending on years of service

Employees Covered: At June 30, 2021, the following number of employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	296	181
Inactive employees entitled to but not yet receiving benefits	208	101
Active employees	154	118

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

8) CITY EMPLOYEES RETIREMENT PLAN - Continued

Contributions: Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through 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. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	(1)
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)
Post Retirement	(3)

- (1) Depending on age, service and type of employment
- (2) Derived using CalPERS' Membership Data for all Funds.
- (3) The lesser contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

8) CITY EMPLOYEES RETIREMENT PLAN - Continued

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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, 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 the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

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

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.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

8) CITY EMPLOYEES RETIREMENT PLAN - Continued

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 126,601,636	\$ 91,586,328	\$ 35,015,308
Changes in the year:			
Service cost	1,707,524	-	1,707,524
Interest on the total pension liability	8,871,075	-	8,871,075
Differences between expected and actual experience	(58,526)	-	(58,526)
Contributions from the employer	-	3,788,951	(3,788,951)
Contributions from employees	-	724,261	(724,261)
Net investment income	-	4,584,933	(4,584,933)
Benefit payments, including refunds	(6,651,779)	(6,651,779)	-
Administrative/other expense	-	(129,114)	129,114
Net changes	3,868,294	2,317,252	1,551,042
Balance at June 30, 2020	\$ 130,469,930	\$ 93,903,580	\$ 36,566,350

The changes in the Net Pension Liability for the Safety Plan are as follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 187,804,561	\$ 121,165,519	\$ 66,639,042
Changes in the year:			
Service cost	3,877,702	-	3,877,702
Interest on the total pension liability	13,404,657	-	13,404,657
Differences between expected and actual experience	2,343,095	-	2,343,095
Contributions from the employer	-	6,947,064	(6,947,064)
Contributions from employees	-	1,607,715	(1,607,715)
Net investment income	-	6,111,153	(6,111,153)
Benefit payments, including refunds	(9,217,556)	(9,217,556)	-
Administrative/other expense	-	(170,814)	170,814
Net changes	10,407,898	5,277,562	5,130,336
Balance at June 30, 2020	\$ 198,212,459	\$ 126,443,081	\$ 71,769,378

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability 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:

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

8) CITY EMPLOYEES RETIREMENT PLAN - Continued

	Miscellaneous		Safety
1% Decrease	6.15%		6.15%
Net Pension Liability	\$ 53,728,637		\$ 100,011,442
Current Discount Rate	7.15%		7.15%
Net Pension Liability	\$ 36,566,350		\$ 71,769,378
1% Increase	8.15%		8.15%
Net Pension Liability	\$ 22,415,217		\$ 48,794,380

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2021, the City recognized pension expense of \$3,823,302 for the Miscellaneous Plan and \$11,978,244 for the Safety Plan. At June 30, 2021, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

At June 30, 2021, the City reported deferred outflows and deferred inflows for the Miscellaneous Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,887,516	\$ -
Differences between actual and expected experience	214,561	34,140
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	643,530	-
Total	\$ 4,745,607	\$ 34,140

\$3,887,516 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

	Miscellaneous	
Year Ending June 30,		
2022	\$	(229,803)
2023		220,883
2024		459,506
2025		373,365
2026		-
Thereafter		-

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

8) CITY EMPLOYEES RETIREMENT PLAN - Continued

At June 30, 2021, the City reported deferred outflows and deferred inflows for the Safety Plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,487,463	\$ -
Differences between actual and expected experience	4,475,190	-
Changes in assumptions	-	156,349
Net differences between projected and actual earnings on plan investments	901,876	-
 Total	 \$ 12,864,529	 \$ 156,349

\$7,487,463 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Safety	
Year Ending June 30,	
2022	\$ 1,483,617
2023	1,937,634
2024	1,298,309
2025	501,157
2026	-
Thereafter	-

9) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The City of Hemet Retiree Healthcare Plan administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Retiree medical health benefits are offered to eligible retirees through Aetna and Kaiser. Dental and vision benefits are provided by the City and administered by Group Management Services. Eligibility is based on the contract. The City's plan does not issue a publicly available financial report.

Eligibility

Employees of the city are eligible for retiree health benefits if they are between 50-55 years of age or disability retire directly from the City as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following at January 1, 2021, the date of the latest actuarial valuation:

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

Retirees or spouses of retirees currently receiving benefits	238
Active employees	<u>273</u>
Total	<u><u>511</u></u>

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the fiscal year ended June 30, 2021, the City's average contribution rate was not applicable. The initial contribution of \$750,000 was made November 2016. An annual \$200,000 contribution began in fiscal year 2018 to the OPEB Trust Account, administered by the Public Agency Retirement Systems (PARS). The City pays benefit payments outside of the trust. Employees are not required to contribute to the plan.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal, Level % of Pay
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Fully generational with Scale MP-2020
Health Care Trend Rate	6.75% initial, 3.75% ultimate
Inflation Rate	2.50%
Discount Rate	5.75% at June 2021 6.25% at June 2020
Salary Increases	2.75% annually
Dental/Vision Trend	2.50% annually

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

Asset Class	Target Allocation PARS-Balance	Expected Real Rate of Return
Global Equity	60%	4.560%
All Fixed Income	35%	0.780%
Cash	5%	-0.500%
Total	<u>100.00%</u>	

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020	\$ 49,609,199	\$ 1,587,737	\$ 48,021,462
Changes in the year:			
Service cost	184,471	-	184,471
Interest on the total OPEB liability	2,987,576	-	2,987,576
Employer contributions	-	4,253,811	(4,253,811)
Employee contributions	-	-	-
Actual investment income	-	432,284	(432,284)
Differences between expected and actual experience	465,835	-	465,835
Changes of assumptions	3,010,639	-	3,010,639
Administrative Expense	-	(73,501)	73,501
Benefit payments, including refunds	(3,984,911)	(3,984,911)	-
Net changes	<u>2,663,610</u>	<u>627,683</u>	<u>2,035,927</u>
Balance at June 30, 2021	<u>\$ 52,272,809</u>	<u>\$ 2,215,420</u>	<u>\$ 50,057,389</u>

Sensitivity of the Net OPEB Liability to changes in the Discount Rate - The following presents the net OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB liability (asset)	\$ 55,605,410	\$ 50,057,389	\$ 45,374,690

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the City, as well as what the City's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability (asset)	\$ 45,438,542	\$ 50,057,389	\$ 55,475,876

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

9) OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

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

Net difference between projected and actual earnings on OPEB plan investments:	5 years
All other amounts:	Expected average remaining service lifetime (EARSL) (5.5 years at July 1, 2018)

For the year ended June 30, 2021, the City recognized OPEB expense of \$4,218,455. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Changes of Assumptions	\$ 3,736,049	\$ -
Net differences between expected and actual experience	377,942	86,942
Net differences between projected and actual earnings on plan investments	-	252,218
Total	\$ 4,113,991	\$ 339,160

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as an OPEB expense as follows:

Year Ending June 30,	
2022	\$ 1,075,621
2023	1,077,124
2024	835,277
2025	590,025
2026	196,784
Thereafter	-

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

10) FUND BALANCES

The details of the fund balances as of June 30, 2021 are presented below:

	General Fund	Sewer and Storm Drain	ARPA	Bridges/Streets Traffic Facilities	Other Governmental Funds	Total
Nonspendable:						
Prepaid Items	\$ 12,831	\$ -	\$ -	\$ -	\$ -	\$ 12,831
Prepaid Items - Measure U	651,629	-	-	-	-	651,629
Library Endowment	-	-	-	-	1,000,000	1,000,000
Restricted for:						
Public Access Channel	1,498,954	-	-	-	-	1,498,954
Public Safety	-	-	139	-	811,401	811,540
Street Work	-	-	-	4,079,124	11,676,440	15,755,564
Lighting and Landscaping	-	-	-	-	5,593,884	5,593,884
Housing Grants	-	-	-	-	7,788,639	7,788,639
Sewer Maintenance	-	15,486,154	-	-	-	15,486,154
Indian Gaming Capital Projects	-	-	-	-	6,411	6,411
Development Impact Fees	-	-	-	-	11,545,661	11,545,661
Library Equipment	-	-	-	-	27,227	27,227
General Plan	-	-	-	-	145,548	145,548
Committed:						
Economic Stabilization Reserve	8,232,991	-	-	-	-	8,232,991
Measure U - Public Safety Personnel	15,542,634	-	-	-	-	15,542,634
Assigned:						
Equipment Replacement	-	-	-	-	3,897,927	3,897,927
Capital Replacement	-	-	-	-	8,564	8,564
Continuing Appropriations	1,945,392	-	-	-	-	1,945,392
Unassigned	11,710,920	-	-	-	(102,403)	11,608,517
Total Fund Balances	\$ 39,595,351	\$15,486,154	\$ 139	\$ 4,079,124	\$ 42,399,299	\$ 101,560,067

In November 2016, the citizens of Hemet voted to approve Measure U, a general 1% sales tax measure. While this Measure is considered a General Tax, the City's Council passed a Resolution restricting the use of Measure U revenues to the addition and retention of Public Safety Personnel. Although the funds are housed within the General Fund, by Resolution, they are required to be tracked in separate accounts from General Fund revenues and expenditures. Any Measure U funds not spent at the end of the fiscal year are required to be reserved for future use of the Measure U program. Over the last two fiscal years, Measure U revenues have outpaced original projections. The details of the City's Measure U program for the year ended June 30, 2021 are as follows:

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

10) FUND BALANCES - Continued

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Revenues			
Police 2/3, Fire 1/3 overall allocation	\$ 9,870,761	\$ 4,935,381	\$ 14,806,142
Expenditures			
Salary and Fringe Benefits	4,314,255	3,144,828	7,459,083
Operating Supplies and Services	210,720	94,530	305,250
Internal Service Charges	402,600	114,204	516,804
Capital Outlay	846,445	471,879	1,318,324
Total	\$ 5,774,020	\$ 3,825,441	9,599,461
Measure U in Support of General Fund Public Safety	\$ (2,253,867)	\$ (159,201)	\$ (2,413,068)
Change in Measure U Operating Funds	1,842,874	950,739	2,793,613
Beginning Measure U Operating Funds	<u>7,949,096</u>	<u>5,451,554</u>	<u>13,400,650</u>
Prepaid Measure U Operating Funds	-	651,629	651,629
Committed Measure U Operating Funds	<u>9,791,970</u>	<u>5,750,664</u>	<u>15,542,634</u>
Ending Measure U Operating Funds	<u><u>\$ 9,791,970</u></u>	<u><u>\$ 6,402,293</u></u>	<u><u>\$ 16,194,263</u></u>

11) ENDOWMENTS

The City received an endowment in 2002 for \$1,000,000. The principal amount of \$1,000,000 is to be held in perpetuity while interest earnings are to be used for the City's library as stated in the resolution accepting the endowment. The endowment activity is accounted for in the permanent fund of the City with the principal amount reflected in nonspendable fund balance. In the government-wide financial statements, the principal amount is included in restricted net position as non-expendable. At June 30, 2021, net appreciation on investment of the principal balance amounted to \$27,227, and is reported as restricted net position as expendable. California Senate Bill No. 1329 enacted Uniform Prudent Management of Institutional Funds Act ("UPMIFA") that governing the ability to spend on the net appreciation of the endowment fund. The City also passed resolution No. 3715 to establish policy on the spending of investment income in that available funds may only be used to supplement normal budgeted City funds appropriated by the City for the operation and maintenance of the library and not to substitute for such funds. Available funds may be used for a variety of library purposes that enhances the functioning of the library after specifically approved on a case by case line-item basis by the City Council in advance of the expenditure.

12) DEFICIT NET POSITIONS AND FUND BALANCES

In the government-wide financial statements, the governmental activities had a deficit unrestricted net position of \$78,520,160, caused to some extent by the net pension liability of \$102,850,775 and the net OPEB liability of \$46,803,659.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

12) DEFICIT NET POSITIONS AND FUND BALANCES - Continued

Funds with deficit net positions and fund balances at June 30, 2021 are as follows:

Fiduciary Funds	
Successor Agency Private Purpose Trust Fund	\$ 5,524,301
Other Governmental Funds:	
Public Safety CFD	\$ 11,555
Local Law Enforcement Block Grant	90,848
Internal Service Fund	
Liability Insurance	\$ 2,138,641

The deficit net position for the Successor Agency Private Purpose Trust Fund will be eliminated through continued repayment of debt through property tax revenue received. Local Law Enforcement Block Grant Special Revenue Fund will eliminate the deficit through a transfer from the General Fund Public Safety program. Internal service funds deficits will be eliminated through cost recovery from the respective funds.

13) COMMITMENTS AND CONTINGENCIES

The City has been named as a defendant in certain other claims and litigation matters. In the opinion of City management, the outcome of such litigation is not expected to result in a material adverse effect to the financial condition of the City beyond that accrued in the City's Self-funded Insurance Fund.

The City has received state and federal funds for specific purposes that are subject to review and 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.

The estimated amount of remaining construction contract obligations at year-end is \$13,801,583.

14) RESTATEMENT OF NET POSITION

The restatement of net position in the Statement of Activities is the result of the following adjustments:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	\$ (2,779,075)	(1)	\$ 2,779,075	(1)
	(1,176,309)	(2)	\$ (184,537)	(4)
	<u>(245,152)</u>	(3)	<u>-</u>	
Total	<u>\$ (4,200,536)</u>		<u>\$ 2,594,538</u>	

(1) The allocation of the net OPEB liability and related deferred inflows and outflows was overstated in the Business-type Activities and Water Enterprise Fund with a net total of \$2,779,075. The adjustment to the beginning balance is to correct the allocation between the Governmental Activities and Business-type Activities.

City of Hemet
Notes to Financial Statements
Year Ended June 30, 2021

14) RESTATEMENT OF NET POSITION

- (2) A restatement of (\$1,176,309) was made to remove capital assets that were not capitalizable.
- (3) A restatement of (\$245,152) was to move assets previously reported in a governmental fund, more accurately reported in a custodial fund. This adjustment is also reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.
- (4) A restatement of (\$184,537) was made to correct accounts receivable balances for customer accounts.

The restatement of net position in the Custodial Funds of \$851,958 is the result of the implementation of GASB 84, *Fiduciary Activities*.

The restatement of net position in the OPEB Trust Fund of \$1,587,737 is to record the beginning balance of the OPEB Trust Fund as of July 1, 2020. The OPEB Trust Fund was not included in prior year financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 35,807,400	\$ 37,555,957	\$ 46,678,413	\$ 9,122,456
Licenses and Permits	1,371,250	1,527,900	2,104,137	576,237
Intergovernmental Revenue	8,011,150	9,794,379	10,156,631	362,252
Charges for Services	2,711,139	2,898,518	3,234,120	335,602
Fines and Forfeitures	253,500	266,100	234,000	(32,100)
Investment Income	262,000	254,500	299,232	44,732
Miscellaneous	24,100	14,100	7,794	(6,306)
Total Revenues	48,440,539	52,311,454	62,714,327	10,402,873
EXPENDITURES				
Current:				
General Government	2,382,300	3,134,790	2,382,573	752,217
Public Safety	40,187,700	43,306,540	41,120,793	2,185,747
Community Development	4,012,900	4,771,055	4,209,904	561,151
Public Works	-	-	17,884	(17,884)
Parks	1,086,700	1,116,502	1,052,244	64,258
Libraries	1,416,700	1,477,806	1,467,264	10,542
Capital Outlay	-	-	-	-
Total Expenditures	49,086,300	53,806,693	50,250,662	3,556,031
Excess (Deficiency) of Revenues over Expenditures	(645,761)	(1,495,239)	12,463,665	13,958,904
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	248,191	248,191
Transfers Out	-	(20,000)	(20,004)	(4)
Total Other Financing Sources (Uses)	-	(20,000)	228,187	248,187
Net Change in Fund Balances	(645,761)	(1,515,239)	12,691,852	14,207,091
Fund Balance, Beginning of Year	26,903,499	26,903,499	26,903,499	
Fund Balance, End of Year	<u>\$ 26,257,738</u>	<u>\$ 25,388,260</u>	<u>\$ 39,595,351</u>	<u>\$ 14,207,091</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Sewer and Storm Drain Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 3,727,700	\$ 3,727,700	\$ 4,248,320	\$ 520,620
Investment Income	32,000	32,000	1,105	(30,895)
Miscellaneous	-	-	224	224
	<u>3,759,700</u>	<u>3,759,700</u>	<u>4,249,649</u>	<u>489,949</u>
EXPENDITURES				
Current:				
Sanitation	2,631,500	9,516,449	2,437,344	7,079,105
	<u>2,631,500</u>	<u>9,516,449</u>	<u>2,437,344</u>	<u>7,079,105</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,128,200</u>	<u>(5,756,749)</u>	<u>1,812,305</u>	<u>7,569,054</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,128,200	(5,756,749)	1,812,305	7,569,054
Fund Balance, Beginning of Year	<u>13,673,849</u>	<u>13,673,849</u>	<u>13,673,849</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 14,802,049</u>	<u>\$ 7,917,100</u>	<u>\$ 15,486,154</u>	<u>\$ 7,569,054</u>

City of Hemet
Required Supplementary Information
Year Ended June 30, 2021

**Schedule of Changes in the Net Pension
Liability and Related Ratios
Agent Multiple-employer Plan - Miscellaneous**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 1,707,524	\$ 1,890,624	\$ 1,857,379
Interest on total pension liability	8,871,075	8,592,385	8,241,843
Changes in assumptions	-	-	(585,850)
Differences between expected and actual experience	(58,526)	827,595	(1,731,724)
Benefit payments, including refunds	(6,651,779)	(6,218,552)	(5,862,944)
Net change in total pension liability	3,868,294	5,092,052	1,918,704
Total pension liability - beginning	126,601,636	121,509,584	119,590,880
Total pension liability - ending (a)	<u>\$ 130,469,930</u>	<u>\$ 126,601,636</u>	<u>\$ 121,509,584</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 3,788,951	\$ 3,789,256	\$ 3,136,888
Contributions - employee	724,261	772,222	745,420
Net investment income	4,584,933	5,749,884	6,966,209
Benefit payments	(6,651,779)	(6,218,552)	(5,862,944)
Plan to Plan Resource Movement	-	-	(204)
Administrative/Other Expense	(129,114)	(62,278)	(374,702)
Net change in plan fiduciary net position	2,317,252	4,030,532	4,610,667
Plan fiduciary net position - beginning	91,586,328	87,555,796	82,945,129
Plan fiduciary net position - ending (b)	<u>\$ 93,903,580</u>	<u>\$ 91,586,328</u>	<u>\$ 87,555,796</u>
Net pension liability - ending (a) - (b)	<u>\$ 36,566,350</u>	<u>\$ 35,015,308</u>	<u>\$ 33,953,788</u>
Plan fiduciary net position as a percentage of the total pension liability	71.97%	72.34%	72.06%
Covered payroll	\$ 8,953,980	\$ 9,693,519	\$ 9,531,865
Net pension liability as percentage of covered payroll	408.38%	361.22%	356.21%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected 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.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period			
2017	2016	2015	2014
\$ 1,931,287	\$ 1,729,490	\$ 1,871,677	\$ 1,873,983
8,110,383	7,937,191	7,613,775	7,253,346
6,866,966	-	(1,903,393)	-
(1,473,269)	(192,030)	353,826	-
(5,834,147)	(5,132,797)	(4,856,565)	(4,666,256)
9,601,220	4,341,854	3,079,320	4,461,073
109,989,660	105,647,806	102,568,486	98,107,413
<u>\$ 119,590,880</u>	<u>\$ 109,989,660</u>	<u>\$ 105,647,806</u>	<u>\$ 102,568,486</u>
\$ 2,990,210	\$ 2,647,176	\$ 2,503,520	\$ 2,191,066
743,649	743,644	780,189	871,668
8,615,176	396,714	1,739,990	11,594,247
(5,834,147)	(5,132,797)	(4,856,565)	(4,666,256)
(38,502)	(382)	(887)	-
(113,068)	(47,522)	(87,854)	-
6,363,318	(1,393,167)	78,393	9,990,725
76,581,811	77,974,978	77,896,585	67,905,860
<u>\$ 82,945,129</u>	<u>\$ 76,581,811</u>	<u>\$ 77,974,978</u>	<u>\$ 77,896,585</u>
<u>\$ 36,645,751</u>	<u>\$ 33,407,849</u>	<u>\$ 27,672,828</u>	<u>\$ 24,671,901</u>
69.36%	69.63%	73.81%	75.95%
\$ 9,581,222	\$ 9,353,143	\$ 9,860,790	\$ 9,398,580
382.47%	357.18%	280.63%	262.51%

City of Hemet
Required Supplementary Information
Year Ended June 30, 2021

**Schedule of Changes in the Net Pension
Liability and Related Ratios
Agent Multiple-employer Plan - Safety**

	Measurement Period		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 3,877,702	\$ 3,746,584	\$ 3,255,817
Interest on total pension liability	13,404,657	12,696,170	11,907,636
Changes in assumptions	-	-	(582,760)
Differences between expected and actual experience	2,343,095	4,092,051	2,318,140
Benefit payments, including refunds	(9,217,556)	(8,667,438)	(8,277,450)
Net change in total pension liability	10,407,898	11,867,367	8,621,383
Total pension liability - beginning	187,804,561	175,937,194	167,315,811
Total pension liability - ending (a)	<u>\$ 198,212,459</u>	<u>\$ 187,804,561</u>	<u>\$ 175,937,194</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 6,947,064	\$ 6,605,381	\$ 5,494,582
Contributions - employee	1,607,715	1,569,835	1,429,167
Net investment income	6,111,153	7,562,691	9,055,192
Benefit payments	(9,217,556)	(8,667,438)	(8,277,450)
Plan to Plan Resource Movement	-	-	(265)
Administrative/Other Expense	(170,814)	(81,214)	(483,180)
Net change in plan fiduciary net position	5,277,562	6,989,255	7,218,046
Plan fiduciary net position - beginning	121,165,519	114,176,264	106,958,218
Plan fiduciary net position - ending (b)	<u>\$ 126,443,081</u>	<u>\$ 121,165,519</u>	<u>\$ 114,176,264</u>
Net pension liability - ending (a) - (b)	<u>\$ 71,769,378</u>	<u>\$ 66,639,042</u>	<u>\$ 61,760,930</u>
Plan fiduciary net position as a percentage of the total pension liability	63.79%	64.52%	64.90%
Covered payroll	\$ 12,672,228	\$ 11,986,001	\$ 10,732,874
Net pension liability as percentage of covered payroll	566.35%	555.97%	575.44%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected 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.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period			
2017	2016	2015	2014
\$ 2,874,210	\$ 2,471,569	\$ 2,394,505	\$ 2,495,555
11,326,420	10,976,376	10,402,942	9,879,182
10,043,106	-	(2,726,343)	-
(1,131,468)	1,932,999	1,323,162	-
(7,718,359)	(7,544,599)	(7,001,597)	(6,313,012)
15,393,909	7,836,345	4,392,669	6,061,725
151,921,902	144,085,557	139,692,888	133,631,163
<u>\$ 167,315,811</u>	<u>\$ 151,921,902</u>	<u>\$ 144,085,557</u>	<u>\$ 139,692,888</u>
\$ 4,880,193	\$ 4,516,245	\$ 4,085,934	\$ 3,816,628
1,142,393	1,032,806	885,734	896,539
11,060,588	516,112	2,205,144	14,795,183
(7,718,359)	(7,544,599)	(7,001,597)	(6,313,012)
38,502	382	887	-
(144,246)	(60,481)	(111,835)	-
9,259,071	(1,539,535)	64,267	13,195,338
97,699,147	99,238,682	99,174,415	85,979,077
<u>\$ 106,958,218</u>	<u>\$ 97,699,147</u>	<u>\$ 99,238,682</u>	<u>\$ 99,174,415</u>
<u>\$ 60,357,593</u>	<u>\$ 54,222,755</u>	<u>\$ 44,846,875</u>	<u>\$ 40,518,473</u>
63.93%	64.31%	68.87%	70.99%
\$ 9,450,596	\$ 9,039,459	\$ 8,826,041	\$ 8,870,562
638.66%	599.85%	508.12%	456.77%

City of Hemet
Required Supplementary Information
Year Ended June 30, 2021

Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan – Miscellaneous Plan

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 3,887,516	\$ (3,887,516)	\$ -	\$ 8,751,743	44.42%
2020	3,789,402	(3,789,402)	-	9,960,091	38.05%
2019	3,789,256	(3,789,256)	-	9,693,519	39.09%
2018	3,136,888	(3,136,888)	-	9,531,865	32.91%
2017	2,990,210	(2,990,210)	-	9,581,222	31.21%
2016	2,647,176	(2,647,176)	-	9,353,153	28.30%
2015	2,503,520	(2,503,520)	-	9,860,790	25.39%
2014	2,191,066	(2,191,066)	-	9,398,580	23.31%

Schedule of Contributions – Last 10 Years*
Agent Multiple-employer Plan – Safety Plan

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 7,487,463	\$ (7,487,463)	\$ -	\$ 11,376,556	65.81%
2020	6,947,140	(6,947,140)	-	12,315,616	56.41%
2019	6,605,381	(6,605,381)	-	11,986,001	55.11%
2018	5,494,582	(5,494,582)	-	10,732,874	51.19%
2017	4,880,193	(4,880,193)	-	9,450,596	51.64%
2016	4,516,245	(4,516,245)	-	9,039,459	49.96%
2015	4,085,934	(4,085,934)	-	8,826,041	46.29%
2014	3,816,628	(3,816,628)	-	8,870,562	43.03%

City of Hemet
Required Supplementary Information
Year Ended June 30, 2021

Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30
Last 10 Years*

	Measurement Period			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 184,471	\$ 208,241	\$ 359,700	\$ 349,223
Interest on total OPEB liability	2,987,576	3,035,365	2,919,091	2,936,563
Changes in assumptions	3,010,639	-	2,845,604	-
Changes in benefits	-	-	-	-
Differences between expected and actual experience	465,835	-	(191,273)	-
Benefit payments, including refunds	(3,984,911)	(3,984,013)	(3,858,552)	(3,293,090)
Net change in total OPEB liability	2,663,610	(740,407)	2,074,570	(7,304)
Total OPEB liability - beginning	49,609,199	50,349,606	48,275,036	48,282,340
Total OPEB liability - ending (a)	<u>\$ 52,272,809</u>	<u>\$ 49,609,199</u>	<u>\$ 50,349,606</u>	<u>\$ 48,275,036</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,253,811	\$ 4,260,842	\$ 4,112,794	\$ 3,540,596
Net Investment Income	432,284	66,550	64,025	61,075
Benefit payments	(3,984,911)	(3,984,013)	(3,858,552)	(3,293,090)
Administrative Expense	(73,501)	(84,114)	(56,932)	(49,749)
Net change in plan fiduciary net position	627,683	259,265	261,335	258,832
Plan fiduciary net position - beginning	1,587,737	1,328,472	1,067,137	808,305
Plan fiduciary net position - ending (b)	<u>\$ 2,215,420</u>	<u>\$ 1,587,737</u>	<u>\$ 1,328,472</u>	<u>\$ 1,067,137</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 50,057,389</u>	<u>\$ 48,021,462</u>	<u>\$ 49,021,134</u>	<u>\$ 47,207,899</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.2%	3.2%	2.6%	2.2%
Covered - employee payroll	25,724,365	23,502,304	23,892,668	23,441,109
Net OPEB liability as a percentage of covered-employee payroll	194.59%	204.33%	205.17%	201.39%

* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of Hemet
Notes to Required Supplementary Information
Year Ended June 30, 2021

BUDGETS AND BUDGETARY ACCOUNTING

The City uses the following procedures in establishing the budgetary data reflected in the financial statements: After January 1, department heads prepare estimates for required appropriations for the fiscal year commencing the following July 1. The proposed budget includes estimated expenditures and forecasted revenues for the fiscal year. The data is presented to the City Manager for review. The City Manager submits to the City Council a proposed operating budget for the upcoming fiscal year. The operating budget includes a summary of the proposed expenditures and financial resources of the City, as well as historical data for the preceding two fiscal periods. Public hearings are conducted to obtain taxpayer comments. The City Council is normally expected to adopt the budget prior to the beginning of the next fiscal period through passage of an adopting resolution. This appropriated budget covers substantially all City expenditures. There were no significant non-budgeted financial activities. All appropriated amounts are as originally adopted or as amended by the City Council and not subject to continuing appropriation lapse at year end.

The City Manager is authorized to transfer budgeted amounts between functions, departments and expenditure accounts within funds. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for the General, Special Revenue, Capital Projects, and Debt Service funds. Formal budgetary control is not employed for Debt Service funds because effective budgetary control is alternatively achieved through debt indenture provisions. It is the policy of the City of Hemet to only budget capital expenditure projects from existing capital projects funds fund balances. No annual revenues are budgeted due to their annual volatility. Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are legally adopted for the General, Special Revenue, Capital Projects, and Debt Service fund types.

A budget was not adopted for the ARPA Special Revenue fund due to the timing of the Rescue Act by the Federal Government.

SUPPLEMENTARY INFORMATION

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Bridges/Streets Traffic Facilities Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 265,320	\$ 1,139,337	\$ 874,017
Investment Income	30,000	374	(29,626)
Miscellaneous	-	13,453	13,453
Total Revenues	<u>295,320</u>	<u>1,153,164</u>	<u>857,844</u>
EXPENDITURES			
Current:			
Public Works	1,959,384	52,077	1,907,307
Capital Outlay	2,496,126	-	2,496,126
Total Expenditures	<u>4,455,510</u>	<u>52,077</u>	<u>4,403,433</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,160,190)</u>	<u>1,101,087</u>	<u>5,261,277</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,160,190)	1,101,087	5,261,277
Fund Balance, Beginning of Year	<u>2,978,037</u>	<u>2,978,037</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (1,182,153)</u></u>	<u><u>\$ 4,079,124</u></u>	<u><u>\$ 5,261,277</u></u>

City of Hemet Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenue derived from specific taxes or other dedicated revenue sources (other than for major capital projects) that are restricted by law or administrative action for expenditures for specified purposes.

Public Safety/Towing - This fund accounts for the financial transactions involving the use of monies collected for towing service as related to public safety.

Gas Tax Fund - Accounts for transactions as prescribed by the State of California statute on California Streets and Highways; including receipts under Streets and Highways Code Section 2105, 2106, 2107, 2107.5 and SB300.

Measure A - Accounts for the use of Measure A tax monies for transit purposes.

Air Pollution Reduction - Accounts for the financial transactions per Regulation 15 of the South Coast Air Quality Management District.

Lighting/Landscape Maintenance District - Accounts for the financial transactions of City-wide lighting and landscaping assessment district established by City Council.

Post Proposition 218 Lighting District - Accounts for the financial transactions of lighting districts voted by the citizens of those specified areas.

Post Proposition 218 Landscape District - Accounts for financial transactions of landscape districts voted in by the citizens of those specified areas.

Public Works CFD - Accounts for financial transactions of lighting, landscape and maintenance of specific areas established by the City Council.

Asset Seizure - Accounts for the financial transactions associated with assets seized in narcotics investigations to be used for law enforcement purposes.

Public Safety Grants - Accounts for the financial transactions as prescribed by various State and Federal Police Grants.

Public Safety CFD - Accounts for the proceeds from the Public Safety Community Facilities District voted in by the citizens of those specific areas to be used specifically for public safety.

Citizen Option for Public Safety Programs (COPS) - Accounts for the financial transactions as prescribed by the State of California Grant under AB 3229.

Local Law Enforcement Block Grant (LLEBG) - Accounts for the financial transactions as prescribed by the U.S. Department of Justice Grant for the Local Law Enforcement Block Grant Program.

Community Development Block Grant - Accounts for the financial transactions as prescribed by the Federal Department of Housing and Urban Development for Community Development Block Grant Programs.

General Plan - Accounts for the financial transactions related to updating and maintaining the City's general plan.

City of Hemet
Non-Major Governmental Funds - Continued

SPECIAL REVENUE FUNDS - Continued

HOME Program - Home Investment Partnership Program - Accounts for the financial transactions of the federally funded HOME program as administered by the State of California's Department of Housing and Community Development.

CAL HOME Program - Accounts for the financial transactions of the State funded program to replace and rehabilitate mobile homes.

2001 - 2008 HOME Program - Accounts for the financial transactions of the Federally funded HOME program as administered by the State of California Department of Housing and Community Development.

Neighborhood Stabilization Program Grant - Accounts for the financial transactions as prescribed by the Federal Department of Housing and Urban Development for Neighborhood Stabilization Program Grants.

Housing Authority - This fund accounts for the revenue received from the City's affordable housing programs which facilitate housing development and affordable housing opportunities.

Indian Gaming Grants - This fund accounts for the financial transactions of Indian Gaming Grants received by the City to be spent on specific programs or departments.

CAPITAL PROJECTS FUNDS

Public Meeting Facilities - Accounts for the financial transactions for the public meeting facilities identified in the development impact fee report and funded through developer contributions.

General Facilities - Accounts for the financial transactions for general facilities identified in the development impact fee report and funded through developer contributions.

Flood Control - Accounts for the financial transactions for flood control improvements identified in the development impact fee report and funded through developer contributions.

Law Enforcement Facilities - Accounts for the financial transactions for the purchase of equipment identified in the development impact fee report and funded through developer contributions.

Fire Facilities - Accounts for the financial transactions for the purchase of equipment identified in the development impact fee report and funded through developer contributions.

Park Development - Accounts for the financial transactions for park acquisitions and development identified in the development impact fee report and funded through park dedication fees and state grants.

Valley Wide DVL Park - Accounts for the financial transactions for development identified in the development impact fee report and funded through developer contributions.

Library Facilities - Accounts for the financial transactions for expansion of library facilities identified in the development impact fee report and funded through developer contributions.

Equipment Replacement - Accounts for accumulation of reserves for future replacement of rolling stock vehicles from other funds.

City of Hemet
Non-Major Governmental Funds - Continued

General Capital - Accounts for the financial transactions for the addition of new (non-replacement) equipment.

PERMANENT FUNDS

LaSalle Library Endowment - Accounts for an endowment given to the City of Hemet for the benefit of the Library. Only interest earned on the principal amount of \$1,000,000 can be used for non-operating costs of the Library.

City of Hemet
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021

	Special Revenue				Lighting and Landscaping Maintenance
	Public Safety/Towing	Gas Tax	Measure A	Air Pollution Reduction	
ASSETS					
Cash and Investments	\$ 156,709	\$ 4,449,868	\$ 7,081,622	\$ 978,837	\$ 2,105,913
Receivables:					
Accounts	-	104,786	-	28,280	46,994
Interest	-	-	-	-	-
Due from Other Governments	-	287,743	673,960	-	66,785
Notes	-	-	-	-	-
Allowance for Forgivable Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Total Assets	\$ 156,709	\$ 4,842,397	\$ 7,755,582	\$ 1,007,117	\$ 2,219,692
LIABILITIES					
Accounts Payable	\$ 349	\$ 118,672	\$ 1,800,812	\$ -	\$ 169,059
Accrued Salaries and Benefits	1,569	7,024	2,148	-	6,139
Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	1,918	125,696	1,802,960	-	175,198
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	154,791	4,716,701	5,952,622	1,007,117	2,044,494
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	154,791	4,716,701	5,952,622	1,007,117	2,044,494
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 156,709	\$ 4,842,397	\$ 7,755,582	\$ 1,007,117	\$ 2,219,692

Special Revenue

Post Prop 218 Lighting	Post Prop 218 Landscaping	Public Works CFD	Asset Seizure	Public Safety Grants	Public Safety CFD	COPS AB 3229
\$ 1,230,798	\$ 2,394,017	\$ 32,985	\$ 150,549	\$ 38,842	\$ -	\$ 307,559
200	3,267	-	-	84,070	-	-
-	-	-	-	-	-	-
19,556	108,756	-	-	15,628	119,239	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	201,770
-	-	-	-	-	-	-
<u>\$ 1,250,554</u>	<u>\$ 2,506,040</u>	<u>\$ 32,985</u>	<u>\$ 150,549</u>	<u>\$ 138,540</u>	<u>\$ 119,239</u>	<u>\$ 509,329</u>
\$ 13,461	\$ 89,579	\$ 10,534	\$ 4,440	\$ 65,144	\$ 4,359	\$ 11,840
1,239	14,950	-	-	-	9,513	-
-	87,975	-	82,835	-	6,000	-
-	-	-	-	-	110,922	-
<u>14,700</u>	<u>192,504</u>	<u>10,534</u>	<u>87,275</u>	<u>65,144</u>	<u>130,794</u>	<u>11,840</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,235,854	2,313,536	22,451	63,274	73,396	-	497,489
-	-	-	-	-	-	-
-	-	-	-	-	(11,555)	-
<u>1,235,854</u>	<u>2,313,536</u>	<u>22,451</u>	<u>63,274</u>	<u>73,396</u>	<u>(11,555)</u>	<u>497,489</u>
<u>\$ 1,250,554</u>	<u>\$ 2,506,040</u>	<u>\$ 32,985</u>	<u>\$ 150,549</u>	<u>\$ 138,540</u>	<u>\$ 119,239</u>	<u>\$ 509,329</u>

Continued

City of Hemet
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021

	Special Revenue				
	Local Law Enforcement Block Grant	Community Development Block Grant	General Plan	HOME Program	CalHome Grant
ASSETS					
Cash and Investments	\$ -	\$ -	\$ 145,548	\$ 489,401	\$ 182,355
Receivables:					
Accounts	-	-	-	250	-
Interest	-	-	-	-	-
Due from Other Governments	-	495,109	-	-	-
Notes	-	-	-	326,404	399,991
Allowance for Forgivable Notes	-	-	-	-	-
Due from Other Funds	-	-	-	206,010	-
Land Held for Resale	-	-	-	-	-
Total Assets	\$ -	\$ 495,109	\$ 145,548	\$ 1,022,065	\$ 582,346
LIABILITIES					
Accounts Payable	\$ -	\$ 278,355	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	6,272	-	-	-
Deposits	-	-	-	-	-
Due to Other Funds	90,848	206,010	-	-	-
Total Liabilities	90,848	490,637	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	4,472	145,548	1,022,065	582,346
Assigned	-	-	-	-	-
Unassigned	(90,848)	-	-	-	-
Total Fund Balances	(90,848)	4,472	145,548	1,022,065	582,346
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ -	\$ 495,109	\$ 145,548	\$ 1,022,065	\$ 582,346

Special Revenue				Capital Projects		
2001 - 2008 Home Grant	NSP Program	Housing Authority	Indian Gaming Grants	Public Meeting Facilities	General Facilities	Flood Control
\$ 942,466	\$ 20,104	\$ 211,822	\$ 6,411	\$ 227,839	\$ 775,564	\$ 3,699,682
-	-	3,500	-	-	-	-
528,113	-	772,667	-	-	-	-
-	-	-	-	-	-	-
4,086,362	173,874	2,947,104	-	-	-	-
(4,128,113)	-	(1,448,338)	-	-	-	-
-	-	-	-	-	-	354,137
-	593,919	1,482,500	-	-	-	-
<u>\$ 1,428,828</u>	<u>\$ 787,897</u>	<u>\$ 3,969,255</u>	<u>\$ 6,411</u>	<u>\$ 227,839</u>	<u>\$ 775,564</u>	<u>\$ 4,053,819</u>
\$ -	\$ 491	\$ -	\$ -	\$ -	\$ -	\$ 1,838
-	-	-	-	-	-	-
-	-	5,733	-	-	-	-
-	-	-	-	-	-	-
-	491	5,733	-	-	-	1,838
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,428,828	787,406	3,963,522	6,411	227,839	775,564	4,051,981
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,428,828</u>	<u>787,406</u>	<u>3,963,522</u>	<u>6,411</u>	<u>227,839</u>	<u>775,564</u>	<u>4,051,981</u>
<u>\$ 1,428,828</u>	<u>\$ 787,897</u>	<u>\$ 3,969,255</u>	<u>\$ 6,411</u>	<u>\$ 227,839</u>	<u>\$ 775,564</u>	<u>\$ 4,053,819</u>

Continued

City of Hemet
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2021

	Capital Projects				
	Law Enforcement Facilities	Fire Facilities	Park Development	Valley Wide DVL Park	Library Facilities
ASSETS					
Cash and Investments	\$ 162,349	\$ 3,954,115	\$ 1,938,339	\$ 161,501	\$ 663,825
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Notes	-	-	-	-	-
Allowance for Forgivable Notes	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Total Assets	<u>\$ 162,349</u>	<u>\$ 3,954,115</u>	<u>\$ 1,938,339</u>	<u>\$ 161,501</u>	<u>\$ 663,825</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 11,263	\$ -	\$ 24,452
Accrued Salaries and Benefits	-	-	-	-	-
Deposits	-	-	-	-	-
Due to Other Funds	-	354,137	-	-	-
Total Liabilities	<u>-</u>	<u>354,137</u>	<u>11,263</u>	<u>-</u>	<u>24,452</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	162,349	3,599,978	1,927,076	161,501	639,373
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>162,349</u>	<u>3,599,978</u>	<u>1,927,076</u>	<u>161,501</u>	<u>639,373</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 162,349</u>	<u>\$ 3,954,115</u>	<u>\$ 1,938,339</u>	<u>\$ 161,501</u>	<u>\$ 663,825</u>

Capital Projects			Permanent Fund	
Capital Projects	Equipment Replacement	General Capital	LaSalle Library Endowment	Totals
\$ -	\$ 3,897,927	\$ 8,564	\$ 1,028,734	\$ 37,444,245
-	-	-	-	271,347
-	-	-	820	1,301,600
-	-	-	-	1,786,776
-	-	-	-	7,933,735
-	-	-	-	(5,576,451)
-	-	-	-	761,917
-	-	-	-	2,076,419
-	\$ 3,897,927	\$ 8,564	\$ 1,029,554	\$ 45,999,588
\$ -	\$ -	\$ -	\$ 2,327	\$ 2,606,975
-	-	-	-	48,854
-	-	-	-	182,543
-	-	-	-	761,917
-	-	-	2,327	3,600,289
-	-	-	-	-
-	-	-	-	-
-	-	-	1,000,000	1,000,000
-	-	-	27,227	37,595,211
-	3,897,927	8,564	-	3,906,491
-	-	-	-	(102,403)
-	3,897,927	8,564	1,027,227	42,399,299
\$ -	\$ 3,897,927	\$ 8,564	\$ 1,029,554	\$ 45,999,588

City of Hemet
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2021

	Special Revenue				
	Public Safety/Towing	Gas Tax	Measure A	Air Pollution Reduction	Lighting and Landscaping Maintenance
REVENUES					
Taxes	\$ -	\$ -	\$ 2,336,742	\$ -	\$ -
Intergovernmental Revenue	-	3,443,407	-	171,220	-
Charges for Services	80,442	-	-	-	1,934,494
Investment Income	12	263	554	66	104
Miscellaneous	-	89,352	-	-	173,574
Total Revenues	80,454	3,533,022	2,337,296	171,286	2,108,172
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	36,029	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	1,543,790	-	-	1,607,213
Libraries	-	-	-	-	-
Capital Outlay	-	-	3,869,195	40,378	-
Total Expenditures	36,029	1,543,790	3,869,195	40,378	1,607,213
Excess (Deficiency) of Revenues Over Expenditures	44,425	1,989,232	(1,531,899)	130,908	500,959
OTHER FINANCING SOURCES (USES)					
Transfers In	-	20,004	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	20,004	-	-	-
Net Change in Fund Balances	44,425	2,009,236	(1,531,899)	130,908	500,959
Fund Balances, Beginning of Year	110,366	2,707,465	7,484,521	876,209	1,543,535
Prior Period Adjustment	-	-	-	-	-
Fund Balances, End of Year	\$ 154,791	\$ 4,716,701	\$ 5,952,622	\$ 1,007,117	\$ 2,044,494

Special Revenue

Post Prop 218 Lighting	Post Prop 218 Landscaping	Public Works CFD	Asset Seizure	Public Safety Grants	Public Safety CFD	COPS AB 3229
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	3,840	304,596	-	202,251
395,490	1,978,285	35,000	-	-	738,111	-
82	140	1	10	2	-	35
-	10,724	-	-	-	-	-
<u>395,572</u>	<u>1,989,149</u>	<u>35,001</u>	<u>3,850</u>	<u>304,598</u>	<u>738,111</u>	<u>202,286</u>
-	-	-	-	-	-	-
-	-	-	4,440	300,997	576,400	-
-	-	-	-	-	-	-
189,271	1,698,088	16,834	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	111,910
<u>189,271</u>	<u>1,698,088</u>	<u>16,834</u>	<u>4,440</u>	<u>300,997</u>	<u>576,400</u>	<u>111,910</u>
<u>206,301</u>	<u>291,061</u>	<u>18,167</u>	<u>(590)</u>	<u>3,601</u>	<u>161,711</u>	<u>90,376</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
206,301	291,061	18,167	(590)	3,601	161,711	90,376
1,029,553	2,022,475	4,284	63,864	69,795	(173,266)	407,113
-	-	-	-	-	-	-
<u>\$ 1,235,854</u>	<u>\$ 2,313,536</u>	<u>\$ 22,451</u>	<u>\$ 63,274</u>	<u>\$ 73,396</u>	<u>\$ (11,555)</u>	<u>\$ 497,489</u>

Continued

City of Hemet
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2021

	Special Revenue				
	Local Law Enforcement Block Grant	Community Development Block Grant	General Plan	HOME Program	CalHome Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	1,202,373	-	-	-
Charges for Services	-	-	67,200	-	-
Investment Income	-	-	8	53	12
Miscellaneous	-	-	-	-	-
Total Revenues	-	1,202,373	67,208	53	12
EXPENDITURES					
Current:					
General Government	-	-	7,161	-	-
Public Safety	-	-	-	-	-
Community Development	-	1,202,373	-	-	1,912
Public Works	-	-	-	-	-
Libraries	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	1,202,373	7,161	-	1,912
Excess (Deficiency) of Revenues Over Expenditures	-	-	60,047	53	(1,900)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	-	60,047	53	(1,900)
Fund Balances, Beginning of Year	(90,848)	4,472	85,501	1,022,012	584,246
Prior Period Adjustment	-	-	-	-	-
Fund Balances, End of Year	\$ (90,848)	\$ 4,472	\$ 145,548	\$ 1,022,065	\$ 582,346

2001 - 2008 Home Grant	Special Revenue			Capital Projects		
	NSP Program	Housing Authority	Indian Gaming Grants	Public Meeting Facilities	General Facilities	Flood Control
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	14,380	-	-	-	-	-
-	-	-	-	-	173,987	272,207
70	3	16	-	18	54	271
-	-	-	-	-	-	-
<u>70</u>	<u>14,383</u>	<u>16</u>	<u>-</u>	<u>18</u>	<u>174,041</u>	<u>272,478</u>
-	-	-	-	-	-	-
-	5,355	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	31,089	5,564
<u>-</u>	<u>5,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,089</u>	<u>5,564</u>
<u>70</u>	<u>9,028</u>	<u>16</u>	<u>-</u>	<u>18</u>	<u>142,952</u>	<u>266,914</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
70	9,028	16	-	18	142,952	266,914
1,428,758	778,378	3,963,506	6,411	227,821	632,612	3,785,067
-	-	-	-	-	-	-
<u>\$1,428,828</u>	<u>\$ 787,406</u>	<u>\$3,963,522</u>	<u>\$ 6,411</u>	<u>\$ 227,839</u>	<u>\$ 775,564</u>	<u>\$4,051,981</u>

Continued

City of Hemet
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Continued
Year Ended June 30, 2021

	Capital Projects				
	Law	Fire	Park	Valley	Library
	Enforcement			Wide	
	Facilities	Facilities	Development	DVL Park	Facilities
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-	-	-
Charges for Services	106,437	126,318	198,671	41,529	162,976
Investment Income	8	92	143	10	47
Miscellaneous	-	-	-	-	3,474
Total Revenues	106,445	126,410	198,814	41,539	166,497
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	-
Libraries	-	-	-	-	104,624
Capital Outlay	-	-	69,358	-	-
Total Expenditures	-	-	69,358	-	104,624
Excess (Deficiency) of Revenues Over Expenditures	106,445	126,410	129,456	41,539	61,873
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	106,445	126,410	129,456	41,539	61,873
Fund Balances, Beginning of Year	55,904	3,473,568	1,797,620	119,962	577,500
Prior Period Adjustment	-	-	-	-	-
Fund Balances, End of Year	\$ 162,349	\$3,599,978	\$1,927,076	\$ 161,501	\$ 639,373

Capital Projects			Permanent Fund	
Capital Projects	Equipment Replacement	General Capital	LaSalle Library Endowment	Totals
\$ -	\$ -	\$ -	\$ -	\$ 2,336,742
-	-	-	-	5,342,067
-	317,496	-	-	6,628,643
-	285	-	5,415	7,774
-	29,147	-	-	306,271
-	346,928	-	5,415	14,621,497
-	-	-	-	7,161
-	-	-	-	917,866
-	-	-	-	1,209,640
-	-	-	-	5,055,196
-	-	-	14,633	119,257
-	-	-	-	4,127,494
-	-	-	14,633	11,436,614
-	346,928	-	(9,218)	3,184,883
-	-	-	-	20,004
-	-	-	-	-
-	-	-	-	20,004
-	346,928	-	(9,218)	3,204,887
245,152	3,550,999	8,564	1,036,445	39,439,564
(245,152)	-	-	-	(245,152)
\$ -	\$ 3,897,927	\$ 8,564	\$ 1,027,227	\$ 42,399,299

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Safety Towing Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 55,000	\$ 80,442	\$ 25,442
Investment Income	600	12	(588)
Miscellaneous	-	-	-
	<u>55,600</u>	<u>80,454</u>	<u>24,854</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	52,100	36,029	16,071
Capital Outlay	-	-	-
	<u>52,100</u>	<u>36,029</u>	<u>16,071</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>3,500</u>	<u>44,425</u>	<u>40,925</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	3,500	44,425	40,925
Fund Balance, Beginning of Year	<u>110,366</u>	<u>110,366</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 113,866</u>	<u>\$ 154,791</u>	<u>\$ 40,925</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ -	\$ -
Intergovernmental Revenue	3,064,137	3,443,407	379,270
Investment Income	5,000	263	(4,737)
Miscellaneous	-	89,352	89,352
	<u>3,069,137</u>	<u>3,533,022</u>	<u>463,885</u>
EXPENDITURES			
Current:			
Public Works	4,877,943	1,543,790	3,334,153
Capital Outlay	-	-	-
	<u>4,877,943</u>	<u>1,543,790</u>	<u>3,334,153</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,808,806)</u>	<u>1,989,232</u>	<u>3,798,038</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	20,000	20,004	4
Transfers Out	-	-	-
	<u>20,000</u>	<u>20,004</u>	<u>4</u>
Net Change in Fund Balances	(1,788,806)	2,009,236	3,798,042
Fund Balances, Beginning of Year	<u>2,707,465</u>	<u>2,707,465</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 918,659</u>	<u>\$ 4,716,701</u>	<u>\$ 3,798,042</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure A Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 1,537,000	\$ 2,336,742	\$ 799,742
Investment Income	25,000	554	(24,446)
Charges for Services	-	-	-
Total Revenues	<u>1,562,000</u>	<u>2,337,296</u>	<u>775,296</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>13,718,279</u>	<u>3,869,195</u>	<u>9,849,084</u>
Total Expenditures	<u>13,718,279</u>	<u>3,869,195</u>	<u>9,849,084</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,156,279)	(1,531,899)	10,624,380
Fund Balance, Beginning of Year	<u>7,484,521</u>	<u>7,484,521</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (4,671,758)</u>	<u>\$ 5,952,622</u>	<u>\$ 10,624,380</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Air Pollution Reduction Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ 212,575	\$ 171,220	\$ (41,355)
Investment Income	2,000	66	(1,934)
Charges for Services	-	-	-
Total Revenues	<u>214,575</u>	<u>171,286</u>	<u>(43,289)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>78,092</u>	<u>40,378</u>	<u>37,714</u>
Total Expenditures	<u>78,092</u>	<u>40,378</u>	<u>37,714</u>
Excess (Deficiency) of Revenues Over Expenditures	136,483	130,908	(5,575)
Fund Balance, Beginning of Year	<u>876,209</u>	<u>876,209</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,012,692</u></u>	<u><u>\$ 1,007,117</u></u>	<u><u>\$ (5,575)</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Lighting/Landscaping Maintenance Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	1,900,561	1,934,494	33,933
Investment Income	-	104	104
Miscellaneous	-	173,574	173,574
Total Revenues	<u>1,900,561</u>	<u>2,108,172</u>	<u>207,611</u>
EXPENDITURES			
Current:			
Public Works	1,729,867	1,607,213	122,654
Capital Outlay	-	-	-
Total Expenditures	<u>1,729,867</u>	<u>1,607,213</u>	<u>122,654</u>
Excess (Deficiency) of Revenues over Expenditures	<u>170,694</u>	<u>500,959</u>	<u>330,265</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	170,694	500,959	330,265
Fund Balance, Beginning of Year	<u>1,543,535</u>	<u>1,543,535</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,714,229</u></u>	<u><u>\$ 2,044,494</u></u>	<u><u>\$ 330,265</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Post Prop 218 Lighting Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	388,039	395,490	7,451
Investment Income	-	82	82
Miscellaneous	-	-	-
Total Revenues	<u>388,039</u>	<u>395,572</u>	<u>7,533</u>
EXPENDITURES			
Current:			
Public Works	258,506	189,271	69,235
Capital Outlay	-	-	-
Total Expenditures	<u>258,506</u>	<u>189,271</u>	<u>69,235</u>
Excess (Deficiency) of Revenues over Expenditures	<u>129,533</u>	<u>206,301</u>	<u>76,768</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	129,533	206,301	76,768
Fund Balance, Beginning of Year	<u>1,029,553</u>	<u>1,029,553</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,159,086</u></u>	<u><u>\$ 1,235,854</u></u>	<u><u>\$ 76,768</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Post Prop 218 Landscape Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	1,922,601	1,978,285	55,684
Investment Income	-	140	140
Miscellaneous	-	10,724	10,724
Total Revenues	<u>1,922,601</u>	<u>1,989,149</u>	<u>66,548</u>
EXPENDITURES			
Current:			
Public Works	1,764,688	1,698,088	66,600
Capital Outlay	-	-	-
Total Expenditures	<u>1,764,688</u>	<u>1,698,088</u>	<u>66,600</u>
Excess (Deficiency) of Revenues over Expenditures	<u>157,913</u>	<u>291,061</u>	<u>133,148</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	157,913	291,061	133,148
Fund Balance, Beginning of Year	<u>2,022,475</u>	<u>2,022,475</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,180,388</u></u>	<u><u>\$ 2,313,536</u></u>	<u><u>\$ 133,148</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Works CFD Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ -	\$ 35,000	\$ 35,000
Intergovernmental Revenues	-	1	1
Total Revenues	<u>-</u>	<u>35,001</u>	<u>35,001</u>
EXPENDITURES			
Current:			
Public Works	-	16,834	(16,834)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>16,834</u>	<u>(16,834)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	18,167	18,167
Fund Balance, Beginning of Year	<u>4,284</u>	<u>4,284</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 4,284</u></u>	<u><u>\$ 22,451</u></u>	<u><u>\$ 18,167</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Seizure Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	3,840	3,840
Investment Income	1,000	10	(990)
Miscellaneous	-	-	-
Total Revenues	<u>1,000</u>	<u>3,850</u>	<u>2,850</u>
EXPENDITURES			
Current:			
Public Safety	8,569	4,440	4,129
Capital Outlay	-	-	-
Total Expenditures	<u>8,569</u>	<u>4,440</u>	<u>4,129</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,569)</u>	<u>(590)</u>	<u>6,979</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,569)	(590)	6,979
Fund Balance, Beginning of Year	<u>63,864</u>	<u>63,864</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 56,295</u>	<u>\$ 63,274</u>	<u>\$ 6,979</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Safety Grants Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	586,444	304,596	(281,848)
Investment Income	-	2	2
Total Revenues	<u>586,444</u>	<u>304,598</u>	<u>(281,846)</u>
EXPENDITURES			
Current:			
Public Safety	593,994	300,997	292,997
Capital Outlay	-	-	-
Total Expenditures	<u>593,994</u>	<u>300,997</u>	<u>292,997</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,550)</u>	<u>3,601</u>	<u>11,151</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,550)	3,601	11,151
Fund Balance, Beginning of Year	<u>69,795</u>	<u>69,795</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 62,245</u></u>	<u><u>\$ 73,396</u></u>	<u><u>\$ 11,151</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Safety CFD Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ -	\$ -	\$ -
Charges for Services	585,000	738,111	153,111
Investment Income	-	-	-
Total Revenues	<u>585,000</u>	<u>738,111</u>	<u>153,111</u>
EXPENDITURES			
Current:			
Public Safety	576,400	576,400	-
Capital Outlay	-	-	-
Total Expenditures	<u>576,400</u>	<u>576,400</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,600</u>	<u>161,711</u>	<u>153,111</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8,600	161,711	153,111
Fund Balance, Beginning of Year	<u>(173,266)</u>	<u>(173,266)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (164,666)</u></u>	<u><u>\$ (11,555)</u></u>	<u><u>\$ 153,111</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - COPS/AB 3229 Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	330,699	202,251	(128,448)
Investment Income	-	35	35
Total Revenues	<u>330,699</u>	<u>202,286</u>	<u>(128,413)</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Capital Outlay	330,699	111,910	218,789
Total Expenditures	<u>330,699</u>	<u>111,910</u>	<u>218,789</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>90,376</u>	<u>90,376</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	90,376	90,376
Fund Balance, Beginning of Year	<u>407,113</u>	<u>407,113</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 407,113</u></u>	<u><u>\$ 497,489</u></u>	<u><u>\$ 90,376</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Law Enforcement Block Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>(90,848)</u>	<u>(90,848)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (90,848)</u></u>	<u><u>\$ (90,848)</u></u>	<u><u>\$ -</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	<u>2,000,411</u>	<u>1,202,373</u>	<u>(798,038)</u>
Total Revenues	<u>2,000,411</u>	<u>1,202,373</u>	<u>(798,038)</u>
EXPENDITURES			
Current:			
General Governmental	-	-	-
Community Development	2,738,199	1,202,373	1,535,826
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,738,199</u>	<u>1,202,373</u>	<u>1,535,826</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(737,788)</u>	<u>-</u>	<u>737,788</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(737,788)	-	737,788
Fund Balance, Beginning of Year	<u>4,472</u>	<u>4,472</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (733,316)</u></u>	<u><u>\$ 4,472</u></u>	<u><u>\$ 737,788</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Plan Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	27,000	67,200	40,200
Investment Income	500	8	(492)
Total Revenues	<u>27,500</u>	<u>67,208</u>	<u>39,708</u>
EXPENDITURES			
Current:			
General Government	57,900	7,161	50,739
Capital Outlay	-	-	-
Total Expenditures	<u>57,900</u>	<u>7,161</u>	<u>50,739</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(30,400)</u>	<u>60,047</u>	<u>90,447</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(30,400)	60,047	90,447
Fund Balance, Beginning of Year	<u>85,501</u>	<u>85,501</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 55,101</u></u>	<u><u>\$ 145,548</u></u>	<u><u>\$ 90,447</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HOME Program Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Income	-	53	53
Total Revenues	<u>-</u>	<u>53</u>	<u>53</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>53</u>	<u>53</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	53	53
Fund Balance, Beginning of Year	<u>1,022,012</u>	<u>1,022,012</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,022,012</u></u>	<u><u>\$ 1,022,065</u></u>	<u><u>\$ 53</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CalHome Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 12	\$ 12
Intergovernmental Revenues	-	-	-
Total Revenues	<u>-</u>	<u>12</u>	<u>12</u>
EXPENDITURES			
Current:			
Community Development	-	1,912	(1,912)
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,912</u>	<u>(1,912)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1,900)</u>	<u>(1,900)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(1,900)	(1,900)
Fund Balance, Beginning of Year	<u>584,246</u>	<u>584,246</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 584,246</u></u>	<u><u>\$ 582,346</u></u>	<u><u>\$ (1,900)</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - 2001- 2008 Home Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	2,500	70	(2,430)
Miscellaneous	-	-	-
Total Revenues	<u>2,500</u>	<u>70</u>	<u>(2,430)</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,500</u>	<u>70</u>	<u>(2,430)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,500	70	(2,430)
Fund Balance, Beginning of Year	<u>1,428,758</u>	<u>1,428,758</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,431,258</u>	<u>\$ 1,428,828</u>	<u>\$ (2,430)</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Neighborhood Stabilization Program Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	6,000	14,380	8,380
Investment Income	-	3	3
Miscellaneous	-	-	-
Total Revenues	<u>6,000</u>	<u>14,383</u>	<u>8,383</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Community Development	9,365	5,355	4,010
Total Expenditures	<u>9,365</u>	<u>5,355</u>	<u>4,010</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,365)</u>	<u>9,028</u>	<u>12,393</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,365)	9,028	12,393
Fund Balance, Beginning of Year	<u>778,378</u>	<u>778,378</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 775,013</u>	<u>\$ 787,406</u>	<u>\$ 12,393</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing Authority Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	-	16	16
Total Revenues	<u>-</u>	<u>16</u>	<u>16</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>16</u>	<u>16</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	16	16
Fund Balance, Beginning of Year	<u>3,963,506</u>	<u>3,963,506</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,963,506</u></u>	<u><u>\$ 3,963,522</u></u>	<u><u>\$ 16</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Indian Gaming Grant Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Investment Income	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	6,411	6,411	-
Fund Balance, End of Year	<u>\$ 6,411</u>	<u>\$ 6,411</u>	<u>\$ -</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Meeting Facilities Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	2,000	18	(1,982)
Total Revenues	<u>2,000</u>	<u>18</u>	<u>(1,982)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Libraries	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,000</u>	<u>18</u>	<u>(1,982)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,000	18	(1,982)
Fund Balance, Beginning of Year	<u>227,821</u>	<u>227,821</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 229,821</u></u>	<u><u>\$ 227,839</u></u>	<u><u>\$ (1,982)</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Facilities Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	70,200	173,987	103,787
Investment Income	15,000	54	(14,946)
Miscellaneous	-	-	-
Total Revenues	<u>85,200</u>	<u>174,041</u>	<u>88,841</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>665,652</u>	<u>31,089</u>	<u>634,563</u>
Total Expenditures	<u>665,652</u>	<u>31,089</u>	<u>634,563</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(580,452)</u>	<u>142,952</u>	<u>723,404</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(580,452)	142,952	723,404
Fund Balance, Beginning of Year	<u>632,612</u>	<u>632,612</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 52,160</u>	<u>\$ 775,564</u>	<u>\$ 723,404</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Flood Control Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	186,400	272,207	85,807
Investment Income	30,000	271	(29,729)
Miscellaneous	-	-	-
	<u>216,400</u>	<u>272,478</u>	<u>56,078</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	260,488	-	260,488
Capital Outlay	1,825,187	5,564	1,819,623
	<u>2,085,675</u>	<u>5,564</u>	<u>2,080,111</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(1,869,275)</u>	<u>266,914</u>	<u>2,136,189</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(1,869,275)	266,914	2,136,189
Fund Balance, Beginning of Year	<u>3,785,067</u>	<u>3,785,067</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,915,792</u></u>	<u><u>\$ 4,051,981</u></u>	<u><u>\$ 2,136,189</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Law Enforcement Facilities Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	42,400	106,437	64,037
Investment Income	-	8	8
Total Revenues	<u>42,400</u>	<u>106,445</u>	<u>64,045</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>42,400</u>	<u>106,445</u>	<u>64,045</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	42,400	106,445	64,045
Fund Balance, Beginning of Year	<u>55,904</u>	<u>55,904</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 98,304</u></u>	<u><u>\$ 162,349</u></u>	<u><u>\$ 64,045</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Fire Facilities Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	50,400	126,318	75,918
Investment Income	25,000	92	(24,908)
Total Revenues	<u>75,400</u>	<u>126,410</u>	<u>51,010</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>75,400</u>	<u>126,410</u>	<u>51,010</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	75,400	126,410	51,010
Fund Balance, Beginning of Year	<u>3,473,568</u>	<u>3,473,568</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,548,968</u></u>	<u><u>\$ 3,599,978</u></u>	<u><u>\$ 51,010</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Development Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	130,800	198,671	67,871
Investment Income	20,000	143	(19,857)
Total Revenues	<u>150,800</u>	<u>198,814</u>	<u>48,014</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	265,129	69,358	195,771
Total Expenditures	<u>265,129</u>	<u>69,358</u>	<u>195,771</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(114,329)</u>	<u>129,456</u>	<u>243,785</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(114,329)	129,456	243,785
Fund Balance, Beginning of Year	<u>1,797,620</u>	<u>1,797,620</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,683,291</u></u>	<u><u>\$ 1,927,076</u></u>	<u><u>\$ 243,785</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Valley Wide DVL Park Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	25,500	41,529	16,029
Investment Income	1,200	10	(1,190)
Total Revenues	<u>26,700</u>	<u>41,539</u>	<u>14,839</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>26,700</u>	<u>41,539</u>	<u>14,839</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	26,700	41,539	14,839
Fund Balance, Beginning of Year	<u>119,962</u>	<u>119,962</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 146,662</u></u>	<u><u>\$ 161,501</u></u>	<u><u>\$ 14,839</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Library Facilities Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	66,200	162,976	96,776
Investment Income	4,000	47	(3,953)
Miscellaneous	-	3,474	3,474
	<u>70,200</u>	<u>166,497</u>	<u>96,297</u>
Total Revenues			
EXPENDITURES			
Current:			
Libraries	167,833	104,624	63,209
Capital Outlay	-	-	-
	<u>167,833</u>	<u>104,624</u>	<u>63,209</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>(97,633)</u>	<u>61,873</u>	<u>159,506</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(97,633)	61,873	159,506
Fund Balance, Beginning of Year	<u>577,500</u>	<u>577,500</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 479,867</u>	<u>\$ 639,373</u>	<u>\$ 159,506</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Equipment Replacement Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	317,500	317,496	(4)
Investment Income	10,000	285	(9,715)
Miscellaneous	-	29,147	29,147
	<u>327,500</u>	<u>346,928</u>	<u>19,428</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>327,500</u>	<u>346,928</u>	<u>19,428</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	327,500	346,928	19,428
Fund Balance, Beginning of Year	<u>3,550,999</u>	<u>3,550,999</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$3,878,499</u></u>	<u><u>\$ 3,897,927</u></u>	<u><u>\$ 19,428</u></u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Capital Capital Projects Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General Governmental	-	-	-
Public Works	-	-	-
Capital Outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	8,564	8,564	-
	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	<u>\$ 8,564</u>	<u>\$ 8,564</u>	<u>\$ -</u>

City of Hemet
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - LaSalle Library Endowment Permanent Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	-	5,415	5,415
Total Revenues	<u>-</u>	<u>5,415</u>	<u>5,415</u>
EXPENDITURES			
Current:			
General Governmental	-	-	-
Libraries	19,000	14,633	4,367
Capital Outlay	-	-	-
Total Expenditures	<u>19,000</u>	<u>14,633</u>	<u>4,367</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(19,000)</u>	<u>(9,218)</u>	<u>9,782</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,000)	(9,218)	9,782
Fund Balance, Beginning of Year	<u>1,036,445</u>	<u>1,036,445</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,017,445</u></u>	<u><u>\$ 1,027,227</u></u>	<u><u>\$ 9,782</u></u>

City of Hemet Internal Service Funds

INTERNAL SERVICE FUNDS

Administrative Services - Accounts for the central administrative services funded by interdepartmental allocation.

Workers' Compensation - Accounts for the financial transactions of a self-insured workers' compensation program

Medical Insurance - Accounts for the financial transactions of a self-insured employer active employee medical, dental and vision insurance program.

Liability Insurance - Accounts for the financial transactions of an external liability program.

OPEB - Accounts for financial transactions of a self-insured employer retiree medical, dental and vision insurance program.

City of Hemet
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Admin. Services	Workers' Compensation Admin	Medical Insurance Admin
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current:			
Cash and Investments	\$ 5,999,912	\$ 2,259,035	\$ 52,734
Accounts Receivable	65,342	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Inventory	130,322	-	-
Total Current Assets	<u>6,195,576</u>	<u>2,259,035</u>	<u>52,734</u>
Noncurrent Assets:			
Construction in Progress	-	-	-
Capital Assets	5,628,505	-	-
Less Accumulated Depreciation	(4,931,275)	-	-
Total Noncurrent Assets	<u>697,230</u>	<u>-</u>	<u>-</u>
Total Assets	<u>6,892,806</u>	<u>2,259,035</u>	<u>52,734</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	500,792	2,475	4,149
Accrued Salaries and Benefits	36,771	3,548	-
Due to Other Funds	-	-	-
Current Portion of Long-term Liabilities:			
Claims Payable	-	221,143	16,580
Total Current Liabilities	<u>537,563</u>	<u>227,166</u>	<u>20,729</u>
Noncurrent Liabilities:			
Claims Payable	-	221,144	-
Total Noncurrent Liabilities	<u>-</u>	<u>221,144</u>	<u>-</u>
Total Liabilities	<u>537,563</u>	<u>448,310</u>	<u>20,729</u>
NET POSITION			
Net Investment in Capital Assets	697,230	-	-
Unrestricted	<u>5,658,013</u>	<u>1,810,725</u>	<u>32,005</u>
Total Net Position	<u>\$ 6,355,243</u>	<u>\$ 1,810,725</u>	<u>\$ 32,005</u>

<u>Liability Insurance</u>	<u>OPEB</u>	<u>Total</u>
\$ 89,659	\$ 924,514	\$ 9,325,854
86,364	2,112	153,818
-	-	-
-	-	-
-	-	130,322
<u>176,023</u>	<u>926,626</u>	<u>9,609,994</u>
-	-	-
-	-	5,628,505
-	-	(4,931,275)
-	-	697,230
<u>176,023</u>	<u>926,626</u>	<u>10,307,224</u>
2,588	140,845	650,849
1,776	-	42,095
-	-	-
<u>1,386,180</u>	<u>22,522</u>	<u>1,646,425</u>
<u>1,390,544</u>	<u>163,367</u>	<u>2,339,369</u>
924,120	-	1,145,264
<u>924,120</u>	-	<u>1,145,264</u>
<u>2,314,664</u>	<u>163,367</u>	<u>3,484,633</u>
-	-	697,230
<u>(2,138,641)</u>	<u>763,259</u>	<u>6,125,361</u>
<u>\$ (2,138,641)</u>	<u>\$ 763,259</u>	<u>\$ 6,822,591</u>

City of Hemet
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021

	Admin. Services	Workers' Compensation Admin	Medical Insurance Admin
OPERATING REVENUE			
Charges for Services	\$ 7,471,758	\$ 2,208,101	\$ 273,690
Miscellaneous	105,474	-	-
Total Operating Revenue	<u>7,577,232</u>	<u>2,208,101</u>	<u>273,690</u>
OPERATING EXPENSES			
Personnel Services	2,169,363	125,206	-
Parts and Supplies	1,047,986	-	-
Maintenance	1,019,842	-	-
Utilities	756,934	-	-
Contracts, Rents and Leases	404,923	21,159	27,712
Insurance	140,496	1,022,428	-
Claims and Judgments	806,546	758	300,956
General Office	-	-	-
Depreciation	146,617	-	-
Total Operating Expenses	<u>6,492,707</u>	<u>1,169,551</u>	<u>328,668</u>
Operating Income (Loss)	<u>1,084,525</u>	<u>1,038,550</u>	<u>(54,978)</u>
NONOPERATING REVENUE (EXPENSES)			
Interest Expense	-	-	-
Total Nonoperating Revenue (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Transfers and Capital Contributions	1,084,525	1,038,550	(54,978)
Capital Contributions	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
SPECIAL ITEM			
Pension and OPEB Allocation	10,953,119	-	-
Change in Net Position	12,037,644	1,038,550	(54,978)
Net Position, Beginning	<u>(5,682,401)</u>	<u>772,175</u>	<u>86,983</u>
Net Position, Ending	<u>\$ 6,355,243</u>	<u>\$ 1,810,725</u>	<u>\$ 32,005</u>

Liability Insurance	OPEB	Total
\$ 1,490,112	\$ 4,657,308	\$ 16,100,969
827	-	106,301
<u>1,490,939</u>	<u>4,657,308</u>	<u>16,207,270</u>
120,001	13,603	2,428,173
-	-	1,047,986
-	-	1,019,842
-	-	756,934
52,426	-	506,220
1,292,564	4,588,368	7,043,856
1,532,133	-	2,640,393
-	-	-
-	-	146,617
<u>2,997,124</u>	<u>4,601,971</u>	<u>15,590,021</u>
<u>(1,506,185)</u>	<u>55,337</u>	<u>617,249</u>
-	-	-
-	-	-
(1,506,185)	55,337	617,249
-	-	-
-	-	-
-	-	-
-	-	10,953,119
(1,506,185)	55,337	11,570,368
<u>(632,456)</u>	<u>707,922</u>	<u>(4,747,777)</u>
<u>\$ (2,138,641)</u>	<u>\$ 763,259</u>	<u>\$ 6,822,591</u>

City of Hemet
Combining Statement of Cashflows
Internal Service Funds
Year Ended June 30, 2021

	Admin. Services	Workers' Compensation Admin	Medical Insurance Admin
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from User Departments	\$ 7,877,693	\$ 2,208,101	\$ 273,690
Cash Paid to Suppliers for Goods and Services	(3,407,905)	(1,042,941)	(23,563)
Cash Paid to Employees for Services	(2,172,830)	(125,001)	-
Cash Payments for Insurance and Claims	(806,546)	(758)	(302,854)
Net Cash From Operating Activities	<u>1,490,412</u>	<u>1,039,401</u>	<u>(52,727)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Paid (to) From Other Funds	(70,245)	70,245	-
Net Cash From Noncapital and Related Financing Activities	<u>(70,245)</u>	<u>70,245</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(35,379)	-	-
Net Cash From Capital and Related Financing Activities	<u>(35,379)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	-	-
Net Cash From Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,384,788	1,109,646	(52,727)
Cash and Cash Equivalents, Beginning of the Year	<u>4,615,124</u>	<u>1,149,389</u>	<u>105,461</u>
Cash and Cash Equivalents, End of the Yea	<u>\$ 5,999,912</u>	<u>\$ 2,259,035</u>	<u>\$ 52,734</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	\$ 1,084,525	\$ 1,038,550	\$ (54,978)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	146,617	-	-
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	300,461	-	-
(Increase) Decrease in Inventory	(27,248)	-	-
Increase (Decrease) in Accounts Payable	(10,476)	646	4,149
Increase (Decrease) in Accrued Salaries and Benefits	(3,467)	205	-
Increase (Decrease) in Claims Payable	-	-	(1,898)
Net Cash from Operating Activities	<u>\$ 1,490,412</u>	<u>\$ 1,039,401</u>	<u>\$ (52,727)</u>

Liability Insurance	OPEB	Total
\$ 9,646,242	\$ 4,657,488	\$ 24,663,214
(9,608,121)	(4,448,227)	(18,530,757)
(121,194)	(15,185)	(2,434,210)
(698,211)	9,102	(1,799,267)
<u>(781,284)</u>	<u>203,178</u>	<u>1,898,980</u>
-	-	-
-	-	-
-	-	(35,379)
-	-	(35,379)
-	-	-
-	-	-
(781,284)	203,178	1,863,601
<u>870,943</u>	<u>721,336</u>	<u>7,462,253</u>
<u>\$ 89,659</u>	<u>\$ 924,514</u>	<u>\$ 9,325,854</u>
\$ (1,506,185)	\$ 55,337	\$ 617,249
-	-	146,617
8,155,303	180	8,455,944
-	-	(27,248)
(8,263,131)	140,141	(8,128,671)
(1,193)	(1,582)	(6,037)
833,922	9,102	841,126
<u>\$ (781,284)</u>	<u>\$ 203,178</u>	<u>\$ 1,898,980</u>

City of Hemet Custodial Funds

CUSTODIAL FUNDS

McSweeny - Accounts for the McSweeny development projects administered by the City on behalf of the McSweeny developers.

Pass Thru Fees - Accounts for the developer fees collected by the City on behalf of the County of Riverside. Those fees are remitted periodically to the County.

Heartland 1999 - 1 CFD 2006 Refunding Series - Accounts for the financial transacting of a special tax bond issue which is financing the off-site improvements of a housing community and a golf course.

City of Hemet
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	<u>McSweeny</u>	<u>Pass Thru Fees</u>	<u>Heartland CFD 2006</u>	<u>Total Custodial Funds</u>
ASSETS				
Cash and Investments	\$ (911)	\$ 1,633,217	\$ -	\$ 1,632,306
Accounts Receivables	2,122,321	-	9,143	2,131,464
Due from Other Funds	-	-	-	-
Cash and Investments with Fiscal Agent	-	-	1,304,591	1,304,591
 Total Assets	 <u>\$ 2,121,410</u>	 <u>\$ 1,633,217</u>	 <u>\$ 1,313,734</u>	 <u>\$ 5,068,361</u>
LIABILITIES				
Accounts Payable	1,772,378	162	\$ 2,071	\$ 1,774,611
Due to City of Hemet	349,943	-	701,388	1,051,331
Deposits	-	-	-	-
 Total Liabilities	 <u>2,122,321</u>	 <u>162</u>	 <u>703,459</u>	 <u>2,825,942</u>
NET POSITION				
Held for the Benefit of Other Organizations	<u>(911)</u>	<u>1,633,055</u>	<u>610,275</u>	<u>2,242,419</u>
 Total Net Position	 <u>\$ (911)</u>	 <u>\$ 1,633,055</u>	 <u>\$ 610,275</u>	 <u>\$ 2,242,419</u>

City of Hemet
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	<u>McSweeny</u>	<u>Pass Thru Fees</u>	<u>Heartland CFD 2006</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Contributions:				
Taxes and assessments collected for others	-	\$ 1,958,060	\$ 2,226,169	\$ 4,184,229
Developer Contributions	2,122,321	-	-	2,122,321
Investment Earnings:				
Interest Income	15	-	-	15
Total Additions	<u>2,122,336</u>	<u>1,958,060</u>	<u>2,226,169</u>	<u>6,306,565</u>
DEDUCTIONS				
Payments on behalf of Others	2,368,399	-	-	2,368,399
Payments to Other Agencies for Service Charges Collected	<u>-</u>	<u>325,005</u>	<u>2,222,700</u>	<u>2,547,705</u>
Total Deductions	<u>2,368,399</u>	<u>325,005</u>	<u>2,222,700</u>	<u>4,916,104</u>
Net Increase (decrease) in fiduciary net position	(246,063)	1,633,055	3,469	1,390,461
Net Position, beginning of the year	-	-	-	-
Restatement of Net Position	<u>245,152</u>	<u>-</u>	<u>606,806</u>	<u>851,958</u>
Net Position, end of the year	<u>\$ (911)</u>	<u>\$ 1,633,055</u>	<u>\$ 610,275</u>	<u>\$ 2,242,419</u>

STATISTICAL SECTION

City of Hemet (unaudited)
Description of Statistical Section Contents
June 30, 2021

This part of the City of Hemet's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	130
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	140
<u>Debt Capacity</u> 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	146
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	152
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	154

City of Hemet
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net Investment in Capital Assets	\$ 332,523	\$ 326,964	\$ 325,096	\$ 324,343	\$ 321,098
Restricted	42,003	33,450	36,986	39,006	43,671
Unrestricted	14,792	24,524	20,224	(53,711)	(45,551)
Total governmental activities net position	<u>\$ 389,318</u>	<u>\$ 384,938</u>	<u>\$ 382,307</u>	<u>\$ 309,638</u>	<u>\$ 319,218</u>
Business-type activities					
Net Investment in Capital Assets	\$ 3,694	\$ 4,114	\$ 4,171	\$ 3,740	\$ 3,522
Restricted	-	-	-	-	-
Unrestricted	14,171	7,559	7,828	3,606	6,550
Total business-type activities net position	<u>\$ 17,865</u>	<u>\$ 11,673</u>	<u>\$ 12,000</u>	<u>\$ 7,346</u>	<u>\$ 10,072</u>
Primary government					
Net Investment in Capital Assets	\$ 336,217	\$ 331,078	\$ 329,267	\$ 328,083	\$ 324,620
Restricted	42,003	33,450	36,986	39,006	43,671
Unrestricted	28,963	32,082	28,053	(50,105)	(39,001)
Total primary government net position	<u>\$ 407,183</u>	<u>\$ 396,611</u>	<u>\$ 394,307</u>	<u>\$ 316,984</u>	<u>\$ 329,290</u>

Source: City of Hemet

City of Hemet
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities					
Net Investment in Capital Assets	\$ 315,946	\$ 312,748	\$ 309,342	\$ 308,639	\$ 303,775
Restricted	48,220	55,279	64,207	67,601	\$ 53,804
Unrestricted	(58,471)	(95,864)	(99,715)	(105,649)	\$ (78,520)
Total governmental activities net position	<u>\$ 305,695</u>	<u>\$ 272,163</u>	<u>\$ 273,834</u>	<u>\$ 270,591</u>	<u>\$ 279,059</u>
Business-type activities					
Net Investment in Capital Assets	\$ 3,898	\$ 4,174	\$ 3,893	\$ 4,532	\$ 3,973
Restricted	-	-	-	-	\$ -
Unrestricted	7,068	(845)	1,868	14,760	\$ 19,623
Total business-type activities net position	<u>\$ 10,966</u>	<u>\$ 3,329</u>	<u>\$ 5,761</u>	<u>\$ 19,292</u>	<u>\$ 23,596</u>
Primary government					
Net Investment in Capital Assets	\$ 319,844	\$ 316,922	\$ 313,235	\$ 313,171	\$ 307,748
Restricted	48,220	55,279	64,207	67,601	53,804
Unrestricted	(51,403)	(96,709)	(97,847)	(90,889)	(58,897)
Total primary government net position	<u>\$ 316,661</u>	<u>\$ 275,492</u>	<u>\$ 279,595</u>	<u>\$ 289,883</u>	<u>\$ 302,655</u>

Source: City of Hemet

City of Hemet
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 1,870	\$ 2,047	\$ 3,082	\$ 3,053	\$ 1,142
Public Safety	26,114	25,449	28,308	28,947	21,566
Community development	4,367	5,064	6,627	5,325	3,952
Public Works	11,700	15,807	11,804	12,139	11,652
Sanitation	1,596	1,754	1,921	2,201	2,070
Parks	617	790	906	843	1,015
Libraries	1,689	1,600	1,751	1,855	1,788
Interest and related charges on long-term debt	363	-	-	-	-
Total governmental activities expenses	<u>48,317</u>	<u>52,510</u>	<u>54,397</u>	<u>54,363</u>	<u>43,186</u>
Business-type activities:					
Refuse	5,059	276	-	-	-
Water	8,881	8,918	7,478	7,919	7,643
Total business-type activities expenses	<u>13,940</u>	<u>9,194</u>	<u>7,478</u>	<u>7,919</u>	<u>7,643</u>
Total primary government expenses	<u>\$ 62,257</u>	<u>\$ 61,704</u>	<u>\$ 61,875</u>	<u>\$ 62,282</u>	<u>\$ 50,829</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,031	\$ 1,494	\$ 1,606	\$ 600	\$ 586
Public safety	1,185	902	1,069	681	760
Community development	795	602	718	3,197	2,674
Public Works	4,743	4,314	4,810	2,577	2,724
Sanitation	2,788	2,758	2,883	2,876	3,412
Other activities	50	36	35	44	2,764
Operating grants and contributions	3,219	1,981	2,454	2,742	3,349
Capital grants and contributions	6,445	5,321	5,850	7,211	7,658
Total government activities program revenues	<u>20,255</u>	<u>17,409</u>	<u>19,425</u>	<u>19,928</u>	<u>23,928</u>
Business-type activities					
Charges for services:					
Refuse	4,160	117	-	-	-
Water	7,768	7,549	7,371	7,090	10,306
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>11,928</u>	<u>7,666</u>	<u>7,371</u>	<u>7,090</u>	<u>10,306</u>
Total primary government program revenues	<u>\$ 32,183</u>	<u>\$ 25,076</u>	<u>\$ 26,796</u>	<u>\$ 27,018</u>	<u>\$ 34,234</u>

City of Hemet
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses					
Governmental activities:					
General government	\$ 2,777	\$ 3,511	\$ 6,181	\$ 4,142	\$ 1,964
Public Safety	34,746	43,067	40,916	48,122	46,711
Community development	4,874	5,729	5,535	5,056	5,420
Public Works	11,696	13,766	11,962	12,526	10,728
Sanitation	2,048	2,248	2,167	1,838	2,437
Parks	1,176	1,407	1,205	1,433	1,052
Libraries	2,085	2,125	2,026	1,884	1,892
Interest and related charges on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>59,402</u>	<u>71,853</u>	<u>69,992</u>	<u>75,001</u>	<u>70,204</u>
Business-type activities:					
Refuse	-	-	-	-	-
Water	9,966	12,052	9,261	9,845	10,222
Total business-type activities expenses	<u>9,966</u>	<u>12,052</u>	<u>9,261</u>	<u>9,845</u>	<u>10,222</u>
Total primary government expenses	<u>\$ 69,368</u>	<u>\$ 83,905</u>	<u>\$ 79,253</u>	<u>\$ 84,846</u>	<u>\$ 80,426</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 602	\$ 759	\$ 793	\$ 510	\$ 2,589
Public safety	1,207	1,289	1,049	1,134	1,892
Community development	2,261	2,824	2,824	2,482	251
Public Works	3,542	3,912	3,944	4,531	6,926
Sanitation	3,918	4,003	3,969	4,372	4,339
Other activities	58	159	141	28	2
Operating grants and contributions	2,559	2,719	2,455	2,005	4,039
Capital grants and contributions	6,220	6,503	7,962	7,890	7,758
Total governmental activities program revenues	<u>20,367</u>	<u>22,168</u>	<u>23,137</u>	<u>22,952</u>	<u>27,796</u>
Business-type activities					
Charges for services:					
Refuse	-	-	-	-	-
Water	11,460	10,602	11,445	11,993	12,114
Operating grants and contributions	-	-	-	10,416	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>11,460</u>	<u>10,602</u>	<u>11,445</u>	<u>22,409</u>	<u>12,114</u>
Total primary government program revenues	<u>\$ 31,827</u>	<u>\$ 32,770</u>	<u>\$ 34,582</u>	<u>\$ 45,361</u>	<u>\$ 39,910</u>

City of Hemet
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (expense)/revenue					
Governmental activities	\$ (28,061)	\$ (35,101)	\$ (34,972)	\$ (34,972)	\$ (30,431)
Business-type activities	(2,012)	(1,527)	(107)	(107)	2,410
Total primary government net expense	<u>\$ (30,073)</u>	<u>\$ (36,628)</u>	<u>\$ (35,079)</u>	<u>\$ (35,079)</u>	<u>\$ (28,021)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	7,813	7,343	6,207	6,207	6,208
Transient occupancy taxes	586	626	643	643	854
Sales taxes	9,426	10,118	11,043	11,043	12,275
Motor vehicle in lieu taxes	4,783	4,829	4,996	4,996	5,715
Franchise and other taxes	3,354	4,730	4,875	4,875	5,053
Investment income	572	132	565	565	1,415
Miscellaneous	448	264	184	184	765
Transfers	(2,185)	2,527	(187)	(187)	205
Total governmental activities	<u>24,797</u>	<u>30,568</u>	<u>28,327</u>	<u>28,327</u>	<u>32,490</u>
Business-type activities					
Investment income	183	12	71	71	166
Gain (loss) on sale/disposal of assets	1,830	-	-	-	-
Miscellaneous	70	59	176	176	84
Transfers	2,185	(4,736)	187	187	(205)
Total business-type activities	<u>4,268</u>	<u>(4,665)</u>	<u>434</u>	<u>434</u>	<u>45</u>
Total primary government	<u>\$ 29,065</u>	<u>\$ 25,903</u>	<u>\$ 28,760</u>	<u>\$ 28,760</u>	<u>\$ 32,535</u>
Change in Net Position					
Governmental activities	\$ 7,190	\$ (4,532)	\$ (6,646)	\$ (6,646)	\$ 2,059
Business-type activities	2,256	(6,192)	327	327	2,455
Total primary government	<u>\$ 9,446</u>	<u>\$ (10,725)</u>	<u>\$ (6,319)</u>	<u>\$ (6,319)</u>	<u>\$ 4,514</u>

Source: City of Hemet

City of Hemet
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net (expense)/revenue					
Governmental activities	\$ (39,034)	\$ (49,685)	\$ (46,855)	\$ (51,151)	\$ (42,408)
Business-type activities	1,495	(1,450)	2,185	12,563	1,892
Total primary government net expense	<u>\$ (37,539)</u>	<u>\$ (51,135)</u>	<u>\$ (44,670)</u>	<u>\$ (38,588)</u>	<u>\$ (40,516)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	6,485	7,123	7,718	7,919	8,028
Transient occupancy taxes	963	1,026	975	770	891
Sales taxes	14,175	23,446	24,986	25,352	32,268
Motor vehicle in lieu taxes	6,061	6,393	6,786	7,073	7,394
Franchise and other taxes	4,964	5,048	5,117	5,173	5,491
Investment income	194	403	2,425	957	303
Miscellaneous	439	649	357	223	42
Transfers	350	138	163	243	248
Total governmental activities	<u>33,631</u>	<u>44,226</u>	<u>48,527</u>	<u>47,710</u>	<u>54,665</u>
Business-type activities					
Investment income	(25)	21	350	226	(2)
Gain (loss) on sale/disposal of assets	-	-	-	-	-
Miscellaneous	45	81	60	16	-
Transfers	(350)	(138)	(163)	(243)	(248)
Total business-type activities	<u>(330)</u>	<u>(36)</u>	<u>247</u>	<u>(1)</u>	<u>(250)</u>
Total primary government	<u>\$ 33,301</u>	<u>\$ 44,190</u>	<u>\$ 48,774</u>	<u>\$ 47,709</u>	<u>\$ 54,415</u>
Change in Net Position					
Governmental activities	\$ (5,403)	\$ (5,459)	\$ 1,672	\$ (3,441)	\$ 12,259
Business-type activities	1,165	(1,487)	2,432	12,562	1,641
Total primary government	<u>\$ (4,238)</u>	<u>\$ (6,946)</u>	<u>\$ 4,104</u>	<u>\$ 9,121</u>	<u>\$ 13,900</u>

Source: City of Hemet

City of Hemet
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Nonspendable	3,221	1,020	12	13	7
Restricted	-	698	873	1,075	1,253
Committed	7,439	7,888	7,270	7,288	7,727
Assigned	316	4,269	6,362	314	215
Unassigned	6,724	8,163	4,397	8,226	6,084
Total general fund	<u>\$ 17,699</u>	<u>\$ 22,038</u>	<u>\$ 18,913</u>	<u>\$ 16,916</u>	<u>\$ 15,287</u>
All other governmental funds					
Nonspendable	1,354	1,354	1,354	1,000	1,000
Restricted	34,784	32,831	33,741	36,931	41,418
Committed	-	-	-	-	-
Assigned	4,181	4,452	4,554	4,759	6,586
Unassigned, reported in:					
Special revenue funds	(2,029)	(1,225)	(174)	(276)	(297)
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 38,289</u>	<u>\$ 37,412</u>	<u>\$ 39,476</u>	<u>\$ 42,414</u>	<u>\$ 48,707</u>

Source: City of Hemet

City of Hemet
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund					
Nonspendable	7	4	8	660	665
Restricted	2,469	1,253	12,805	1,316	1,499
Committed	8,295	9,303	8,214	20,921	23,776
Assigned	215	215	134	890	1,945
Unassigned	1,882	5,920	1,086	2,926	11,710
Total general fund	<u>\$ 12,868</u>	<u>\$ 16,695</u>	<u>\$ 22,247</u>	<u>\$ 26,713</u>	<u>\$ 39,595</u>
All other governmental funds					
Nonspendable	1,000	1,000	1,000	1,000	1,000
Restricted	43,536	46,330	50,374	51,884	57,161
Committed	-	-	-	-	-
Assigned	6,350	4,081	4,056	3,776	3,906
Unassigned, reported in:					
Special revenue funds	(81)	(180)	(191)	(264)	(102)
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 50,805</u>	<u>\$ 51,231</u>	<u>\$ 55,239</u>	<u>\$ 56,396</u>	<u>\$ 61,965</u>

Source: City of Hemet

City of Hemet
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues					
Taxes	\$ 22,502	\$ 24,265	\$ 24,275	\$ 30,083	\$ 31,725
Licenses and permits	1,536	1,598	1,996	2,119	1,974
Intergovernmental revenues	11,113	9,322	10,033	6,638	6,712
Charges for services	9,924	9,509	10,107	8,966	9,988
Fines and forfeitures	511	404	400	379	412
Investment income	572	132	565	558	1,430
Other contributions	-	-	-	-	-
Miscellaneous	468	337	184	646	3,823
Total revenues	<u>46,625</u>	<u>45,566</u>	<u>47,561</u>	<u>49,389</u>	<u>56,064</u>
Expenditures					
General government	1,983	1,949	2,412	2,812	2,307
Public safety	24,610	23,967	26,915	28,017	30,339
Community development	4,617	5,064	6,627	5,248	4,793
Public works	5,501	4,919	5,692	5,562	5,738
Sanitation	1,785	1,754	1,921	2,162	2,035
Parks	647	790	906	850	1,120
Libraries	1,441	1,248	1,399	1,419	1,506
Capital outlay	3,900	6,035	2,422	4,776	3,772
Debt service					
Principal	405	-	-	-	-
Interest	342	-	-	-	-
SERAF Obligation	-	-	-	-	-
Fiscal-administrative charges	3	-	-	-	-
Total expenditures	<u>45,234</u>	<u>45,725</u>	<u>48,294</u>	<u>50,846</u>	<u>51,611</u>
Excess (deficiency) of revenues over expenditures	<u>1,392</u>	<u>(159)</u>	<u>(733)</u>	<u>(1,457)</u>	<u>4,453</u>
Other financing sources (uses)					
Transfers in	6,696	6,933	1,985	1,231	713
Transfers out	(8,977)	(3,313)	(2,313)	(1,231)	(490)
Issuance of debt	-	-	-	8	11
Total other financing sources (uses)	<u>(2,281)</u>	<u>3,620</u>	<u>(328)</u>	<u>8</u>	<u>234</u>
Net change in fund balances	<u>\$ (889)</u>	<u>\$ 3,461</u>	<u>\$ (1,061)</u>	<u>\$ (1,449)</u>	<u>\$ 4,687</u>
Debt service as a percentage of noncapital expenditures	1.82%	0.00%	0.00%	0.00%	0.00%

Source: City of Hemet

City of Hemet
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues					
Taxes	\$ 34,284	\$ 44,799	\$ 47,526	\$ 48,194	\$ 46,678
Licenses and permits	1,679	1,784	1,968	5,371	2,104
Intergovernmental revenues	5,677	5,792	5,854	5,495	10,157
Charges for services	10,393	11,307	11,152	7,248	3,234
Fines and forfeitures	443	491	446	336	234
Investment income	197	402	2,425	1,815	299
Other contributions	-	-	-	-	-
Miscellaneous	679	1,261	2,204	1,960	8
Total revenues	<u>53,352</u>	<u>65,836</u>	<u>71,575</u>	<u>70,419</u>	<u>62,714</u>
Expenditures					
General government	2,103	2,195	5,148	2,235	2,390
Public safety	32,497	38,450	35,908	40,448	42,039
Community development	4,844	4,856	5,057	4,593	5,420
Public works	5,488	8,804	6,076	5,795	5,125
Sanitation	1,999	2,193	2,104	1,879	2,437
Parks	1,205	1,248	1,153	1,295	1,052
Libraries	1,642	1,600	1,486	1,540	1,587
Capital outlay	2,457	2,193	4,002	7,508	4,127
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
SERAF Obligation	-	-	-	-	-
Fiscal-administrative charges	-	-	-	-	-
Total expenditures	<u>52,235</u>	<u>61,539</u>	<u>60,934</u>	<u>65,293</u>	<u>64,177</u>
Excess (deficiency) of revenues over expenditures	<u>1,117</u>	<u>4,297</u>	<u>10,641</u>	<u>5,126</u>	<u>(1,463)</u>
Other financing sources (uses)					
Transfers in	325	467	183	1,876	27
Transfers out	(1,086)	(513)	(1,264)	(1,379)	(2)
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>(761)</u>	<u>(46)</u>	<u>(1,081)</u>	<u>497</u>	<u>25</u>
Net change in fund balances	<u>\$ 356</u>	<u>\$ 4,251</u>	<u>\$ 9,560</u>	<u>\$ 5,623</u>	<u>\$ (1,438)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Hemet

City of Hemet
 Own Source Revenue
 Governmental Activities Property Tax Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

Fiscal Year	Property Tax
2012	4,611
2013	7,127
2014	5,946
2015	5,381
2016	5,916
2017	6,136
2018	6,804
2019	7,392
2020	7,592
2021	7,650

**Revenues for Fiscal Year 2012/2013 include additional amounts as a result of the RDA Dissolution

City of Hemet
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	City				Redevelopment				Highest Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2012	4,107,678,820	172,163,525	(121,880,603)	4,157,961,742	1,226,300,702	77,049,549	N/A**	1,303,350,251	0.24552
2013	4,115,265,405	183,667,394	(122,849,619)	4,176,083,180	1,238,584,940	78,868,067	N/A**	N/A**	0.24552
2014	4,330,049,882	165,792,295	(133,510,154)	4,362,332,023	1,311,683,769	72,346,441	N/A**	N/A**	0.24552
2015	4,706,629,409	160,264,993	(145,097,337)	4,721,797,065	1,402,028,714	66,989,353	N/A**	N/A**	0.24552
2016	4,989,091,509	157,483,240	(153,462,996)	4,993,111,753	1,472,420,756	64,336,968	N/A**	N/A**	0.24552
2017	5,294,563,351	166,151,715	(159,158,493)	5,301,556,573	1,554,120,090	66,302,157	N/A**	N/A**	0.24552
2018	5,738,442,456	173,750,554	(152,501,372)	5,759,691,638	1,632,333,531	67,103,391	N/A**	N/A**	0.24552
2019	5,891,505,336	190,128,633	(164,926,297)	5,916,707,672	1,709,804,561	78,020,649	N/A**	N/A**	0.24552
2020	6,150,877,556	190,147,395	(169,524,075)	6,171,500,876	1,794,064,122	76,990,710	N/A**	N/A**	0.24552
2021	6,451,235,055	187,135,933	(178,728,139)	6,459,668,559	1,856,098,890	77,009,200	N/A**	N/A**	0.24552

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% 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 reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

**The State of California dissolved all Redevelopment Agencies effective 02/01/2012. All activity for the wind down of the Agencies was moved to a Successor Agency.

Source: Riverside County Auditor-Controller

City of Hemet
Property Tax Rates
Direct and Overlapping Governments
Per \$100 of Assessed Value
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
City Direct Rates:					
City of Hemet Basic Area	0.24552	0.24552	0.24552	0.24552	0.24552
Overlapping Rates:					
Hemet Unified School	0.30653	0.30653	0.30653	0.30653	0.30653
County General	0.25433	0.25433	0.25433	0.25433	0.25433
Eastern Municipal Water District	0.04435	0.04435	0.04435	0.04435	0.04435
Flood control Zone 4	0.03923	0.03923	0.03923	0.03923	0.03923
Riv. Co. Office of Education	0.03641	0.03641	0.03641	0.03641	0.03641
Mt. San Jacinto Junior College	0.03527	0.03527	0.03527	0.03527	0.03527
Eastern Municipal Water Improvement Dist 17	0.01665	0.01665	0.01665	0.01665	0.01665
Valley Wide Recreation & Park District	0.01455	0.01455	0.01455	0.01455	0.01455
San Jacinto Valley Cemetery	0.00458	0.00458	0.00458	0.00458	0.00458
Flood Control Administration	0.00238	0.00238	0.00238	0.00238	0.00238
San Jacinto Basin Resource Conservation	0.00020	0.00020	0.00020	0.00020	0.00020
Proposition 13 Rate	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Bond issues:					
Hemet Unified School District Debt Sv	0.12536	0.12525	0.12502	0.11991	0.13729
Metropolitan Water District Debt Sv	0.0037	0.0035	0.0035	0.0035	0.0035
Total Rate	<u>1.12906</u>	<u>1.12875</u>	<u>1.12852</u>	<u>1.12341</u>	<u>1.14079</u>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for 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 Hemet Unified School District Debt Service and Metropolitan Water District Debt Service. Ratios for tax rate area 006-001, excluding Redevelopment factors

the average tax rate in City of Hemet Basic Area is approximately .17 prior to the ERAF shifts

Source: HDL, Coren & Cone
Riverside County Auditor-Controller

City of Hemet
Property Tax Rates
Direct and Overlapping Governments
Per \$100 of Assessed Value
Last Ten Fiscal Years

	2017	2018	2019	2020	2021
City Direct Rates:					
City of Hemet Basic Area	0.24552	0.24552	0.24552	0.24552	0.24552
Overlapping Rates:					
Hemet Unified School	0.30653	0.30653	0.30653	0.30653	0.30653
County General	0.25433	0.25433	0.25433	0.25433	0.25433
Eastern Municipal Water District	0.04435	0.04435	0.04435	0.04435	0.04435
Flood control Zone 4	0.03923	0.03923	0.03923	0.03923	0.03923
Riv. Co. Office of Education	0.03641	0.03641	0.03641	0.03641	0.03641
Mt. San Jacinto Junior College	0.03527	0.03527	0.03527	0.03527	0.03527
Eastern Municipal Water Improvement Dist 17	0.01665	0.01665	0.01665	0.01665	0.01665
Valley Wide Recreation & Park District	0.01455	0.01455	0.01455	0.01455	0.01455
San Jacinto Valley Cemetery	0.00458	0.00458	0.00458	0.00458	0.00458
Flood Control Administration	0.00238	0.00238	0.00238	0.00238	0.00238
San Jacinto Basin Resource Conservation	0.00020	0.00020	0.00020	0.00020	0.00020
Proposition 13 Rate	1.0000	1.0000	1.0000	1.0000	1.0000
Bond issues:					
Hemet Unified School District Debt Sv	0.12409	0.11019	0.10173	0.11571	0.11876
Metropolitan Water District Debt Sv	0.0035	0.0035	0.0035	0.0035	0.0035
Total Rate	1.12759	1.11369	1.10523	1.11921	1.12226

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for 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 Hemet Unified School District Debt Service and Metropolitan Water District Debt Service. Ratios for tax rate area 006-001, excluding Redevelopment factors

the average tax rate in City of Hemet Basic Area is approximately .17 prior to the ERAF shifts

Source: HDL, Coren & Cone
Riverside County Auditor-Controller

City of Hemet
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago

Taxpayer	2021			2012		
	Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Department of Transportation	\$ 51,462,185	1	0.80%	-		-
Physicians for Healthy Hospitals Inc	48,352,717	2	0.75%	-		-
Granite Village West LP	46,017,517	3	0.71%	-		-
Freedom Properties Hemet	45,974,969	4	0.71%	-		-
Walmart Real Estate Business Trust	41,337,700	5	0.64%	-		-
CBYW Hemet ILF PROPCO LP	38,707,554	6	0.60%	-		-
FFLP CC	33,234,578	7	0.51%	-		-
Providence Hemet Apts	29,025,812	8	0.45%	-		-
MCS Hemet Valley Center	26,883,513	9	0.42%	-		-
Time Warner Cable Pacific West LLC	24,027,254	10	0.37%	-		-
PHH Real Estate	-		-	41,468,000	1	1.00%
Freedom Properties Hemet	-		-	38,808,859	2	0.93%
Grainite Village West LP	-		-	37,960,708	3	0.91%
MCS Hemet Valley Center	-		-	31,998,302	4	0.77%
Walmart Real Estate Business Trust	-		-	27,323,636	5	0.66%
James J. Femino	-		-	25,877,754	6	0.62%
Time Warner NY Cable LLC	-		-	23,541,191	7	0.57%
Deutsch Engineered Connecting Devices	-		-	17,467,356	8	0.42%
John M Sachs Inc	-		-	17,078,334	9	0.41%
Jianna Properties	-		-	16,905,000	10	0.41%
	<u>\$ 385,023,799</u>		<u>5.96%</u>	<u>\$ 278,429,140</u>		<u>6.70%</u>

Source: HDL, Coren & Cone

City of Hemet
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	City Tax Levy	Redevelopment Tax Increment	Successor Agency Tax Increment	Collected within the Fiscal Year of the Levy			Collection of Delinquent taxes	Total Collections to Date	
				City Amount	Redevelopment Amount *	Percentage of Levy		Amount	Percentage of Levy
2012	4,218	10,238	-	4,263	5,997	70.97%	349	4,611	109.32%
2013	4,175	-	10,338	4,524	-	108.36%	337	4,861	116.43%
2014	4,384	-	10,840	4,333	-	98.84%	455	4,788	109.21%
2015	4,722	-	10,589	4,709	-	99.71%	240	4,949	104.79%
2016	4,965	-	10,714	4,960	-	99.89%	280	5,240	105.53%
2017	5,240	-	10,652	5,285	-	100.86%	214	5,499	104.95%
2018	5,514	-	10,683	5,552	-	100.68%	255	5,806	105.30%
2019	5,809	-	10,667	5,896	-	101.50%	193	6,088	104.81%
2020	6,146	-	10,675	6,083	-	98.98%	164	6,247	101.65%
2021	6,373	-	10,671	6,430	-	100.89%	169	6,599	103.54%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increments. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

* The Redevelopment amount is Gross Tax Increment received which includes pass through amounts to other agencies. approximately 43% of the Redevelopment amount collected is available for the Redevelopment Agency

**The State of California dissolved all Redevelopment Agencies effective 02/01/2012. All activity for the wind down of the Agencies was moved to a Successor Agency. Since Successor Agency increment is only enough to cover annual costs of the wind down process, these amounts are excluded from the collection data.

Source: Riverside County Auditor Controller
HDL, Coren & Cone

City of Hemet
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	1999 TAB	2002 TAB	Notes Payable	Water Revenue Bonds	Capital Leases	Certificates of Participation			
2012	-	*	*	-	-	286	-	286	0.02%	4
2013	-	*	*	-	-	153	-	153	0.01%	2
2014	-	*	*	-	-	-	-	-	0.00%	-
2015	-	*	*	-	-	-	-	-	0.00%	-
2016	-	*	*	-	-	-	-	-	0.00%	-
2017	-	*	*	-	-	-	-	-	0.00%	-
2018	-	*	*	-	-	-	-	-	0.00%	-
2019	-	*	*	-	-	-	-	-	0.00%	-
2020	-	*	*	-	-	-	-	-	0.00%	-
2021	-	*	*	-	-	-	-	-	0.00%	-

NOTE:

* 1999 and 2002 Tax Allocation Bonds are no longer reported as part of the primary government.

Sources: City of Hemet Financial Statements
State of California Franchise Tax Board
State Department of Finance

City of Hemet
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Population	General Obligation Bonds	Tax Allocation Bonds	Total	Percentage of Assessed Value *	Per Capita
2012	80,089	-	**	-	0.00%	-
2013	80,877	-	**	-	0.00%	-
2014	81,537	-	**	-	0.00%	-
2015	82,253	-	**	-	0.00%	-
2016	80,070	-	**	-	0.00%	-
2017	81,868	-	**	-	0.00%	-
2018	83,166	-	**	-	0.00%	-
2019	84,754	-	**	-	0.00%	-
2020	85,175	-	**	-	0.00%	-
2021	84,525	-	**	-	0.00%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

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

** 1999 and 2002 Tax Allocation Bonds are no longer reported as part of the primary government.

City of Hemet
Direct and Overlapping Governmental Activities Debt
as of June 30, 2021

2020-2021 Assessed Valuation: \$ 6,461,028,556

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 6/30/21
Metropolitan Water District	\$26,830,000	0.20%	\$ 53,123
Eastern Municipal Water District, I.D. No. 24	196,000	52.489%	\$ 102,878
Eastern Municipal Water District, I.D. No. U12	264,000	2.13%	\$ 5,623
Eastern Municipal Water District, I.D. No. U18	447,000	100.000%	\$ 447,000
Eastern Municipal Water District, I.D. No. U21	130,000	13.62%	\$ 17,706
Mt. San Jacinto Community College District	262,750,000	6.33%	\$ 16,621,565
Hemet Unified School District	198,510,000	51.21%	\$ 101,656,971
San Jacinto Unified School District	61,181,638	6.22%	\$ 3,807,945
Hemet Unified School District Community Facilities District No. 2004-1	2,635,000	100.000%	\$ 2,635,000
Hemet Unified School District Community Facilities District No. 2005-2, 3 & 4	17,620,000	100.000%	\$ 17,620,000
San Jacinto Unified School District Community Facilities District No. 2005-4	6,990,000	29.185%	\$ 2,040,032
Eastern Municipal Water District Community Facilities District No. 2001-02	2,990,000	100.000%	\$ 2,990,000
Eastern Municipal Water District Community Facilities District No. 2004-27	5,857,000	100.000%	\$ 5,857,000
Eastern Municipal Water District Community Facilities District No. 2005-38	2,095,000	100.000%	\$ 2,095,000
Eastern Municipal Water District Community Facilities District No. 2006-56	7,820,000	100.000%	\$ 7,820,000
City of Hemet Community Facilities District No. 1999-1	6,265,000	100.000%	\$ 6,265,000
California Statewide Communities Development Authority Community Facilities District No 2018-2 I.A. No. 1	8,510,000	100.000%	\$ 8,510,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 178,544,844
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$717,525,698	2.063%	\$ 14,802,555
Riverside County Pension Obligations	881,575,000	2.063%	18,186,892
Riverside County Flood Control District, Zone No. 4	10,260,000	10.849%	1,113,107
Hemet Unified School District Certificates of Participation	40,720,000	51.210%	20,852,712
San Jacinto Unified School District Certificates of Participation	41,995,000	6.224%	2,613,769
City of Hemet	0	100.000%	0
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 57,569,036
Less: Riverside County Administrative Center Authority (100% self-supporting from tax increment revenues)			-
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 57,569,036
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
Hemet Redevelopment Agency Tax Allocation Bonds	7,995,000	100.000%	7,995,000
Riverside County Project Areas Tax Allocation Bonds	348,753,028	0.405 - 3.442	3,202,434
TOTAL OVERLAPPING TAX INCREMENT DEBT			11,197,434
TOTAL DIRECT DEBT			\$0
TOTAL GROSS OVERLAPPING DEBT			247,311,313
TOTAL NET OVERLAPPING DEBT			247,311,313
GROSS COMBINED TOTAL DEBT			\$ 247,311,313 (2)
NET COMBINED TOTAL DEBT			\$ 247,311,313

(1) 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 taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2020-21 Assessed Valuations:

Total Overlapping Tax and Assessment Debt	2.76%
Total Direct Debt	0.00%
Gross Combined Total Debt	3.83%
Net Combined Total Debt	3.83%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$1,680,720,116):

Total Overlapping Tax Increment Debt	0.67%
--------------------------------------	-------

Source: California Municipal Statistics, Inc.

City of Hemet
Legal Debt Margin Information
Last Ten Years

	2012	2013	2014	2015	2016
Debt Limit	\$ 155,923,565	\$ 156,603,119	\$ 163,587,451	\$ 171,057,453	\$ 181,336,069
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 155,923,565</u>	<u>\$ 156,603,119</u>	<u>\$ 163,587,451</u>	<u>\$ 171,057,453</u>	<u>\$ 181,336,069</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2021:

Assessed Value	\$ 6,272,506,916
Debt limit (3.75% of assessed value)	<u>\$ 235,219,009</u>
Debt applicable to limit: General obligation bonds	<u>\$ 235,219,009</u>
Legal debt margin	<u>\$ 235,219,009</u>

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentage presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: Riverside County Assessor's Office

City of Hemet
 Legal Debt Margin Information
 Last Ten Years

	2017	2018	2019	2020	2021
Debt Limit	\$ 192,577,682	\$ 203,270,441	\$ 214,746,714	\$ 224,300,756	\$ 235,219,009
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 192,577,682</u>	<u>\$ 203,270,441</u>	<u>\$ 214,746,714</u>	<u>\$ 224,300,756</u>	<u>\$ 235,219,009</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2021:

Assessed Value

Debt limit (3.75% of assessed value)

Debt applicable to limit:
 General obligation bonds
 Legal debt margin

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentage presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: Riverside County Assessor's Office

City of Hemet
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds*				Water Revenue Bonds					
	Net Tax Increment	Debt Service		Coverage	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest					Principal	Interest	
2012	1,401	405	676	1.30						
2013	1,033	420	658	0.96						
2014	723	445	639	0.67						
2015	992	465	619	0.92						
2016	956	580	359	1.02						
2017	1,693	470	411	1.92						
2018	935	485	394	1.06						
2019	905	505	375	1.03						
2020	899	530	365	1.00						
2021	962	545	330	1.10						
					Water Revenue Bond paid off in Fiscal year ending 6/30/2009					
					-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-

* 1999 and 2002 Tax Allocation Bonds are no longer reported as part of the primary government.

Source: City of Hemet Financial Statements

City of Hemet
Demographic and Economic Statistics
Last Ten Years

Calendar Year	Population (1)	Personal Income (2) (in thousands) Local Area Zip Codes	Per Capita Personal Income Local Area Zip Codes	Unemployment Rate (3)
2012	80,089	1,477,935 (4)	18,454	14.30%
2013	80,877	1,475,417 (4)	18,243	12.80%
2014	81,537	1,535,426 (4)	18,831	10.70%
2015	82,253	1,484,696 (4)	18,050	9.70%
2016	80,070	1,777,480 (4)	22,199	8.70% (3)
2017	81,868	1,855,529 (4)	22,665	7.80% (3)
2018	83,166	2,022,498 (4)	24,319	5.60% (3)
2019	84,754	2,125,464 (4)	25,078	5.10% (3)
2020	85,175	- *	- *	13.60% (3)
2021	84,525	- *	- *	10.40% (3)

*2020 and 2021 Personal Income Data is not yet available as of September 28, 2021.

- Sources:
- 1 State Department of Finance (data shown is for City of Hemet)
 - 2 Franchise Tax Board Adjusted Gross Income for zip codes 92543, 92544, 92545
 - 3 California Labor Market Info, State and Local Info (data shown is for City of Hemet)
 - 4 Franchise Tax Board Information is based upon calendar year. This statistical information became available beginning in 2005.

City of Hemet
Principal Employers
2021

Employer	Number of Employees	Percent of Total Employment
Hemet Unified School District	4,216	15.70%
Physicians For Healthy Hospitals	930	3.46%
County of Riverside (Various service centers)	673	2.51%
Walmart Supercenter	372 *	1.39%
Gosch Ford, Toyota, Hyundai & Inland Chevrolet	331	1.23%
City of Hemet	273	1.02%
Forest River, Inc.	257	0.96%
Village Healthcare Retirement	200	0.74%
Home Depot	200	0.74%
Manorcare Health Services	176	0.66%
McCrometer, Inc.	156	0.58%
American Medical Response	155	0.58%
Winco Foods	152	0.57%
Target	150	0.56%
Lowe's	134	0.50%
Stater Bros	100	0.37%

* Number of Employees for Employers are estimates from prior years
Current year data not available.

Source: City of Hemet Telephone Survey
California Labor Market Info, Data Library

Numbers are approximate per their Human Resources Department

City of Hemet
 Full-time and Part-time City Employees
 by Function
 Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016
General Government	30	30	29	31	33
Community Development (Building, Planning, Engineering)	38	35	35	28	27
Library	13	13	12	12	12
Police					
Sworn	54	61	61	70	63
Non-sworn	27	28	28	29	29
Fire					
Firefighters and Officers	48	44	44	39	39
Civilians	1	3	3	2	2
Public Works					
Water	16	19	18	18	21
Sewer/Storm Drain/Street Sweeping	4	4	4	4	4
Refuse	2	1	1	0	0
Streets, Parks, LLMD	33	32	33	31	31
Facility & Equipment Maintenance	11	11	11	11	10
Clean City Youth	5	4	4	0	0
Administration	7	5	8	5	5
TOTAL	289	290	291	280	276

Source: City of Hemet Payroll Process
 Report - Active Employees

City of Hemet
 Full-time and Part-time City Employees
 by Function
 Last Ten Fiscal Years

Function	2017	2018	2019	2020	2021
General Government	30	30	24	30	34
Community Development (Building, Planning, Engineering)	28	30	22	20	21
Library	13	12	12	9	9
Police					
Sworn	75	90	70	70	71
Non-sworn	35	41	35	33	31
Fire					
Firefighters and Officers	42	58	49	49	47
Civilians	3	3	3	2	2
Public Works					
Water	20	19	14	15	15
Sewer/Storm Drain/Street Sweeping	8	9	6	10	16
Refuse	0	0	0	0	0
Streets, Parks, LLMD	31	29	28	16	15
Facility & Equipment Maintenance	11	12	10	9	7
Clean City Youth	0	0	0	0	0
Administration	4	6	6	4	5
TOTAL	300	339	279	267	273

Source: City of Hemet Payroll Process
 Report - Active Employees

City of Hemet
Operating Indicators
by Function
Last Ten Fiscal Years

Function:	2012	2013	2014	2015	2016
Police					
Calls for Service (1)	44,508	45,507	70,599	25,000	52,346 *
Arrests (1)	3,860	2,468	3,222	2,109	3,433 *
Sworn Officer's per 1000 population	0.87	0.87	0.86	0.85	0.87 *
Fire					
Calls for Service (1)	12,850	11,922	13,613	15,693	12,672 *
Fire/Explosion (included in total above)	228	224	254	286	255 *
Medical Aid (included in total above)	10,802	10,064	11,383	15,407	10,816 *
Community Development					
Permits: Single Family + Mobile set up	21	93	127	120	80
Conditional Use Permits applied/approved	7/4	8/4	9/2	9/11	13/6 *
Site Development Reviews applied/approved	3/1	9/7	5/4	5/4	7/4 *
Library					
Number of items checked out	428,601	381,047	360,792	451,956	430,614 *
Number of Cardholders	112,000	128,209	133,366	138,244	110,629 *
Total items in collection	106,211	92,680	104,977	94,434	98,114 *
Simpson Senior Center					
Citizens served through:					
Simpson Center	N/A	N/A	N/A	N/A	N/A
Lunch Program	N/A	N/A	N/A	N/A	N/A
Prime of Life	N/A	N/A	N/A	N/A	N/A
Public Works					
Trees trimmed	2,117	2,400	1,300 **	1,000	1,800
Poured Sidewalk (sq ft)	164,920	178,742	70,190	100,000	12,000
Asphalt remove and replace (sq ft)	66,234	73,266	1,358,833	1,000,000	158,000
Striping painted (linear ft)	1,056,000	N/A	1,000,000 **	N/A	850,000
Equipment CHP 90 day inspections/maint	N/A	N/A	116	112	124
Equipment light duty preventative maint	N/A	N/A	858	864	766
Buildings maintained (sq ft)	285,907	285,907	285,907	285,907	285,907
Miscellaneous service requests	4,753	4,800	1,500 **	2,789	3,893 *
Refuse collected:					
Commercial tons	7,052	-	-	-	-
Residential tons	12,915	-	-	-	-
Roll-off tons	3,541	-	-	-	-
Green Waste tons	2,988	-	-	-	-
Commingled Recyclable tons	912	-	-	-	-
Cardboard tons	619	-	-	-	-
Water					
Number of active accounts	9,112	9,214	9,075	7,761	9,304
Water introduced into the System (acre ft)	4,484	3,953	4,597	5,262	3,539
1 acre foot=325.851 gallons					

* These numbers are estimated from historical data. Data was not available.

** These numbers are estimated. The estimates for FY13/14 are due to a change in software used to track Service Orders in various Public Works In Fiscal Year 09/10, the City contracted with YMCA and most currently Valley Wide Recreation to run the Simpson Center and all services associated with it.

***Water introduced into the System for calendar year is through October 2020.

N/A is data that was not available

Source: Various departments within City of Hemet

City of Hemet
Operating Indicators
by Function
Last Ten Fiscal Years

Function:	2017	2018	2019	2020	2021
Police					
Calls for Service (1)	79,101 *	81,566	82,298	82,027	78,286
Arrests (1)	2,593 *	3,339	4,357	2,637	3,077
Sworn Officer's per 1000 population	0.86 *	0.84	0.83	0.82	0.83
Fire					
Calls for Service (1)	17,946 *	16,918	17,976	17,656	17,666
Fire/Explosion (included in total above)	761 *	333	557	596	517
Medical Aid (included in total above)	13,867 *	13,958	14,659	14,317	14,159
Community Development					
Permits: Single Family + Mobile set up	2	62	55	97	246
Conditional Use Permits applied/approved	6/6 *	6/5	13/11	8/4	14/7
Site Development Reviews applied/approved	3/3 *	7/10	6/3	11/6	23/11
Library					
Number of items checked out	680,326 *	447,775	532,834	481,709	99,018
Number of Cardholders	149,965 *	152,164	153,527	145,736	116,189
Total items in collection	101,451 *	90,082	105,498	519,774	790,591
Simpson Senior Center					
Citizens served through:					
Simpson Center	N/A	N/A	N/A	N/A	N/A
Lunch Program	N/A	N/A	N/A	N/A	N/A
Prime of Life	N/A	N/A	N/A	N/A	N/A
Public Works					
Trees trimmed	1,750	1,750 *	1,600	1,595	1,649
Poured Sidewalk (sq ft)	38,050	55,000 *	26,283	72,150	17,000
Asphalt remove and replace (sq ft)	N/A	N/A	80,882 *	1,265,000	695,246
Striping painted (linear ft)	N/A	N/A	-	-	558,876
Equipment CHP 90 day inspections/maint	124	128	112	124	281
Equipment light duty preventative maint	811	897	774	714	918
Buildings maintained (sq ft)	285,907	285,907	285,907	285,907	285,907
Miscellaneous service requests	1,290 *	1,318	1,459	1,600	1,536
Refuse collected:					
Commercial tons	-	-	-	-	-
Residential tons	-	-	-	-	-
Roll-off tons	-	-	-	-	-
Green Waste tons	-	-	-	-	-
Commingled Recyclable tons	-	-	-	-	-
Cardboard tons	-	-	-	-	-
Water					
Number of active accounts	9,317	9,226	9,171	9,171	9,815
Water introduced into the System (acre ft)	3,784	3,847	3,512	3,195 ***	3,374
1 acre foot=325.851 gallons					

* These numbers are estimated from historical data. Data was not available.

** These numbers are estimated. The estimates for FY13/14 are due to a change in software used to track Service Orders in various Public V In Fiscal Year 09/10, the City contracted with YMCA and most currently Valley Wide Recreation to run the Simpson Center and all services as ***Water introduced into the System for calendar year is through October 2020.

N/A is data that was not available

Source: Various departments within City of Hemet

City of Hemet
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	5	5	5	5	5	5	5
Recreation and Culture:										
Number of parks	10	10	10	12	12	12	12	12	12	12
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	106,211	92,680	104,977	111,149	88,756	80,115	80,115	80,115	85,438	92,037
Public Works:										
Area of City (square miles)	26	26	26	28	28	28	28	28	28	29
Miles of Streets	360	360	360	360	360	360	360	360	360	360
Number of Street lights	3,600	3,600	3,600	3,600	3,600	5,479	5,479	5,479	4,249	4,249
Number of water accounts	9,112	9,214	9,075	7,760	9,304	9,317	9,226	9,171	9,171	9,815
Miles of water mains	120	120	120	120	120	130	130	130	132	132
Number of vehicles (city wide)	257	238	227	314	320	314	337	351	354	347

N/A = not available
Source: Various City Departments

City of Hemet
Water, Refuse and Sewer Rates
Last Ten Years

Effective	7/1/2012 Bimonthly	7/1/2013 Bimonthly	7/1/2014 Bimonthly	7/1/2015 Bimonthly	7/1/2016 Monthly	7/1/2017 Monthly	7/1/2018 Monthly	7/1/2019 Monthly	7/1/2020 Monthly	7/1/2021 Monthly
Water										
Low Water Usage Rates										
0-1000 CF	\$ 56.00	\$ 56.00	\$ 56.00	\$ 56.00	N/A	N/A	N/A	N/A	N/A	N/A
Normal Water Usage Rates										
Base Water Rates										
5/8" Meter	42.28	42.28	42.28	42.28	24.95	26.25	27.55	30.15	30.15	30.15
3/4" Meter	45.58	45.58	45.58	45.58	27.26	28.87	30.49	33.81	33.81	33.81
1" Meter	54.58	54.58	54.58	54.58	32.83	34.86	36.93	41.16	41.16	41.16
2" Meter	141.50	141.50	141.50	141.50	81.02	85.25	89.47	97.91	97.91	97.91
Consumption Water Rates per 100 CF										
0-600 CF	2.30	2.30	2.30	2.30	6.25	4.41	4.54	4.79	4.79	4.79
'601-1200 CF	2.50	2.50	2.50	2.50	6.25	4.41	4.54	4.79	4.79	4.79
'1201-over CF	2.88	2.88	2.88	2.88	6.25	4.41	4.54	4.79	4.79	4.79
Refuse										
Standard cart (60 gallon)	30.70	-	-	-	-	-	-	-	-	-
Large cart (90 gallon)	36.50	-	-	-	-	-	-	-	-	-
Sewer										
City sewer and storm drain	15.04	15.04	15.04	15.04	10.30	10.80	11.30	11.30	11.30	11.30

The City of Hemet has a Franchise Agreement in place with CR&R for Refuse services. The City stopped providing Refuse services on 11/30/2011.

Source: City of Hemet Water Department

City of Hemet
 Water Sold by Type of Customer
 Last Ten Years
 (in 100 Cubid Feet)

Type of Customer	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021*
Single Family Residential	807,603	787,091	636,811	639,159	734,462	619,717	631,454	617,295	566,067	587,959
Multi-Family Residential	551,677	522,196	491,472	436,877	428,529	458,262	467,488	450,826	404,052	419,053
Commercial/Institutional	475,449	328,247	454,675	351,109	375,643	529,217	397,603	342,816	303,233	339,598
Landscape Irrigation	230,049	264,334	131,711	114,399	109,508	82,723	116,710	118,988	118,251	123,084
Total	2,064,778	1,901,868	1,714,669	1,541,545	1,648,142	1,689,919	1,613,256	1,529,926	1,391,602	1,469,694

Source: City of Hemet Water Department
 *2020 and 2021 data provided is through October