

# CITY OF WILDOMAR, CA

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016



**CITY OF WILDOMAR, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2016**

**Prepared By:**  
**The City of Wildomar**  
**Finance Department**



**City of Wildomar  
Comprehensive Annual Financial Report  
Year Ended June 30, 2016**

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**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2016**

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# *Introductory Section*



Timothy Walker, Mayor  
Ben Benoit, Mayor Pro Tem  
Bridgette Moore, Council Member  
Dustin Nigg, Council Member  
Marsha Swanson, Council Member



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Honorable Mayor, City Council,  
And Citizens of the City of Wildomar  
City of Wildomar  
Wildomar, CA 92595

January 23, 2017

## **Letter of Transmittal Fiscal Year 2015-16 Comprehensive Annual Financial Report (CAFR)**

Dear Honorable Mayor, Council Members and Wildomar Citizens,

I am pleased to present the Fiscal Year 2015-16, Comprehensive Annual Financial Report for the City of Wildomar, California for the fiscal year ended June 30, 2016.

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

State Law and the City's Municipal Code require that an annual financial report is prepared. This report fulfills that obligation. It has been prepared in conformity with generally accepted accounting principles (GAAP) and with the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB).

The City of Wildomar's financial statements have been audited by Teaman, Ramirez & Smith, Inc., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Wildomar for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative of introductions, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Wildomar's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

## **Profile of the Government**

The area of Wildomar located in southwest Riverside County, incorporated as a City, July 1, 2008. This newly incorporated city is approximately 70 miles north of San Diego and 60 miles southeast of Los Angeles. The City boundaries encompass 24 square miles providing a "Community Ranch" lifestyle for its 35,168 residents.

The City Council consists of 5 Council Members, elected by district on a no-partisan basis and annually select amongst them, a Mayor and Mayor Pro Temp. Bi-annual elections are held in November. The terms of office are 4 years but are overlapping so that the City is provided with a continuity of knowledge in the City business and legislative matters.

The Wildomar Cemetery District (District) was consolidated into the City of Wildomar as a subsidiary district on November 9, 2011. As a result the structure of the District is a separate legal entity and the City Council of the City of Wildomar oversees the operations of the District acting as the Board of Trustees.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Wildomar's City Council is financially accountable. The City provides the full range of municipal services normally associated with a municipality including general administration, police and fire protection, the construction and maintenance of streets, and related infrastructure, recreational activities and economic development.

The Wildomar Cemetery District is a component unit of the City of Wildomar. The operations of the District are discretely presented in the financial statements. A component unit financial statement may be obtained from the City.

The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as the appointment of members of various statutory and advisory boards and the City Manager and City Attorney. As Chief Administrative Officer, the City Manager has the responsibility of administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the Council.

## **The Budget Process**

The City Council adopted a Biennial budget for Fiscal Years 2015/16 and 2016/17 at a Public Hearing held on June 24, 2015. Since that adoption date, several changes have occurred through FY 2015/16 Quarterly Budget Reviews.

The biennial budget serves as the foundation for the City of Wildomar's financial planning and control. The development of the budget is completed as two separate projects: the development of the governmental activities program budget, and the development of the capital improvement program focusing on longer term capital projects.

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

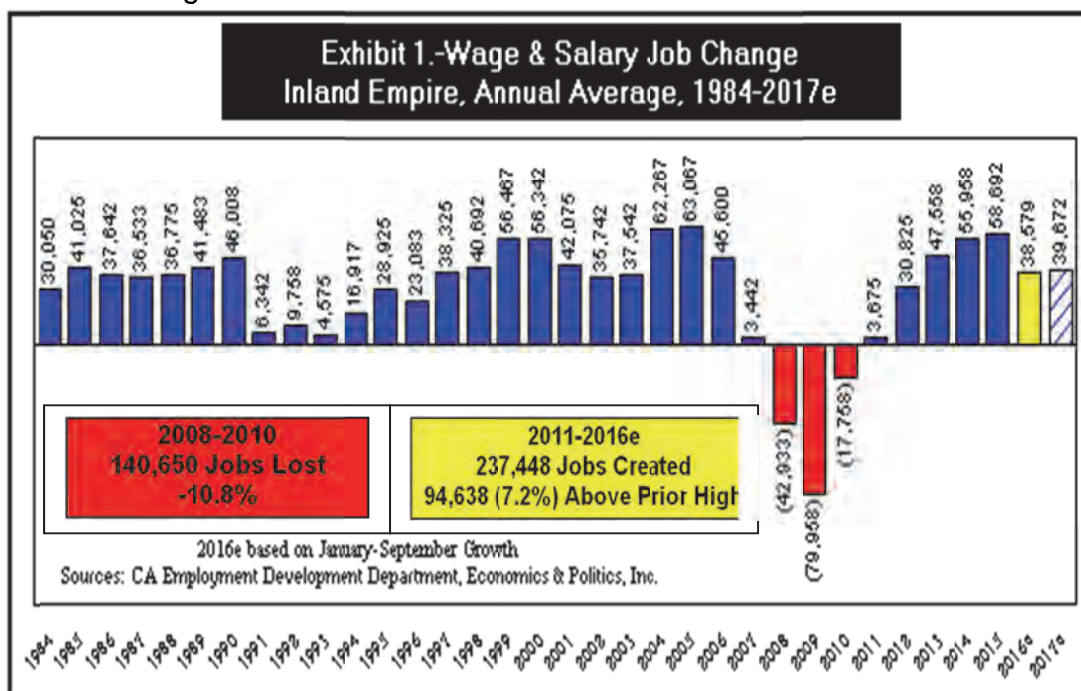
The Ad-Hoc Finance Committee meets with the City Manager at a workshop in mid-April. The City Manager presents the proposed budget for all governmental activities to the City Council at the first Council meeting in June for review. The City Council is required to hold a public hearing on the proposed budget which is generally held at the June meeting. The governmental activities budget is generally adopted at the Council meeting in June.

## **Factors Affecting Financial Condition**

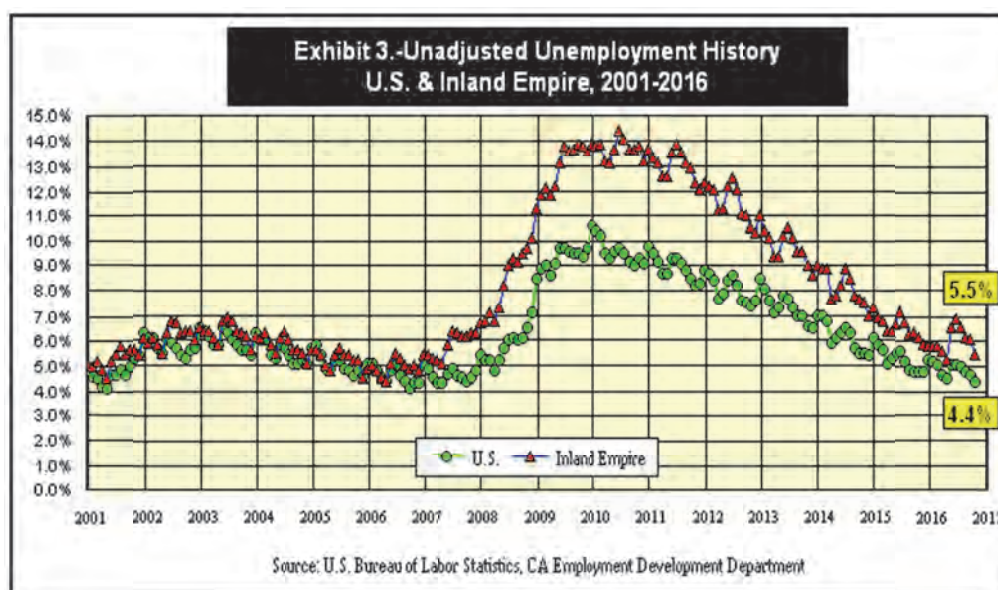
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Wildomar operates.

## Local Economy

The City of Wildomar, in its eighth year of incorporation, is experiencing modest growth. Property valuations are increasing and the City has several new development projects. Job growth has been increasing at a good pace and this is good news for the City. In the period of 2011 to 2017, the Inland Empire has gained back 237,448 jobs vs. 140,650 lost during the Great Recession.

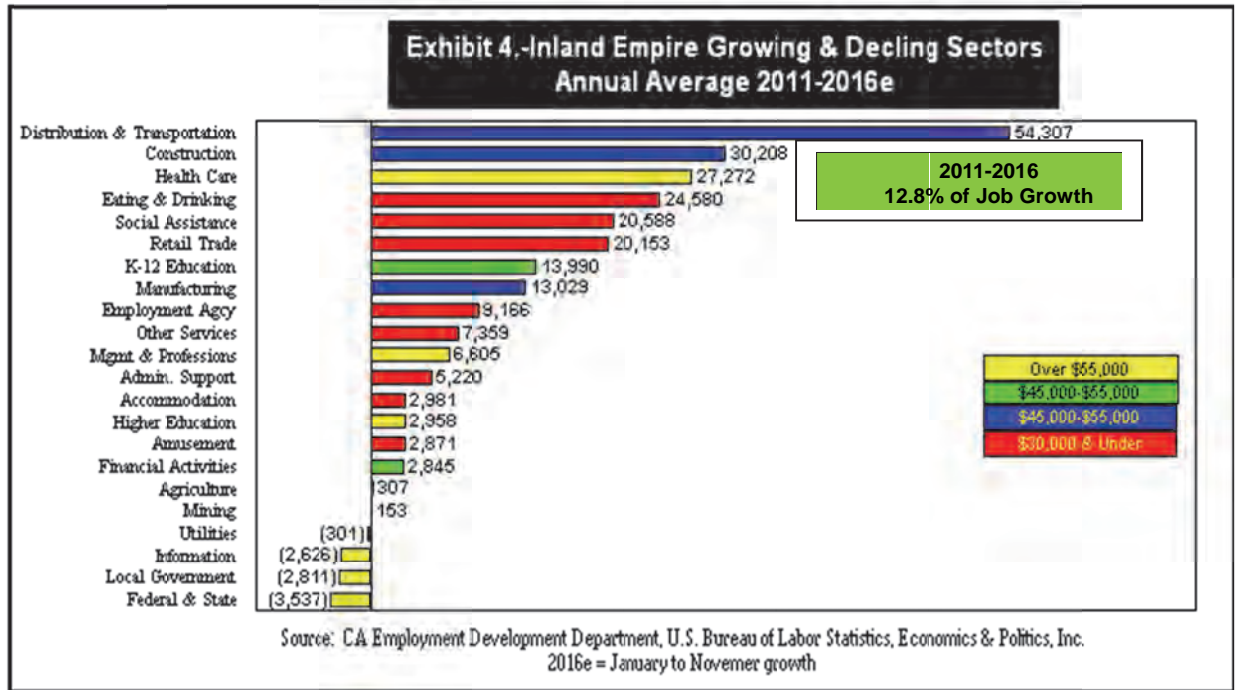


Also, the unemployment rate in the Inland Empire is closing in on the national level.

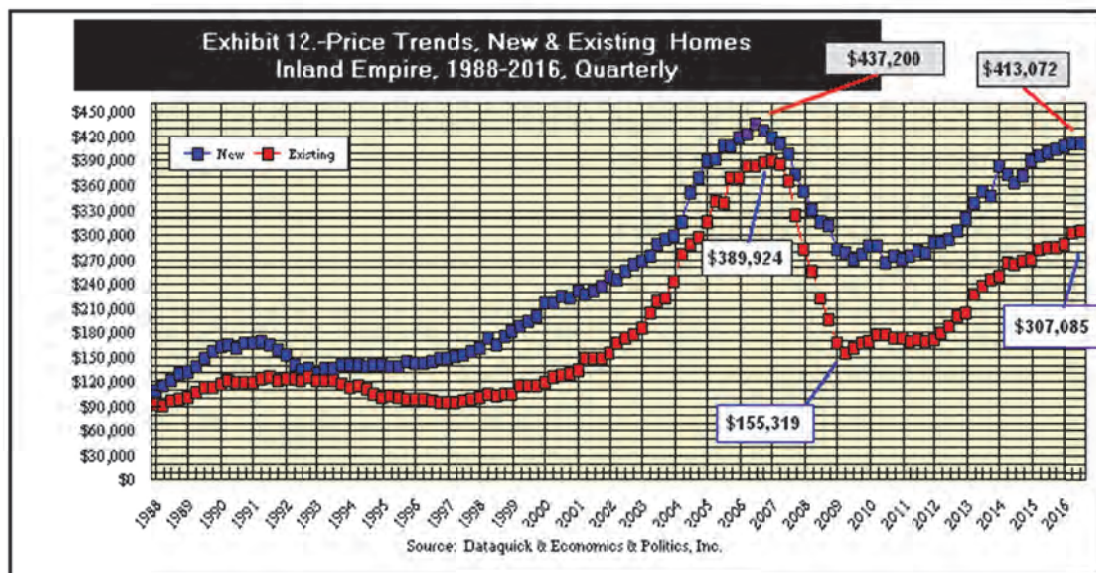


Another indicator of growth in the region is the return of construction. Construction jobs have experienced a 12.8% job growth from 2011 to 2016.

## Inland Empire Construction Jobs



Home prices are continuing to increase, although they have not returned to pre-recession numbers.



The increase in new construction has increase building permits valuation back to 1999 levels

## Building Permit Valuation Back to 1999



These positive changes in the region have had a good effect on the City of Wildomar. Some examples are as follows: Building permits for fiscal year 15/16 compared to fiscal year 14/15 have increased 87%, 1685 permits vs. 902 permits. Assessed valuations of property also increased from \$2.6 billion in fiscal year 14/15 to \$2.8 billion in fiscal year 15/16, an increase of approximately 8%.

This year's budget for FY 2015-16 is year one of the City's second two year budget program. At fiscal year end the General Fund revenues and transfers of \$10.2 million exceeded expenditures and prior period adjustments of \$10.0 million by \$0.2 million, resulting in a year end fund balance of \$957,687. The General Fund revenues were \$1.1 million more than the final budgeted revenues. The Licenses and permits revenue, which are related to development activity, accounted for \$1.0 million of the increase. The General Fund expenditures were \$0.6 million higher than the final budget primarily due to the increase in development activity.

## State of California.....Fiscal Impacts Continue

It has been five years since June 8, 2011, when the City Council adopted the fiscal year 2011-12, Operating Budgets for the City of Wildomar. It was a modest,

conservative and balanced budget totaling \$8.2 million. Shortly before its scheduled July 1, 2011, implementation, Governor Brown, on the eve of June 30, 2011, approved Senate Bill (SB) 89.

SB 89, was a last-minute budget trailer bill that among other impacts, eliminated \$130 million in California cities Motor Vehicle License Fee (MVLFF) general fund revenues. Specifically, the approval of SB89 by Governor Brown, directed the taking of \$1,782,000 (22%) of budgeted revenues away from the City of Wildomar's \$8,246,100 general fund revenue budget.

Governor Brown has consistently vetoed legislation that would correct this fiscal injustice. Despite the Governor's resistance to the City's incorporation, the City of Wildomar will add \$184,627 to the General Fund balance for fiscal year 2015/16.

During fiscal year 2015-16, the City's loan with Riverside County for \$1.2 million related to municipal level services provided during the transition year (July 1, 2008 through June 30, 2009) of the City's incorporation was forgiven. On September 22, 2015, SB 107 was signed into law providing for the forgiveness of debts owed to the County of Riverside. This resulted in an annual reduction of debt service of \$100,000.

## **Current Year Initiatives**

In spite of these fiscal issues outside of the City's direct control, management continued to move the city forward with City and organizational-wide initiatives such as:

- Continue to work with other newly incorporated cities to seek fiscal relief from the State of California's taking of the Motor Vehicle License Fee revenues.
- Continue seeking opportunities to enhance street sweeping programs, mass transit facilities, traffic control, dirt road improvements, dust control trails improvement and drainage enhancements.
- Increase Police Services.
- Continued transition of County of Riverside Transportation Uniform Mitigation Fee (TUMF) capital projects to the City including Bundy Canyon Road, Grand Avenue, and Clinton Keith Widening Project.
- Maintain City infrastructure and road improvements.

## **Long-term financial planning and initiatives**

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

## Relevant financial policies

The City has a set of financial policies that it abides by and is continually enhancing and adding relevant policies as it develops its formal financial systems. Initially following incorporation, the City adopted all of the County's policies/codes. As the City develops its own unique needs, it will continue to create and tailor these former County policies to directly address the City's goals.

## Concluding remarks

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wildomar for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. In order to receive a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. We believe the City's current CAFR meets the program requirements of the Certificate of Achievement and we are submitting it to the GFOA to determine its eligibility for the award.

In closing, I'd like to state that the preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance, public works, planning and administration departments. I would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Recognition is also extended to Teaman, Ramirez and Smith Inc.'s audit management team, for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards. Credit also must be given to the Mayor and City Council for their support for striving to have the highest standards of professionalism in the management of the City of Wildomar's finances.

Sincerely,

  
James R. Riley  
Finance Director

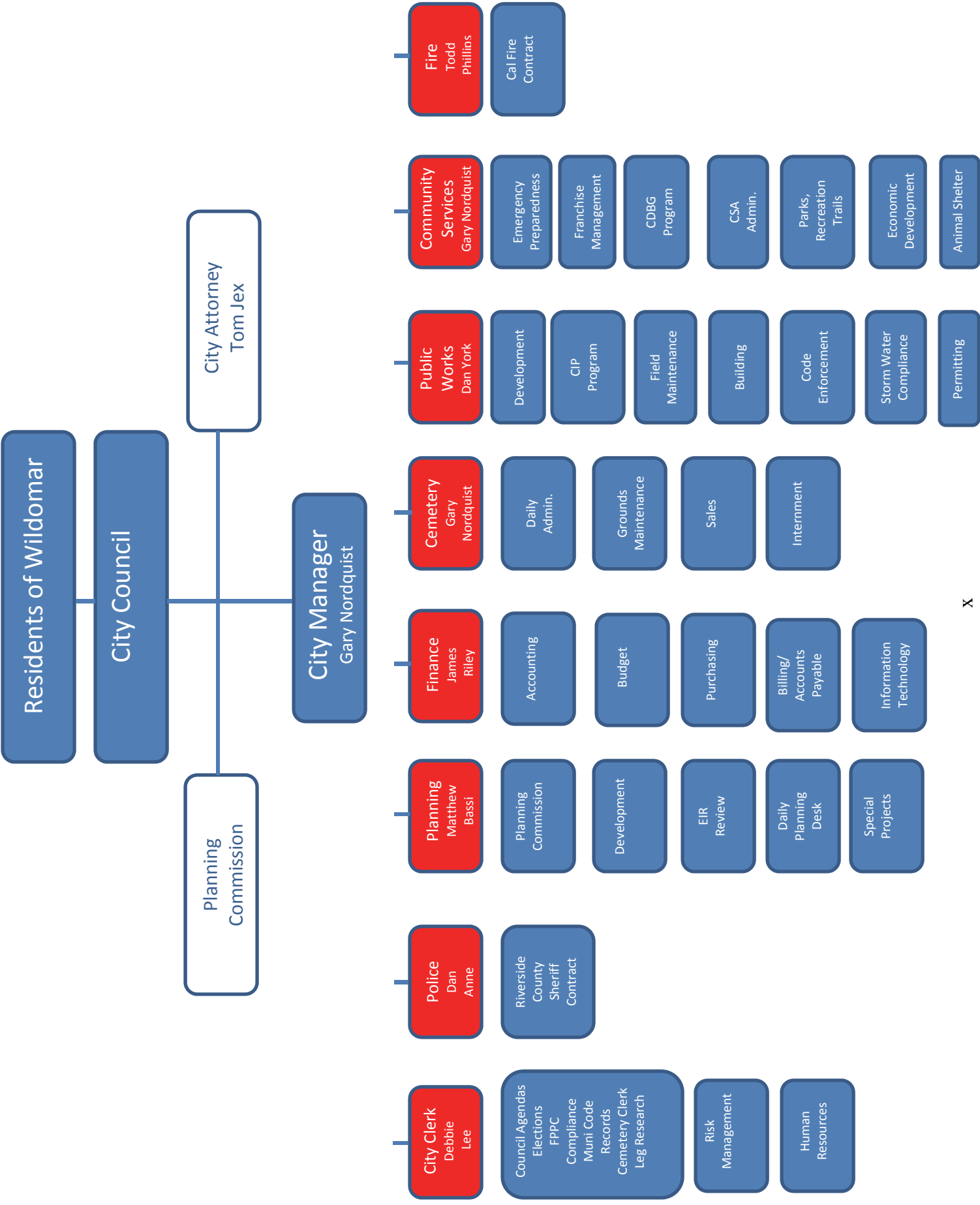
# STAFF DIRECTORY

## EXECUTIVE MANAGEMENT:

City Manager.....	<i>Gary Nordquist</i>
Assistant City Manager.....	<i>Dan York</i>
City Clerk.....	<i>Debbie Lee</i>
City Attorney.....	<i>Thomas Jex</i>
Finance Director.....	<i>James Riley</i>
Planning Director.....	<i>Matt Bassi</i>
Public Works Director/City Engineer.....	<i>Dan York</i>
Cemetery Operations Manager.....	<i>Kirk Schrader</i>
Chief of Police.....	<i>Dan Anne</i>
Fire Chief.....	<i>Todd Phillips</i>

## CITY OF WILDOMAR CAFR TEAM:

Finance Director.....	<i>James Riley</i>
Accounting Manager.....	<i>Terry Rhodes</i>
Project Accountant.....	<i>Sherri Stanton</i>





## **City of Wildomar City Council and Wildomar Cemetery District**

**Timothy Walker, Mayor/Chair, District 3**

**Ben Benoit, Pro Tem/Vice Chair, District 1**

**Bridgette Moore, Council Member/Trustee, District 4**

**Marsha Swanson, Council Member/Trustee, District 5**

**Dustin Nigg, Council member/Trustee, District 2**

**City Manager/General Manager**

**Gary Nordquist**

**City Attorney/District Counsel**

**Thomas Jex**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Wildomar  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO





## INDEPENDENT AUDITORS' REPORT

City Council  
City of Wildomar  
Wildomar, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wildomar, California (the "City") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wildomar, California, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

#### *Change in Accounting Principle*

As described in Note 1c to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 through 14 and 51 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Jeaman Ramirez & Smith, Inc.*

Riverside, California

January 30, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2016

As management of the City of Wildomar, we offer readers of the City of Wildomar's financial statements this narrative overview and analysis of the financial activities of the City of Wildomar for its eighth fiscal year of operation which ended June 30, 2016. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through viii of this report and with the City's financial statements which follow this discussion.

### **THE FINANCIAL HIGHLIGHTS**

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the City's operating results. You can think of the City's net position, as measured in the Statement of Net Position, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do.

- The assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2016, by \$28.4 million (net position).
- The City of Wildomar's total net position increased by \$1.9 million. The primary increase is related to an increase of \$1.5 million in unrestricted net position and \$0.4 million increase in net investment in capital assets.
- During fiscal year 2015-16, the loan for transition year services from Riverside County of \$1.2 million was forgiven. On September 22, 2015, SB 107 was signed into law providing for the forgiveness of debts owed to the County of Riverside for all newly incorporated cities. This forgiveness is reflected as a special item in the Statement of Activities.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

### Government-wide financial statements

As previously discussed, government-wide financial statements detail all capital assets, including infrastructure, depreciation, and long-term debt. Specifically, these statements are designed to provide an expansive overview of the City's finances. Given its scope and in an effort to adequately present this data in a comprehensible format, the government-wide financial statements are divided into two subcategories, the Statement of Net Position and the Statement of Activities. These statements reasonably provide long and short-term information regarding the City's financial condition.

The City's statements provide a manageable yet comprehensive view of the City's economic position, appropriately accounting for all revenue and expenses during the specified fiscal year. To accomplish this, government-wide financial statements are reported utilizing the flow of economic resources (cost of services) measurement focus and the accrual method of accounting. Using the flow of economic resources measurement focus allows the City to provide financial transparency insofar as all assets and liabilities are listed on the Statement of Net Position. The added use of the accrual basis of accounting allows the City a 'real-time' advantage as revenues are recognized when earned and expenses are recognized when incurred.

*The Statement of Net Position* outlines the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. While fluctuations are expected, over time increases or decreases in the City's net position could be used to gauge the City's financial standing in order to ascertain whether it is improving or deteriorating.

The *Statement of Activities* demonstrates how the City's net position evolves during the current fiscal year. Specifically, this statement provides comparative analysis between direct expenses and program revenues for each functional activity of the City.

In this format, net position changes are recorded in real time when triggered by underlying events without respect to the timing of the related cash flows. Because of this, it is expected that revenue and expenses for some items (such as uncollected taxes and earned but unused vacation leave) will result in recorded cash flows in future fiscal periods.

Combined, the *Statements* reveal functions of the City that can be divided into two categories:

- 1) Governmental activities, and
- 2) Business-type activities.

Governmental activities are chiefly supported by:

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

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

The City does not have any business-type activities.

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

## Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wildomar, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Specifically, these Fund Financial Statements cover segregated groupings of related accounts whose funds have been designated for specific activities or purpose. They provide a detailed accounting of revenue and expenditures, assets, liabilities, deferred inflows of resources, and remaining fund balances for each fund. This helps to ensure and demonstrate finance related legal compliance.

Fund financial statements differ from activity reports due to the way capital outlay, depreciation, long-term debt, compensated absences, deferred revenues, and intergovernmental receivables are reported. The impact of these differences is laid out in the notes accompanying the financial statements.

Funds required by State law (i.e., Highway Users Tax) are part of the fund financial statements. Likewise, other funds (i.e., Developer Impact Fees, and Grants) established to provide the City with tighter fiscal controls and accountability are itemized on these statements.

### ***Governmental funds***

*Governmental funds* are reported in essentially the same way as governmental activities in the government-wide financial statements with an exception---governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources. This means governmental fund financial statements identify current sources and uses of money within the immediate fiscal year. Benefits derived include a detailed *short-term view* of the City's general government operations and the basic services it provides, which assist in determining whether there are sufficient financial resources available to meet the City's current needs.

Since the scope of the governmental funds is different than that of the government-wide financial statements, it is beneficial to comparatively examine information presented for the governmental funds with information presented for governmental activities in the government-wide financial statements.

The reader gains a clearer picture of the long-term impacts current financial decisions might yield. When examined together, the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide the

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

The City of Wildomar maintains 30 individual governmental funds. Information is summarized in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Funds and Other Governmental Funds (Community Service Areas and Landscape Maintenance District). Data from the 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the major and non-major governmental funds is provided in the form of *combining statements* later in this report.

*Proprietary funds* record revenues when they are earned and record expenses at the time liabilities are incurred. Proprietary funds can be divided into two fund types: enterprise funds and internal service funds. Enterprise funds display financial activities operating in a similar fashion to a business enterprise. Specifically, these funds account for services for which the City charges a user fee. Enterprise funds are documented in the business-type activities section of the governmental-wide financial statements. They account for operations that provide services primarily to customers outside the financial reporting entity (the City). The City of Wildomar does not have any Proprietary Funds to report.

*Internal service funds* are generally used to accumulate and allocate costs internally among the City's various functions. These funds might include general benefits and insurance, duplicating and printing, office maintenance, architectural services, and information technology, to name a few. Given these services largely benefit governmental activities rather than business-type functions, City services that might ordinarily be reported in this area have been included with governmental activities in the government-wide financial statements. The City of Wildomar does not have any Internal Service Funds to report.

The City of Wildomar adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

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

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found in the Table of Contents under the heading Notes to Financial Statements.

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

In addition to the basic financial statements and included within the notes, this report also presents Required Supplementary Information and Supplementary Information.

Required supplementary information includes budgetary comparison schedules for the major governmental funds to demonstrate compliance with the annual budget as adopted and amended, miscellaneous plan information, schedule of funding process and notes to required supplementary information. Required Supplementary Information can be found following the Notes to the Basic Financial Statements.

Supplementary Information includes combining statements referred to earlier in connection with non-major governmental funds and also includes budgetary comparison schedules for the non-major governmental funds to demonstrate compliance with the annual budget as adopted and amended. Supplementary Information can be found following the Required Supplementary Information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wildomar, assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2016, by \$28.4 million (net position). Infrastructure assets of the governmental activities are included within this report. The general capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) of the governmental activities of the City of Wildomar are the largest portion of the City's net position (85%).

During the fiscal year ended June 30, 2016, net position was \$28.4 million of which \$23.9 million is invested in capital assets such as land, equipment, buildings and infrastructure. Of the remaining total, \$4.0 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements and \$0.5 million is unrestricted. Of note is the fact that the City has no outstanding debt related to capital assets held.

**Table 1 Statement of Net Position -Primary Government**

City of Wildomar		
<b>Statement of Net Position-Summary</b>		
For the Years Ended June 30,		
<b>Governmental Activities</b>		
	2016	2015*
<b>Assets:</b>		
Current and other assets	\$ 9,178,277	\$ 7,482,629
Capital assets	23,919,815	23,553,699
<b>Total Assets</b>	<b>33,098,092</b>	<b>31,036,328</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Pension-related items	431,626	341,515
<b>Total Deferred Outflows of Resources</b>	<b>431,626</b>	<b>341,515</b>
<b>Liabilities:</b>		
Other Liabilities	4,596,825	3,834,171
Long-term Liabilities	370,433	994,822
<b>Total Liabilities</b>	<b>4,967,258</b>	<b>4,828,993</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Pension-related items	144,147	70,288
<b>Total Deferred Inflows of Resources</b>	<b>144,147</b>	<b>70,288</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	23,919,815	23,553,699
Restricted	4,041,378	3,939,397
Unrestricted	457,120	(1,014,534)
<b>Total Net Position</b>	<b>\$ 28,418,313</b>	<b>\$ 26,478,562</b>

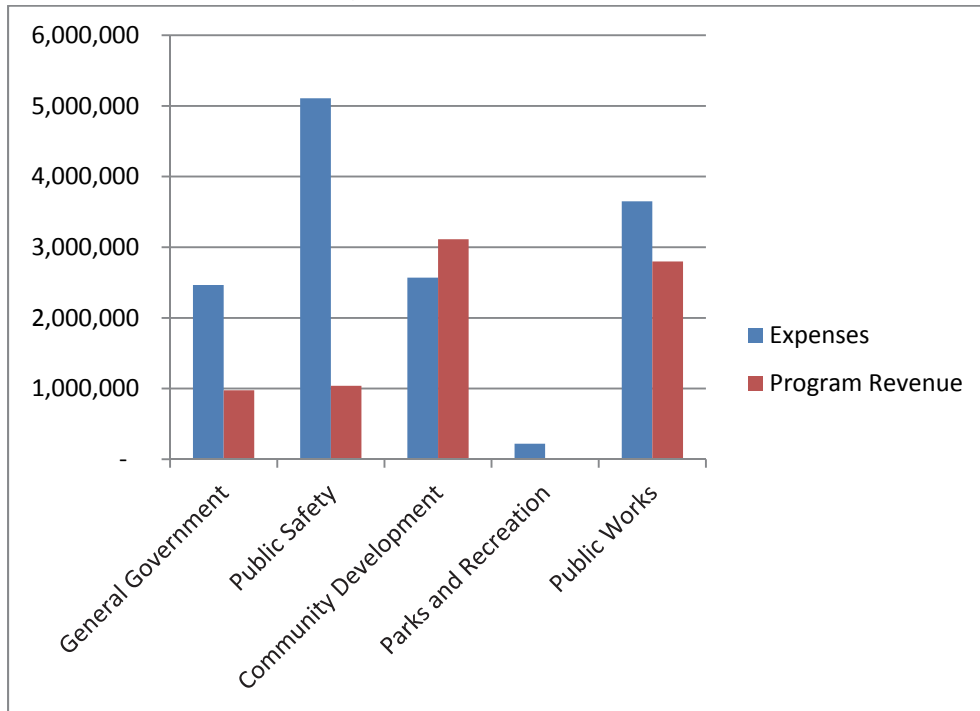
\* 2015 restated for prior period adjustments and to exclude Wildomar Cemetery District

**Table 2 Statement of Activities -Primary Government**

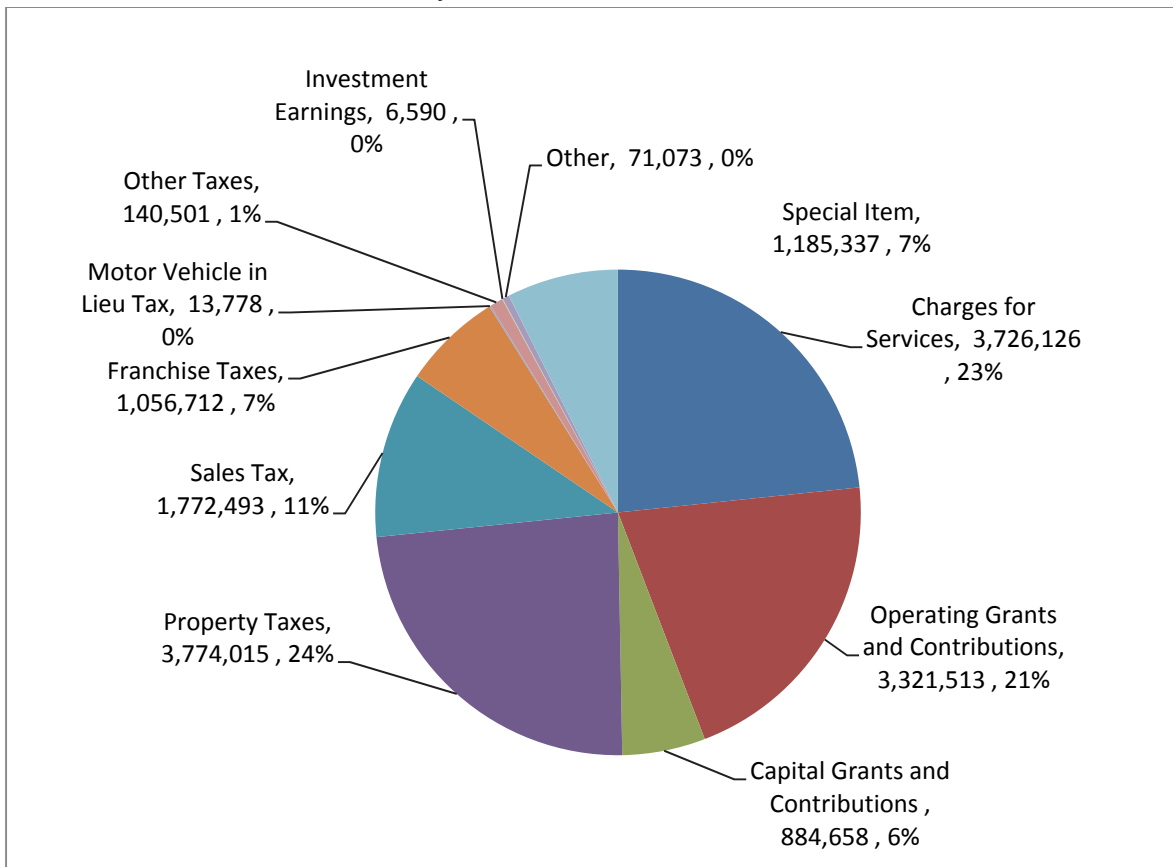
City of Wildomar		
<b>Statement of Activities</b>		
For the Years Ended June 30,		
<b>Governmental Activities</b>		
	2016	*2015
<b>Revenues</b>		
Program Revenues		
Charges for Service	\$ 3,726,126	\$ 3,076,057
Operating Grants and Contributions	3,321,513	2,368,207
Capital Grants and Contributions	884,658	1,049,064
General Revenues		
Sales Taxes	1,772,493	1,492,041
Property Taxes	3,774,015	3,643,046
Other Taxes	1,210,991	1,061,333
Other Revenues	71,073	73,088
Use of Money and Property	6,590	4,034
Special Item-Relief of Loan Due Riverside County	1,185,337	-
<b>Total Revenues</b>	<b>15,952,796</b>	<b>12,766,870</b>
<b>Expenses</b>		
General Government	2,465,875	1,910,577
Public Safety	5,109,023	4,834,799
Community Development	2,569,072	3,058,008
Parks and Recreation	219,647	425,006
Public Works	3,649,428	4,435,300
<b>Total Expenses</b>	<b>14,013,045</b>	<b>14,663,690</b>
<b>Increase (Decrease) in Net Position</b>	<b>1,939,751</b>	<b>(1,896,820)</b>
Beginning Net Position	27,266,132	29,237,686
Restatement of Net Position	(787,570)	(74,734)
<b>Ending Net Position</b>	<b>\$ 28,418,313</b>	<b>\$ 27,266,132</b>
* 2015 restated to exclude Wildomar Cemetery District		

During fiscal year 2015-16, revenues increased \$3.2 million over fiscal year 2014-15. Primary increases were due to Charges for Service of \$0.7 million, Operating Grants and Contributions of \$1.0 million and Relief of Loan Due Riverside County (SB 107) of \$1.2 million. Expenses in fiscal year 2015-16 decreased \$0.7 million compared to fiscal year 2014-15. Primary decreases were due to Community Development of \$0.5 million and Public Works of \$0.8 million.

City of Wildomar  
Expenses and Program Revenues-Governmental Activities



City of Wildomar  
Revenues by Sources-Governmental Activities



## Financial Analysis of Governmental Funds

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

### Governmental Funds

As stated, governmental fund financial statements identify current sources and uses of money. Benefits derived include a detailed *short-term view* of the City's general government operations and the basic services it provides, which assists in determining whether there are sufficient financial resources available to meet the City's current needs.

The financial position of the City's governmental funds has increased when compared to the previous fiscal year. The total ending fund balance for the City's governmental funds was \$3.5 million which represented a \$0.4 million or 13.5% increase from the prior fiscal year balance restated for prior period adjustments.

The increase is primarily due to: an increase in Development Impact Fees of \$0.9 million related to a prior period adjustment of \$0.5 million for Road and Bridge Benefit Fees and an increase of \$0.4 million in fees received. This was offset by a decrease of (\$0.4) million in Measure A fund balance due to increase public work expenditures.

The General Fund is the primarily funding source for the City. At fiscal year end, the unassigned fund balance of the general fund was \$946,503 or 9.8% of the City's general fund expenditures of \$9.7 million. This is an increase of \$173,443 as compare to FY 2014-15.

### Other Major Funds Budgetary Highlights:

#### Development Impact Fee Funds

These funds are used to record the capital expenditures of various improvements needed to meet the increased demands associated with new development, primarily residential. Capital facility expansions are pre-determined and are constructed when the collected fees fully fund the improvement. During fiscal year 2015-16, \$80,514 in capital improvements were expended for construction.

## **Grant Funds**

These grant funds are awarded by Federal, State and Local Agencies for various projects, services and equipment. The projects, services and equipment include street improvement, traffic signals, storm drains, flood control, public safety, bike trails and code enforcement. During fiscal year 2015-16, \$1.0 million in grant funds were received in fiscal year 2015-16.

## **General Fund Financial Highlights**

General Fund original vs final budget changes were not significant in fiscal year 2015-16.

General Fund actual revenues increased a net \$0.8 million over fiscal year 2014-15. The primary sources for the net increase are as follows:

- Taxes increased \$0.5 million, primarily related to sales tax
- Licenses and permits increased \$0.3 million related to increased building activity.

General Fund actual expenditures increased a net \$0.3 million over fiscal year 2014-15. The primary sources for the net increase are as follows:

- General Government-Non-departmental increased \$0.3 million due to increases for city hall lease payments and insurance related to increases in space being lease by the City.
- Public Safety-Police services increased \$0.2 million due to contractual service cost increase.
- Community Development decreased \$0.2 million due to a decrease in contractual services.

As previously mentioned, the effects of the State take away continue to dramatically impact the City's general fund revenue.

- The effects of the State take away of the City's Motor Vehicle License Fee (MVLFF) revenues continue to impact the General Fund by \$1.7 million or 16% of total revenues. The City continues to operate with reduced service levels and other budget reduction measures.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets (Table 3) for its governmental activities as of June 30, 2016, is \$23.9 million (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure and construction in progress. For more information, please refer to Note 5 in the Notes to Financial Statements. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-wide financial statements.

Additional detail information is provided on Capital Assets in the Notes to Financial Statements, Note 1.d.

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

**Table 3 Summary of Changes in Capital Assets**

City of Wildomar				
<b>Summary of Changes in Capital Assets</b>				
For the Year Ended June 30, 2016				
	Beginning Balance*	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 2,613,490	\$ -	\$ -	\$ 2,613,490
Construction in Progress	1,230,414	1,091,828	(111,211)	2,211,031
Right-of-way	622,935	-	-	622,935
Total Capital Assets, Not Being Depreciated	4,466,839	1,091,828	(111,211)	5,447,456
Capital Assets, being depreciated:				
Buildings and Improvements	6,526,256	916,232	-	7,442,488
Furniture, fixtures and Equipment	30,609	-	-	30,609
Traffic Signals	172,187	79,637	-	251,824
Infrastructure	41,999,139	-	-	41,999,139
Total Capital Assets, Being Depreciated	48,728,191	995,869	-	49,724,060
Less Accumulated Depreciation				
Buildings and Improvements	(1,740,335)	(249,135)	-	(1,989,470)
Furniture, fixtures and Equipment	(22,184)	(2,978)	-	(25,162)
Traffic Signals	(27,935)	(12,591)	-	(40,526)
Infrastructure	(27,850,877)	(1,345,666)	-	(29,196,543)
Total Accumulated Depreciation	(29,641,331)	(1,610,370)	-	(31,251,701)
Total Capital Assets, Being Depreciated, Net	19,086,860	(614,501)	-	18,472,359
	<b>\$ 23,553,699</b>	<b>\$ 477,327</b>	<b>\$ (111,211)</b>	<b>\$ 23,919,815</b>
*Beginning balances adjusted for items related to prior period adjustment.				

## Long-term Debt

At year end, the City had \$166,983 in outstanding long-term debt for Governmental Activities. This debt is related to compensated absences. During fiscal year 2015-16, the loan from Riverside County was forgiven. On September 22, 2015, SB 107 was signed into law providing for the forgiveness of debts owed to the County of Riverside. This forgiveness is reflected as a special item in the Statement of Activities.

**Table 4 Summary of Changes in Long-Term Liabilities**

City of Wildomar					
<b>Summary of Changes in Long-Term Liabilities</b>					
For the Year Ended June 30, 2016					
	Beginning Balance	Additions	Deductions	Ending Balance	Within One Year
Loan from Riverside County	\$ 1,185,337	\$ -	\$ (1,185,337)	\$ -	\$ -
Compensated Absences	121,679	127,774	(82,470)	166,983	41,746
<b>Total Long-Term Liabilities</b>	<b>\$ 1,307,016</b>	<b>\$ 127,774</b>	<b>\$ (1,267,807)</b>	<b>\$ 166,983</b>	<b>\$ 41,746</b>

## ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Although the focus of this Comprehensive Annual Financial Report is the economic condition of the City in the Fiscal Year ended June 30, 2016, in preparing the budget for fiscal year 2016-17, management gave careful consideration to the continued impact the State of California will have on the City's budget. The overall approach in the development of the fiscal year 2016-17 budget was to achieve and maintain an appropriate balance of expenditure reductions to address the negative State of California impacts on City revenues, while minimizing impacts on the delivery of services, programs and capital projects.

Key budget assumptions for forecasting General Fund revenues include the following:

- The City will continue to pursue legislative measures to reinstate some form of replacement of the loss of the \$1.7 million motor vehicle license fee revenue.
- Sales tax revenues showed an increase over last year.
- Residential property values are increasing.

The Adopted Operating Budget for Fiscal Year 2016-17 is structurally balanced, addresses some of the City Council's priorities, and attempts to balance achievement of community needs and accomplishment of the Council's goals and objectives while maintaining financial stability in light of the State's taking of the City's MVLFF revenues.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Wildomar's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Wildomar  
Attention: City Manager  
23873 Clinton Keith Road, Suite 201,  
Wildomar, California 92595

General information relating to the City of Wildomar, California, can be found at the City's website, [www.cityofwildomar.org](http://www.cityofwildomar.org).

## **BASIC FINANCIAL STATEMENTS**



**City of Wildomar**  
**Statement of Net Position**  
June 30, 2016

	Primary Government Governmental Activities	Component Unit Wildomar Cemetery District
<b>ASSETS</b>		
Cash and Investments	\$ 5,582,944	\$ 1,626,943
Restricted Cash and Investments	-	214,129
Receivables:		
Accounts	80,822	-
Developer	1,172,344	-
Grants	1,360,518	-
Accrued Interest	2,115	-
Due from Other Governments	967,243	22,482
Inventories	-	5,297
Prepaid Items	12,291	1,999
Capital Assets, Not Being Depreciated	5,447,456	577,892
Capital Assets, Net of Depreciation	18,472,359	18,201
Total Assets	33,098,092	2,466,943
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Items	431,626	26,317
Total Deferred Outflows of Resources	431,626	26,317
<b>LIABILITIES</b>		
Accounts Payable	2,411,987	4,771
Accrued Liabilities	37,631	3,344
Unearned Revenue	655,476	-
Deposits Payable	1,491,047	39,020
Due to Other Governments	684	-
Noncurrent Liabilities:		
Due Within One Year	41,746	4,752
Due in More Than One Year	125,237	14,255
Net Pension Liability	90,222	171,037
Other Post-employment Benefits Liability	113,228	-
Total Liabilities	4,967,258	237,179
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Items	144,147	13,019
Total Deferred Inflows of Resources	144,147	13,019
<b>NET POSITION</b>		
Net Investment in Capital Assets	23,919,815	596,093
Restricted:		
Community Development Projects	3,541,211	-
Public Safety	18,180	-
Public Works	249,576	-
Capital Projects	232,411	-
Cemetery Trust - Nonexpendable	-	214,129
Unrestricted	457,120	1,432,840
Total Net Position	\$ 28,418,313	\$ 2,243,062

The accompanying notes are an integral part of this statement.

**City of Wildomar**  
**Statement of Activities**  
For the Year Ended June 30, 2016

					Net (Expenses) Revenues and Changes in Net Position	
					Primary Government	Component Unit
					Governmental Activities	Wildomar Cemetery District
		Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:						
General Government	\$ 2,465,875	\$ 636,577	\$ 340,463	\$ -	\$ (1,488,835)	
Public Safety	5,109,023	11,630	143,942	884,658	(4,068,793)	
Community Development	2,569,072	2,773,440	339,399	-	543,767	
Parks and Recreation	219,647	4,673	-	-	(214,974)	
Public Works	3,649,428	299,806	2,497,709	-	(851,913)	
Total Governmental Activities	<u>\$ 14,013,045</u>	<u>\$ 3,726,126</u>	<u>\$ 3,321,513</u>	<u>\$ 884,658</u>	<u>(6,080,748)</u>	
Component Unit:						
Wildomar Cemetery District	\$ 406,342	\$ 34,600	\$ -	\$ -		\$ (371,742)
Total Component Unit	<u>\$ 406,342</u>	<u>\$ 34,600</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(371,742)</u>
General Revenues:						
Taxes:						
Property Tax, Levied for General Purpose					3,774,015	451,632
Sales Tax					1,772,493	-
Franchise Taxes					1,056,712	-
Motor Vehicle in Lieu Tax					13,778	-
Other Taxes					140,501	-
Investment Earnings					6,590	3,057
Other					71,073	-
Special Item					1,185,337	-
Total General Revenues and Special Item					<u>8,020,499</u>	<u>454,689</u>
Change in Net Position					<u>1,939,751</u>	<u>82,947</u>
Net Position - Beginning of Year, As Previously Reported					27,266,132	2,365,598
Prior Period Adjustments					<u>(787,570)</u>	<u>(205,483)</u>
Net Position - Beginning of Year, Restated					<u>26,478,562</u>	<u>2,160,115</u>
Net Position - End of Year					<u>\$ 28,418,313</u>	<u>\$ 2,243,062</u>

The accompanying notes are an integral part of this statement.

**City of Wildomar**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2016

		Special Revenue		Other	Total
	General	Development Impact Fees	Grants	Governmental Funds	Governmental Funds
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 269,147	\$ 4,215,843	\$ -	\$ 1,097,954	\$ 5,582,944
Receivables:					
Accounts	80,672	-	-	150	80,822
Developer	1,172,344	-	-	-	1,172,344
Grants	-	-	1,324,008	36,510	1,360,518
Accrued Interest	2,115	-	-	-	2,115
Due from Other Governments	812,714	-	-	154,529	967,243
Due from Other Funds	2,150,557	-	-	-	2,150,557
Prepaid Items	11,184	34	-	1,073	12,291
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 4,498,733</u>	<u>\$ 4,215,877</u>	<u>\$ 1,324,008</u>	<u>\$ 1,290,216</u>	<u>\$ 11,328,834</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,016,990	\$ 1,880	\$ 155,436	\$ 237,681	\$ 2,411,987
Accrued Liabilities	32,325	87	-	5,219	37,631
Unearned Revenues	-	655,476	-	-	655,476
Deposits Payable	1,491,047	-	-	-	1,491,047
Due to Other Governments	684	-	-	-	684
Due to Other Funds	-	121,475	1,149,095	879,987	2,150,557
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>3,541,046</u>	<u>778,918</u>	<u>1,304,531</u>	<u>1,122,887</u>	<u>6,747,382</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Intergovernmental	-	-	1,031,136	36,510	1,067,646
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,031,136</u>	<u>36,510</u>	<u>1,067,646</u>
<b>FUND BALANCES</b>					
Nonspendable	11,184	34	-	1,073	12,291
Restricted for:					
Community Development Projects	-	3,436,925	-	104,286	3,541,211
Public Safety	-	-	-	18,180	18,180
Public Works	-	-	-	249,576	249,576
Capital Projects	-	-	-	232,411	232,411
Unassigned	946,503	-	(1,011,659)	(474,707)	(539,863)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>957,687</u>	<u>3,436,959</u>	<u>(1,011,659)</u>	<u>130,819</u>	<u>3,513,806</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,498,733</u>	<u>\$ 4,215,877</u>	<u>\$ 1,324,008</u>	<u>\$ 1,290,216</u>	<u>\$ 11,328,834</u>

The accompanying notes are an integral part of this statement.

**City of Wildomar**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2016

Fund Balances of Governmental Funds	\$ 3,513,806
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of depreciation have not been included as financial resources in government fund activity.	23,919,815
Long-term debt and compensated absences that have not been included in the governmental fund activity.	
Compensated Absences	(166,983)
Net Pension Liability	(90,222)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.	(113,228)
Deferred outflows and inflows of resources related to pensions that are required to be recognized over a defined closed period.	
Pension Related Deferred Outflows of Resources	431,626
Pension Related Deferred Inflows of Resources	(144,147)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.	<u>1,067,646</u>
Net Position of Governmental Activities	<u><u>\$ 28,418,313</u></u>

**City of Wildomar**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended June 30, 2016

	General	Special Revenue		Other Governmental Funds	Total Governmental Funds
		Development Impact Fees	Grants		
<b>REVENUES</b>					
Taxes	\$ 6,743,720	\$ -	\$ -	\$ -	\$ 6,743,720
Licenses and Permits	2,754,563	-	-	-	2,754,563
Intergovernmental	44,826	-	992,424	2,575,725	3,612,975
Charges for Services	10,222	-	-	4,673	14,895
Fines and Forfeitures	52,654	-	-	-	52,654
Investment Earnings	6,590	-	-	-	6,590
Developer Participation	-	569,369	-	29,586	598,955
Miscellaneous	71,610	-	-	16,240	87,850
Total Revenues	9,684,185	569,369	992,424	2,626,224	13,872,202
<b>EXPENDITURES</b>					
Current:					
General Government	1,945,331	-	18,070	462,658	2,426,059
Public Safety	5,055,873	-	-	23,662	5,079,535
Community Development	2,508,608	60,464	-	-	2,569,072
Public Works	144,716	1,596	5,242	1,830,904	1,982,458
Capital Outlay	-	80,514	908,671	410,356	1,399,541
Total Expenditures	9,654,528	142,574	931,983	2,727,580	13,456,665
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,657	426,795	60,441	(101,356)	415,537
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	517,123	-	-	-	517,123
Transfers Out	-	(17,908)	-	(499,215)	(517,123)
Total Other Financing Sources (Uses)	517,123	(17,908)	-	(499,215)	-
Net Change in Fund Balances	546,780	408,887	60,441	(600,571)	415,537
Fund Balances - Beginning of Year, As Previously Reported	773,060	2,521,214	(1,072,100)	369,237	2,591,411
Prior Period Adjustments	(362,153)	506,858	-	362,153	506,858
Fund Balances - Beginning of Year, As Restated	410,907	3,028,072	(1,072,100)	731,390	3,098,269
Fund Balances - End of Year	\$ 957,687	\$ 3,436,959	\$ (1,011,659)	\$ 130,819	\$ 3,513,806

The accompanying notes are an integral part of this statement.

**City of Wildomar**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$	415,537
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay		1,091,828
Depreciation		(1,610,370)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		884,658
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds.

Principal on County Loan Paid		1,185,337
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(45,304)
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Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Net Change in Net Pension Liability		8,183
Net Change in Pension Deferred Outflows and Inflows of Resources		16,252
Net Change in Net OPEB Obligation		(16,969)

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		10,599
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Change in Net Position of Governmental Activities	\$	1,939,751
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**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**I.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Description of the Reporting Entity**

The City of Wildomar, California (City) was incorporated on July 1, 2008, under the laws of the State of California and enjoys all the rights and privileges pertaining to “General Law” cities. The City is governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units.

**Component Units**

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. An agency, institution or authority, may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There is one discretely presented component unit in these financial statements. There are no blended component units presented in the financial statements. The governing body of the component unit are comprised of the City Council acting as the governing board and the services they provide directly to citizens or other parties outside the government. The discretely presented component unit presented has a June 30 year end. The following is reported as a discretely presented component unit.

Wildomar Cemetery District - The Wildomar Cemetery District was absorbed into the City on November 9, 2011. Its purpose is to provide cemetery services to residents of the City of Wildomar. The operations of the District are discretely presented in the financial statements. A component unit financial statement may be obtained from the City of Wildomar.

**b. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not have any proprietary funds.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. All general tax receipts and fee revenue not allocated by law, Council policy or contractual agreement to other funds are accounted for in the General Fund. General Fund expenditures include operations traditionally associated with activities, which are not required to be accounted for or paid by another fund.

The *Development Impact Fees Fund* accounts for new development impact fees that are collected on the City's behalf and can only be used to pay for capital expenditures and cannot be used for operating costs.

The *Grants Fund* accounts for revenues and expenditures of specific purpose grants within the City.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

Additionally, the City reports the following fund type:

The *Special Revenue Funds* are used to account for city financial resources that are restricted by law or contractual agreement for specific purposes other than debt service or major capital projects.

The *Capital Projects Fund* accounts for the acquisition and operation of the government's capital facilities that were acquired from Riverside County.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for the effect of interfund services provided and used.

Accounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all unrestricted taxes.

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

***Cash and Investments***

The City cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the governmental funds.

Investments are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

***Prepaid Items and Deposits***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The City accounts for prepaid costs using the consumption method and is equally offset by a nonspendable fund balance in the fund-level statement, which indicates that it does not constitute “available spendable resources.”

***Capital Assets***

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at the historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

Assets	Years
Building and Improvements	10 to 30 years
Equipment and Furniture	3 to 20 years
Vehicles	5 to 10 years
Infrastructure	10 to 50 years
Software	5 to 10 years

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (expenses/expenditure) until then. The City reports deferred outflows of resources for pension which relate to contributions after the measurement date and other amounts, which are amortized by an actuarial determined period.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (revenue) until that time. The City has two types of items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from two sources: sales tax and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflow of resources for pensions on the statement of net position and are amortized by an actuarial determined period.

***Compensated Absences***

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. The maximum number of vacation days an employee can accrue is 40 days. A maximum of five vacation days per year may be converted to compensation.

Sick leave is payable when an employee is unable to work because of illness. Sick leave is convertible to vacation at the rate of ten (10) days of sick leave to one (1) day of vacation.

The liability for compensated absences will be paid in future years from the General Fund.

***Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

***Net Pension Liability***

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD): June 30, 2014

Measurement Date (MD): June 30, 2015

Measurement Period (MP): July 1, 2014 to June 30, 2015

***Unearned Revenues***

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

***Fund Equity***

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

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

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

***Fund Equity - Continued***

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

Unassigned are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

***Net Position Flow Assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

***Fund Balance Flow Assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Property Taxes***

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding, the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1<sup>st</sup> to June 30<sup>th</sup>. All

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

***Property Taxes - Continued***

secured personal property taxes and one-half of the taxes on real property are due November 1<sup>st</sup>, the second installment is due February 1<sup>st</sup>. All taxes are delinquent, if unpaid, on December 10<sup>th</sup> and April 10<sup>th</sup> respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31<sup>st</sup>.

***Functional Classifications***

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

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

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

**Governmental Accounting Standard Board Statement No. 72**

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement No. 72 is effective for periods beginning after June 15, 2015. The City has implemented GASB No. 72 which is reflected on the City's financial statements.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

Governmental Accounting Standard Board Statement No. 73

In June of 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement was issued to improve the usefulness of information about pensions for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68 and also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

Statement No. 73 requirements that addresses accounting and financial reporting by employers and governmental nonemployer contributing entities is effective for fiscal years beginning after June 15, 2016, except those provisions that address financial reporting for assets accumulated for purposes of providing those pensions which are effective for fiscal years beginning after June 15, 2015. Statement No. 73 requirements for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. Currently, this statement has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 74

In June of 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement was issued to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) for making decisions and assessing accountability. This Statement replaces Statements no. 43, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. Statement No. 74 is effective for fiscal years beginning after June 15, 2016. The City has elected not to early implement GASB No. 74 and has not determined its effect on the City's financial statements.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

Governmental Accounting Standard Board Statement No. 75

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement was issued to improve accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. Statement No. 75 is effective for fiscal years beginning after June 15, 2017. The City has elected not to early implement GASB No. 75 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 76

In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement was issued to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements for state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76 is effective for periods beginning after June 15, 2015 and should be applied retroactively. The City has implemented GASB No. 76 during the 2016 fiscal year, and currently has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 77

In August of 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement is intended to provide financial statement users needed information about certain limitations on a government's ability to raise resources and for financial reporting purposes requires disclosure on tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues. Statement No. 77 is effective for periods beginning after December 15, 2015. The City has elected not to early implement GASB No. 77 and has not determined its effect on the City's financial statements.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

Governmental Accounting Standard Board Statement No. 79

In December of 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. The City has implemented GASB No. 79, and currently has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 80

In January of 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. This statement was issued to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 81

In March of 2016, GASB issued Statement No. 81, *Irrevocable Split Interest Agreements*. This statement was issued to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

Governmental Accounting Standard Board Statement No. 81 - Continued

through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 82

In March of 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement was issued to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Prior to the issuance of this Statement, Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. This Statement also clarifies the term deviation used in Actuarial Standards of Practice and payments made by the employer to satisfy contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**II.) STEWARDSHIP**

**2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The following funds had expenditures in excess of appropriations:

Fund	Budget	Actual	Variance
General Fund	\$ 9,092,500	\$ 9,654,528	\$ (562,028)
Special Revenue Fund:			
Measure A	616,200	851,684	(235,484)
SLESF	100,000	128,885	(28,885)
Animal Shelter DIF	-	88,687	(88,687)
Corp Yard DIF	-	1,221	(1,221)

**III.) DETAILED NOTES ON ALL FUNDS**

**3) CASH AND INVESTMENTS**

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Cash and Investments \$ 5,582,944

Component Unit - Wildomar Cemetery District

Cash and Investments 1,626,943

Restricted Cash and Investments 214,129

Total Cash and Investments \$ 7,424,016

Cash and investments consist of the following:

Petty Cash \$ 385

Deposits with Financial Institutions 5,740,356

Investments 1,683,275

Total Cash and Investments \$ 7,424,016

The City maintains a cash and investment pool that is available for use for all funds as well as the Wildomar Cemetery District (component unit). Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**3) CASH AND INVESTMENTS - Continued**

***Deposits***

At June 30, 2016, the carrying amount of the City's deposits was \$5,740,356 and the bank balance was \$5,845,397. The \$105,041 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agent of Depository are considered to be held for, and in the name of, the local governmental agency.

***Investments***

Under provision of the City's investment policy and in accordance with the California Government Code, the following investments are authorized:

- Securities of the U.S. Government
- Securities of U.S. Government Agencies
- City, State and Municipal Bonds
- Time Deposits and Certificates of Deposit
- Negotiable Certificates of Deposit
- Bankers' Acceptance Notes
- Commercial Paper
- Repurchase Agreements
- Money Market Mutual Funds
- Local Agency Investment Fund (LAIF)
- Joint Powers Authority Investment Pools

***Investments Authorized by Debt Agreements***

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**3) CASH AND INVESTMENTS - Continued**

***Investment in State Investment Pools***

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

***GASB Statement No. 31***

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

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investments in U.S. Government securities are not considered to have a credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2016, \$5,595,397 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

***Concentration of Credit Risk***

The City's investment policy diversifies its investments by security type, institution and maturity/call dates. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio can be invested in a single security type or with a single financial institution.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in commercial paper to those rated "A" or higher from Standard and Poor's (S&P) and Moody's, respectively. At June 30, 2016, the City's investment in LAIF and the District's money market are AAA rated.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**3) CASH AND INVESTMENTS - Continued**

***Interest Rate Risk***

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

As of June 30, 2016, the City had the following investments and remaining maturities:

Investment Type	Investment Maturities (in Years)	Fair Value
	Less than 1 Year	
Primary Government:		
Local Agency Investment Fund	\$ 1,554,382	\$ 1,554,382
Component Unit –		
Wildomar Cemetery District:		
Money Market	128,893	128,893
Total	<u>\$ 1,683,275</u>	<u>\$ 1,683,275</u>

**4) FAIR VALUE MEASUREMENTS**

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**4) FAIR VALUE MEASUREMENTS - Continued**

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

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

Fair value of assets measured on a recurring basis at June 30, 2016, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Primary Government:			
Local Agency Investment Fund	\$ 1,554,382	\$ -	\$ 1,554,382
Total	\$ 1,554,382	\$ -	\$ 1,554,382
Component Unit:			
Money Market	\$ 128,893	\$ 128,893	\$ -
Total	\$ 128,893	\$ 128,893	\$ -

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices.

Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**5) CAPITAL ASSETS**

Capital asset activity for the year was as follows:

Primary Government:

	Beginning Balance*	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 2,613,490	\$ -	\$ -	\$ 2,613,490
Construction in Progress	1,230,414	1,091,828	(111,211)	2,211,031
Right-of-Way	622,935	-	-	622,935
Total Capital Assets, Not Being Depreciated	<u>4,466,839</u>	<u>1,091,828</u>	<u>(111,211)</u>	<u>5,447,456</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	6,526,256	916,232	-	7,442,488
Furniture, Fixtures and Equipment	30,609	-	-	30,609
Traffic Signals	172,187	79,637	-	251,824
Infrastructure	41,999,139	-	-	41,999,139
Total Capital Assets, Being Depreciated	<u>48,728,191</u>	<u>995,869</u>	<u>-</u>	<u>49,724,060</u>
Less Accumulated Depreciated for:				
Buildings and Improvements	(1,740,335)	(249,135)	-	(1,989,470)
Furniture, Fixtures and Equipment	(22,184)	(2,978)	-	(25,162)
Traffic Signals	(27,935)	(12,591)	-	(40,526)
Infrastructure	(27,850,877)	(1,345,666)	-	(29,196,543)
Total Accumulated Depreciation	<u>(29,641,331)</u>	<u>(1,610,370)</u>	<u>-</u>	<u>(31,251,701)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,086,860</u>	<u>(614,501)</u>	<u>-</u>	<u>18,472,359</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,553,699</u>	<u>\$ 477,327</u>	<u>\$ (111,211)</u>	<u>\$ 23,919,815</u>

\*Beginning balances adjusted for items related to prior period adjustment. (see Note 12)

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

Governmental Activities	
General Government	\$ 1,978
Parks and Recreation	219,647
Public Safety	29,488
Public Works	1,359,257
Total Governmental Activities Depreciation Expense	<u>\$ 1,610,370</u>

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**5) CAPITAL ASSETS - Continued**

Component Unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 576,517	\$ 1,375	\$ -	\$ 577,892
Total Capital Assets, Not Being Depreciated	576,517	1,375	-	577,892
Capital Assets, Being Depreciated				
Buildings and Improvements	349,597	-	-	349,597
Furniture, Fixtures and Equipment	132,025	-	-	132,025
Total Capital Assets, Being Depreciated	481,622	-	-	481,622
Less Accumulated Depreciated for:				
Buildings and Improvements	331,160	1,239	-	332,399
Furniture, Fixtures and Equipment	129,513	1,509	-	131,022
Total Accumulated Depreciation	460,673	2,748	-	463,421
Total Capital Assets, Being Depreciated, Net	20,949	(2,748)	-	18,201
Capital Assets, Net	\$ 597,466	\$ (1,373)	\$ -	\$ 596,093

**6) LONG-TERM LIABILITIES**

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

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loan from County	\$ 1,185,337	\$ -	\$(1,185,337)	\$ -	\$ -
Compensated Absences	121,679	127,774	(82,470)	166,983	41,746
Total Long-Term Liabilities	\$ 1,307,016	\$ 127,774	\$(1,267,807)	\$ 166,983	\$ 41,746

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**6) LONG-TERM LIABILITIES - Continued**

Component Unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 12,433	\$ 13,162	\$ 6,588	\$ 19,007	\$ 4,752

**Loan from County**

As part of the Comprehensive Fiscal Analysis prepared as part of the formation documents for the City, the County of Riverside (County) and other servicing agencies were to provide municipal level services during the transition year (July 1, 2008 through June 30, 2009). The County was to receive certain revenues on behalf of the City and apply them to the payment that would otherwise be necessary for providing those services. However, the County is allowed under law to require the City to pay back the overall net cost of providing these services. The amount is to be repaid by June 30, 2015, with interest of 4%; however, there is no set repayment schedule. On February 8, 2012, the City formally requested a deferral by resolution. The County Executive Office submitted a resolution for approval by the Board on March 27, 2012, for the City to be allowed to defer repayment of the general fund services cost repayments for an additional eight years to June 30, 2021, with a minimum annual payment of no less than \$100,000 plus CPI starting July 1, 2013, which supersedes the original agreement thus the accrued interest is no longer due. On September 22, 2015, SB 107 was signed into law providing for the forgiveness of debts owed to the County of Riverside. This forgiveness is reflected as a special item in the Statement of Activities.

**Compensated Absences**

The City accrues accumulated unpaid vacation, sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee as described in Note 1. The City and Wildomar Cemetery District (component unit) at June 30, 2016, had an outstanding accrued balance of unpaid vacation, sick and associated employee related costs of \$166,983 and \$19,007, respectively, that will be liquidated from various funding sources in future years.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**7) INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS**

**Due To / From Other Funds**

		DUE TO			
		Development Impact Fees	Grants Fund	Other Governmental Funds	Total
DUE FROM	General Fund	\$ 121,475	\$ 1,149,095	\$ 879,987	\$ 2,150,557
	Total	\$ 121,475	\$ 1,149,095	\$ 879,987	\$ 2,150,557

These were the result of routine interfund transactions due to eliminating temporary deficit cash balances.

**Interfund Transfers**

		TRANSFERS OUT			
		Development Impact Fees	Other Governmental Funds	Total	
TRANSFERS IN	General Fund	\$ 17,908	\$ 499,215	\$ 517,123	
	Total	\$ 17,908	\$ 499,215	\$ 517,123	

During the year, interfund transfers were made to the General Fund for the purpose of funding administrative costs.

**8) PENSION PLAN**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plan (Miscellaneous Plan) which is a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and City 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.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**8) PENSION PLAN - Continued**

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous	PEPRA Miscellaneous
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7% at 55	2.0% at 62
Social Security Coverage	No	No
Full/Modified	Full	Full
Final Average Compensation Period	12 months	3 years
Sick Leave Credit	Yes	Yes
Non-Industrial Disability	Standard	Standard
Industrial Disability	No	No
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	Yes
1959 Survivor Benefit Level	Level 4	Level 4
Special	No	No
Alternate (Firefighters)	No	No
Post-Retirement Death Benefits		
Lump Sum	\$500	\$500
Survivor Allowance (PRSA)	No	No
COLA	2%	2%

***Required Contribution***

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

For the year ended June 30, 2016, the contributions recognized as a reduction of the net pension liability was \$85,106.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**8) PENSION PLAN - Continued**

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

As of June 30, 2016, the City and Wildomar Cemetery District (component unit) reported a net pension liability for its proportionate share of the net pension liability of \$90,222 and \$171,037, respectively.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.00398%
Proportion - June 30, 2015	0.00533%
Change - Increase (Decrease)	0.00135%

For the year ended June 30, 2016, the City recognized pension expense (credit) of \$(24,435). At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 85,106	\$ -
Changes in assumptions	-	(78,216)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	139,674	-
Net differences between projected and actual earnings on Pension plan investments	-	(39,211)
Difference between expected and actual experience	8,267	-
Adjustment due to differences in proportions	198,579	(26,720)
	<hr/>	<hr/>
Total	\$ 431,626	\$ (144,147)

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**8) PENSION PLAN - Continued**

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

\$85,106 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/Inflows of Resources
2017	\$ 69,696
2018	62,307
2019	20,249
2020	50,121
Total	\$ 202,373

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

For the measurement period ended June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

**Actuarial Cost Method**

**Actuarial Assumptions:**

Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	3.3% - 14.2% <sup>(1)</sup>
Investment Rate of Return	7.65% <sup>(2)</sup>
Mortality Rate Table <sup>(3)</sup>	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> Net of Pension Plan Investment and Administrative Expenses; includes inflation

<sup>(3)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report on the CalPERS website.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**8) PENSION PLAN - Continued**

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

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above the rounded down to the nearest one quarter of one percent.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**8) PENSION PLAN - Continued**

***Discount Rate - Continued***

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
 Total	 <u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City's proportionate share of the net position liability for the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

1% Decrease		6.65%
Net Pension Liability	\$	189,302
 Current Discount Rate		7.65%
Net Pension Liability	\$	90,222
 1% Increase		8.65%
Net Pension Liability	\$	8,420

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**8) PENSION PLAN - Continued**

*Pension Plan Fiduciary Net Position*

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

**9) OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description*

The City provides other post-employment benefits (OPEB) through a single-employer defined benefit healthcare plan. Separate financial statements are not available for the plan. In prior years, the City had two separate plans for City of Wildomar employees and Wildomar Cemetery District employees. Beginning in fiscal year 2014-15, the City consolidated the two plans into a single plan that covers all employees.

*Funding Policy*

The contribution requirements of plan members and the City are established and may be amended by the City and/or City Council. There were \$4,235 in contributions made during the 2015-2016 fiscal year to cover current plan premiums.

As a result, the City calculated and recorded a net OPEB obligation, representing the difference between the annual required contribution (ARC) and actual contributions, as presented below:

Annual Required Contribution	\$ 21,854
Interest on Net OPEB Obligation (Asset)	3,610
Adjustment to Annual Required Contribution	(4,260)
Annual OPEB Cost	<u>21,204</u>
Contributions Made	<u>(4,235)</u>
(Decrease) Increase in Net OPEB Obligation	16,969
Net OPEB Obligation - June 30, 2015	<u>96,259</u>
Net OPEB Obligation - June 30, 2016	<u><u>\$ 113,228</u></u>

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**9) OTHER POST-EMPLOYMENT BENEFITS**

*Funding Policy - Continued*

For the fiscal year 2015-2016, the City's annual OPEB cost (expense) was \$21,204. The Net OPEB obligation for the most recent fiscal years is presented below:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution (Net of Adjustments)</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/14	\$ 27,023	\$ -	0%	\$ 131,710
6/30/15	\$ 20,437	\$ (55,893)	0%	\$ 96,259
6/30/16	\$ 21,204	\$ 4,235	20%	\$ 113,228

*Funded Status and Funding Progress*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Schedule of Funding Progress for OPEB**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL Percent of Covered Payroll</u>	<u>Interest Rate</u>	<u>Salary Scale</u>
06/30/15	\$ -	\$ 146,165	0%	\$ 869,236	17%	3.75%	2.75%

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**10) RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

The City is a member of the Public Agency Risk Sharing Authority of California - PARSAC (Authority), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$5,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$1 million. The Authority has additional coverage of \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. The Authority also provides one billion dollars aggregate per occurrence property damage to its members with such coverage provided by purchased insurance.

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred by not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The Authority covers workers' compensation claims up to its self-insurance limit of \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The City pays an annual premium to the Authority and may share in any operating results. Financial statements of the Public Agency Risk Sharing Authority of California (PARSAC) may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, California, 95815; [www.parsac.org](http://www.parsac.org) or by calling (916) 927-7727.

As of June 30, 2016, the City did not have any significant claims liability; therefore, no accrual was required. Claims settlements have not exceeded insurance coverage in each of the past three years.

**11) FUND EQUITY**

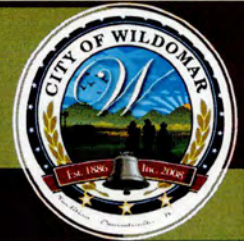
The following had a deficit fund balance at June 30, 2016. These deficits are expected to be eliminated through future revenues.

Fund	Amount
Grants Special Revenue Fund	\$ (1,011,659)
Gas Tax Special Revenue Fund	\$ (271,432)
TDA Special Revenue Fund	\$ (52,773)
Animal Shelter DIF Special Revenue Fund	\$ (148,792)
Corp Yard DIF Special Revenue Fund	\$ (1,026)

**City of Wildomar**  
**Notes to Financial Statements**  
**June 30, 2016**

**12) PRIOR PERIOD ADJUSTMENTS**

- a. Included in the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance is a prior period adjustment of \$506,858. This adjustment represents prior year accumulated road and bridge development fees that were not previously recognized as revenues.
- b. Included in the Statement of Activities is a prior period adjustment of \$486,137. This adjustment represents various corrections to beginning Capital Assets of \$1,083,603 and the reclassification of capital assets of \$(597,466) for the Wildomar Cemetery District that was previously reported in the governmental capital assets and is now presented as a discretely presented component unit.
- c. Included in the Statement of Activities is a prior period adjustment of \$(1,780,565). This adjustment represents the elimination of the beginning fund balance of the Wildomar Cemetery District as a blended component unit as it was recategorized as a discretely presented component unit.
- d. Included in the Statement of Revenues, Expenditures and Changes in Fund Balance is a prior period adjustment of \$362,153. This adjustment represents prior year expenditures that were disallowed by various intergovernmental funding sources.
- e. Included in the Statement of Activities for the Wildomar Cemetery District (component unit) are prior period adjustments of \$205,483. \$30,620 relates to recognition of beginning deposits payable (pre-needs) that were not previously recorded. \$174,863 as part of the implementation of GASB Statements 68 and 71, the beginning net position was adjusted to record \$152,136 for the beginning net pension liability, \$4,267 to record deferred outflows of resources, and \$26,994 to record deferred inflows of resources from the prior year.



WILDOMAR

WILDOMAR

WILDOMAR

HOTEL WILDOMAR  
E. E. WILSON, PROPRIETOR

WILDOMAR

WILDOMAR

WILDOMAR

**GRAHAM & OHLZKE**

Engineers and Architects  
1000 Broadway, New York, N. Y.

**WILDOMAR**

City of Wildomar, California  
In the Lake County, San Diego Co., 22 miles from the sea coast  
Elevation about 1200 feet.

**WILDOMAR**

City of Wildomar, California  
In the Lake County, San Diego Co., 22 miles from the sea coast  
Elevation about 1200 feet.

*Required Supplementary  
Information*



**City of Wildomar**  
**Budgetary Comparison Schedule by Department**  
**General Fund**  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Budgetary Fund Balance, July 1	\$ 773,060	\$ 773,060	\$ 773,060	\$ -
<b>Resources (Inflows):</b>				
Taxes	6,697,300	6,697,300	6,743,720	46,420
Licenses and Permits	1,801,300	1,801,300	2,754,563	953,263
Intergovernmental	30,000	30,000	44,826	14,826
Charges for Services	11,000	11,000	10,222	(778)
Fines and Forfeitures	74,000	74,000	52,654	(21,346)
Investment Earnings	5,000	5,000	6,590	1,590
Miscellaneous	1,000	1,000	71,610	70,610
Transfers In	510,000	510,000	517,123	7,123
Amounts Available for Appropriations	9,902,660	9,902,660	10,974,368	1,071,708
<b>Charges to Appropriations (Outflows):</b>				
General Government				
City Council	133,900	134,400	147,969	(13,569)
City Manager	313,200	316,500	363,780	(47,280)
City Clerk	158,700	213,700	206,863	6,837
City Attorney	150,000	270,000	197,764	72,236
Administrative Services	279,400	279,400	353,773	(74,373)
Non-departmental	450,960	518,800	648,031	(129,231)
Community Services	30,500	30,500	16,671	13,829
Marna O'Brien Park	10,000	10,000	813	9,187
Heritage Park	-	-	92	(92)
Windsong Park	8,000	8,000	92	7,908
Ball Fields	11,000	11,000	9,483	1,517
Public Safety				
Police	2,454,600	2,454,600	2,515,005	(60,405)
Fire	2,274,800	2,274,800	2,031,561	243,239
Animal Control	479,500	479,500	488,733	(9,233)
OEM	29,400	29,400	20,574	8,826
Community Development				
Community Development	87,000	37,300	12,099	25,201
Building and Safety	401,300	364,100	441,467	(77,367)
Planning	161,600	165,600	228,483	(62,883)
Code Enforcement	129,500	129,500	129,450	50
Development Engineering	12,500	12,500	148	12,352
Deposit Based Projects	1,136,800	1,079,000	1,674,215	(595,215)
Planning Commission	22,500	22,500	22,746	(246)
Public Works	251,400	251,400	144,716	106,684
Debt Service:				
Principal Retirement	109,000	-	-	-
Total Charges to Appropriations	9,095,560	9,092,500	9,654,528	(562,028)
Prior Period Adjustment	-	-	(362,153)	(362,153)
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 807,100</b>	<b>\$ 810,160</b>	<b>\$ 957,687</b>	<b>\$ 147,527</b>

**City of Wildomar**  
**Budgetary Comparison Schedule**  
**Development Impact Fees**  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Budgetary Fund Balance, July 1	\$ 2,521,214	\$ 2,521,214	\$ 2,521,214	\$ -
<b>Resources (Inflows):</b>				
Developer Participation	1,956,543	119,600	569,369	449,769
Amounts Available for Appropriations	4,477,757	2,640,814	3,090,583	449,769
<b>Charges to Appropriations (Outflows):</b>				
Community Development	-	168,600	60,464	108,136
Public Works	-	-	1,596	(1,596)
Capital Outlay	-	40,000	80,514	(40,514)
Transfers Out	-	6,400	17,908	(11,508)
Total Charges to Appropriations	-	215,000	160,482	54,518
Prior Period Adjustment	-	-	506,858	506,858
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,477,757</b>	<b>\$ 2,425,814</b>	<b>\$ 3,436,959</b>	<b>\$ 504,287</b>

**City of Wildomar**  
**Budgetary Comparison Schedule**  
**Grants**  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Budgetary Fund Balance, July 1	\$ (1,072,100)	\$ (1,072,100)	\$ (1,072,100)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,974,900	2,983,800	992,424	(1,991,376)
Amounts Available for Appropriations	1,902,800	1,911,700	(79,676)	(1,991,376)
<b>Charges to Appropriations (Outflows):</b>				
General Government	-	108,900	18,070	90,830
Public Works	-	-	5,242	(5,242)
Capital Outlay	4,332,900	4,332,900	908,671	3,424,229
Total Charges to Appropriations	4,332,900	4,441,800	931,983	3,509,817
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (2,430,100)</b>	<b>\$ (2,530,100)</b>	<b>\$ (1,011,659)</b>	<b>\$ 1,518,441</b>

**City of Wildomar**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
**As of June 30, 2016**

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered - Employee Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.00398%	\$ 98,405	\$ 890,684	11.05%	81.15%
2016	0.00523%	\$ 90,222	\$ 868,158	10.39%	87.60%

**Notes to Schedule:**

**Benefit Changes.** In 2015, there was no benefit terms modified.

**Changes in Assumptions.** In 2016, changes in assumptions resulted primarily from the following:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

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

\*- Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only two years are shown.

**City of Wildomar  
Schedule of Contributions  
CalPERS Pension Plan  
Last Ten Years\*  
As of June 30, 2016**

<u>Fiscal Year</u>	<u>Contractually Required Contribution (Actuarially Determined)</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2015	\$ 196,524	\$ (196,524)	\$ -	\$ 890,684	22.06%
2016	\$ 85,106	\$ (85,106)	\$ -	\$ 868,158	9.80%

\*- Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only two years are shown.

**City of Wildomar**  
**Schedule of Funding Progress**  
**Year Ended June 30, 2016**

**Other Post-Employment Benefits Plan**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
06/30/15	\$ -	\$ 146,165	\$ 146,165	0%	\$ 869,236	17%

\*The City has no previous actuarial valuations prior to June 30, 2015.

**City of Wildomar**  
**Notes to Required Supplementary Information**  
**June 30, 2016**

**Budgets and Budgetary Data**

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

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

**Excess of Expenditures over Appropriations**

Expenditures exceeded appropriations in the categories in the following funds:

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<b>General Fund:</b>			
General Government			
City Council	\$ 134,400	\$ 147,969	\$ (13,569)
City Manager	316,500	363,780	(47,280)
Administrative Services	279,400	353,773	(74,373)
Non-departmental	518,800	648,031	(129,231)
Heritage Park	-	92	(92)
Public Safety			
Police	2,454,600	2,515,005	(60,405)
Animal Control	479,500	488,783	(9,233)
Community Development			
Building and Safety	364,100	441,467	(77,367)
Planning	165,600	228,483	(62,883)
Deposit Based Projects	1,079,000	1,674,215	(595,215)
Planning Commission	22,500	22,746	(246)

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**City of Wildomar**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2016

	Special Revenue Funds			
	Gas Tax	Air Quality Management District	Measure A	SLESF
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 4,882	\$ 45,171	\$ 140,167	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	-	-
Due from Other Governments	-	-	90,554	29,323
Prepaid Items	684	-	-	-
	<u>684</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,566</u>	<u>\$ 45,171</u>	<u>\$ 230,721</u>	<u>\$ 29,323</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 138,637	\$ -	\$ 26,316	\$ -
Accrued Liabilities	4,188	-	-	-
Due to Other Funds	134,173	-	-	29,323
	<u>134,173</u>	<u>-</u>	<u>-</u>	<u>29,323</u>
Total Liabilities	<u>276,998</u>	<u>-</u>	<u>26,316</u>	<u>29,323</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	684	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	45,171	204,405	-
Capital Projects	-	-	-	-
Unassigned	(272,116)	-	-	-
	<u>(272,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(271,432)</u>	<u>45,171</u>	<u>204,405</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,566</u>	<u>\$ 45,171</u>	<u>\$ 230,721</u>	<u>\$ 29,323</u>

Continued

Special Revenue Funds					
TDA	Community Development Block Grant	Measure Z Park	Police DIF	Animal Shelter DIF	Corp Yard DIF
\$ -	\$ 3,221	\$ 119,960	\$ 18,180	\$ -	\$ -
-	-	150	-	-	-
36,510	-	-	-	-	-
-	-	19,808	-	-	-
-	-	389	-	-	-
<u>\$ 36,510</u>	<u>\$ 3,221</u>	<u>\$ 140,307</u>	<u>\$ 18,180</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 3,221	\$ 34,601	\$ -	\$ -	\$ 606
-	-	1,031	-	-	-
<u>52,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,792</u>	<u>420</u>
<u>52,773</u>	<u>3,221</u>	<u>35,632</u>	<u>-</u>	<u>148,792</u>	<u>1,026</u>
<u>36,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>36,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	389	-	-	-
-	-	104,286	-	-	-
-	-	-	18,180	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(52,773)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,792)</u>	<u>(1,026)</u>
<u>(52,773)</u>	<u>-</u>	<u>104,675</u>	<u>18,180</u>	<u>(148,792)</u>	<u>(1,026)</u>
<u>\$ 36,510</u>	<u>\$ 3,221</u>	<u>\$ 140,307</u>	<u>\$ 18,180</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

**City of Wildomar**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2016

	Capital Projects Fund	Total Non-Major Governmental Funds
	County Service Area	
<b>ASSETS</b>		
Pooled Cash and Investments	\$ 766,373	\$ 1,097,954
Receivables:		
Accounts	-	150
Grants	-	36,510
Due from Other Governments	14,844	154,529
Prepaid Items	-	1,073
	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 781,217</u>	<u>\$ 1,290,216</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 34,300	\$ 237,681
Accrued Liabilities	-	5,219
Due to Other Funds	514,506	879,987
	<u>          </u>	<u>          </u>
Total Liabilities	<u>548,806</u>	<u>1,122,887</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenues	-	36,510
	<u>          </u>	<u>          </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>36,510</u>
<b>FUND BALANCES</b>		
Nonspendable	-	1,073
Restricted for:		
Community Development Projects	-	104,286
Public Safety	-	18,180
Public Works	-	249,576
Capital Projects	232,411	232,411
Unassigned	-	(474,707)
	<u>          </u>	<u>          </u>
Total Fund Balances	<u>232,411</u>	<u>130,819</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 781,217</u>	<u>\$ 1,290,216</u>

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**City of Wildomar**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Year Ended June 30, 2016

	Special Revenue Funds			
		Air Quality Management District	Measure A	SLESF
	Gas Tax			
<b>REVENUES</b>				
Intergovernmental	\$ 894,660	\$ 36,406	\$ 563,619	\$ 143,942
Charges for Services	-	-	-	-
Developer Participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	894,660	36,406	563,619	143,942
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,025,381	-	539,196	-
Capital Outlay	357	116,050	267,238	-
Total Expenditures	1,025,738	116,050	806,434	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,078)	(79,644)	(242,815)	143,942
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(171,924)	(1,820)	(45,250)	(128,885)
Total Other Financing Sources (Uses)	(171,924)	(1,820)	(45,250)	(128,885)
Net Change in Fund Balances	(303,002)	(81,464)	(288,065)	15,057
Fund Balances - Beginning of Year, As Previously Reported	(288,629)	126,635	587,513	(15,057)
Prior Period Adjustments	320,199	-	(95,043)	-
Fund Balances - Beginning of Year, As Restated	31,570	126,635	492,470	(15,057)
Fund Balances, End of Year	\$ (271,432)	\$ 45,171	\$ 204,405	\$ -

Continued

Special Revenue Funds					
TDA	Community Development Block Grant	Measure Z Park	Police DIF	Animal Shelter DIF	Corp Yard DIF
\$ -	\$ -	\$ 339,359	\$ -	\$ -	\$ -
-	-	4,673	-	-	-
-	-	-	12,982	16,488	116
-	-	16,240	-	-	-
-	-	360,272	12,982	16,488	116
-	-	309,432	-	-	-
-	-	-	-	-	-
93	-	-	-	-	1,074
22,675	-	4,036	-	-	-
22,768	-	313,468	-	-	1,074
(22,768)	-	46,804	12,982	16,488	(958)
(3,027)	-	-	-	(88,687)	(147)
(3,027)	-	-	-	(88,687)	(147)
(25,795)	-	46,804	12,982	(72,199)	(1,105)
(26,978)	(136,997)	57,871	5,198	(76,593)	79
-	136,997	-	-	-	-
(26,978)	-	57,871	5,198	(76,593)	79
<u>\$ (52,773)</u>	<u>\$ -</u>	<u>\$ 104,675</u>	<u>\$ 18,180</u>	<u>\$ (148,792)</u>	<u>\$ (1,026)</u>

Continued

**City of Wildomar**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
For the Year Ended June 30, 2016

	Capital Projects Fund	Total Non-Major Governmental Funds
	County Service Area	
<b>REVENUES</b>		
Intergovernmental	\$ 597,739	\$ 2,575,725
Charges for Services	-	4,673
Developer Participation	-	29,586
Miscellaneous	-	16,240
	<u>597,739</u>	<u>2,626,224</u>
Total Revenues	<u>597,739</u>	<u>2,626,224</u>
<b>EXPENDITURES</b>		
Current:		
General Government	153,226	462,658
Public Safety	23,662	23,662
Public Works	265,160	1,830,904
Capital Outlay	-	410,356
	<u>442,048</u>	<u>2,727,580</u>
Total Expenditures	<u>442,048</u>	<u>2,727,580</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>155,691</u>	<u>(101,356)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers Out	<u>(59,475)</u>	<u>(499,215)</u>
Total Other Financing Sources (Uses)	<u>(59,475)</u>	<u>(499,215)</u>
Net Change in Fund Balances	<u>96,216</u>	<u>(600,571)</u>
Fund Balances - Beginning of Year, As Previously Reported	136,195	369,237
Prior Period Adjustments	-	362,153
Fund Balances - Beginning of Year, As Restated	<u>136,195</u>	<u>731,390</u>
Fund Balances, End of Year	<u><u>\$ 232,411</u></u>	<u><u>\$ 130,819</u></u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Gas Tax**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ (288,629)	\$ (288,629)	\$ (288,629)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	830,800	830,800	894,660	63,860
Amounts Available for Appropriations	542,171	542,171	606,031	63,860
<b>Charges to Appropriations (Outflows):</b>				
Public Works	1,116,200	1,116,200	1,025,381	90,819
Capital Outlay	-	-	357	(357)
Transfers Out	141,600	141,600	171,924	(30,324)
Total Charges to Appropriations	1,257,800	1,257,800	1,197,662	60,138
Prior Period Adjustment	-	-	320,199	320,199
Budgetary Fund Balance, June 30	<u>\$ (715,629)</u>	<u>\$ (715,629)</u>	<u>\$ (271,432)</u>	<u>\$ 444,197</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Air Quality Management District**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ 126,635	\$ 126,635	\$ 126,635	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	41,800	41,800	36,406	(5,394)
Amounts Available for Appropriations	168,435	168,435	163,041	(5,394)
<b>Charges to Appropriations (Outflows):</b>				
Capital Outlay	115,600	115,600	116,050	(450)
Transfers Out	4,900	4,900	1,820	3,080
Total Charges to Appropriations	120,500	120,500	117,870	2,630
Budgetary Fund Balance, June 30	<u>\$ 47,935</u>	<u>\$ 47,935</u>	<u>\$ 45,171</u>	<u>\$ (2,764)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure A**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ 587,513	\$ 587,513	\$ 587,513	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	565,000	565,000	563,619	(1,381)
Amounts Available for Appropriations	1,152,513	1,152,513	1,151,132	(1,381)
<b>Charges to Appropriations (Outflows):</b>				
Public Works	447,500	447,500	539,196	(91,696)
Capital Outlay	123,500	123,500	267,238	(143,738)
Transfers Out	45,200	45,200	45,250	(50)
Total Charges to Appropriations	616,200	616,200	851,684	(235,484)
Prior Period Adjustment	(95,043)	(95,043)	(95,043)	-
Budgetary Fund Balance, June 30	<u>\$ 536,313</u>	<u>\$ 536,313</u>	<u>\$ 204,405</u>	<u>\$ (236,865)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - SLESF**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ (15,057)	\$ (15,057)	\$ (15,057)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	143,942	43,942
Amounts Available for Appropriations	84,943	84,943	128,885	43,942
<b>Charges to Appropriations (Outflows):</b>				
Transfers Out	100,000	100,000	128,885	(28,885)
Total Charges to Appropriations	100,000	100,000	128,885	(28,885)
Budgetary Fund Balance, June 30	<u>\$ (15,057)</u>	<u>\$ (15,057)</u>	<u>\$ -</u>	<u>\$ 15,057</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - TDA**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ (26,978)	\$ (26,978)	\$ (26,978)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	781,300	-	(781,300)
Amounts Available for Appropriations	(26,978)	754,322	(26,978)	(781,300)
<b>Charges to Appropriations (Outflows):</b>				
Public Works	-	-	93	(93)
Capital Outlay	158,400	158,400	22,675	135,725
Transfers Out	-	-	3,027	(3,027)
Total Charges to Appropriations	158,400	158,400	25,795	132,605
Budgetary Fund Balance, June 30	<u>\$ (185,378)</u>	<u>\$ 595,922</u>	<u>\$ (52,773)</u>	<u>\$ (648,695)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Grant**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ (136,997)	\$ (136,997)	\$ (136,997)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	110,000	110,000	-	(110,000)
Amounts Available for Appropriations	(26,997)	(26,997)	(136,997)	(110,000)
<b>Charges to Appropriations (Outflows):</b>				
Community Development	15,000	15,000	-	15,000
Total Charges to Appropriations	15,000	15,000	-	15,000
Prior Period Adjustment	-	-	136,997	136,997
Budgetary Fund Balance, June 30	<u>\$ (41,997)</u>	<u>\$ (41,997)</u>	<u>\$ -</u>	<u>\$ 41,997</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure Z Park**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ 57,871	\$ 57,871	\$ 57,871	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	324,700	324,700	339,359	14,659
Charges for Services	1,100	1,100	4,673	3,573
Miscellaneous	4,500	4,500	16,240	11,740
Amounts Available for Appropriations	388,171	388,171	418,143	29,972
<b>Charges to Appropriations (Outflows):</b>				
General Government	323,900	318,900	309,432	9,468
Capital Outlay	-	5,000	4,036	964
Total Charges to Appropriations	323,900	323,900	313,468	10,432
Budgetary Fund Balance, June 30	\$ 64,271	\$ 64,271	\$ 104,675	\$ 40,404

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police DIF**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ 5,198	\$ 5,198	\$ 5,198	\$ -
<b>Resources (Inflows):</b>				
Developer Participation	39,500	39,500	12,982	(26,518)
Amounts Available for Appropriations	44,698	44,698	18,180	(26,518)
Budgetary Fund Balance, June 30	<u>\$ 44,698</u>	<u>\$ 44,698</u>	<u>\$ 18,180</u>	<u>\$ (26,518)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Animal Shelter DIF**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ (76,593)	\$ (76,593)	\$ (76,593)	\$ -
<b>Resources (Inflows):</b>				
Developer Participation	40,611	40,611	16,488	(24,123)
Amounts Available for Appropriations	(35,982)	(35,982)	(60,105)	(24,123)
<b>Charges to Appropriations (Outflow):</b>				
Transfers Out	-	-	88,687	(88,687)
Total Charges to Appropriations	-	-	88,687	(88,687)
Budgetary Fund Balance, June 30	<u>\$ (35,982)</u>	<u>\$ (35,982)</u>	<u>\$ (148,792)</u>	<u>\$ (112,810)</u>

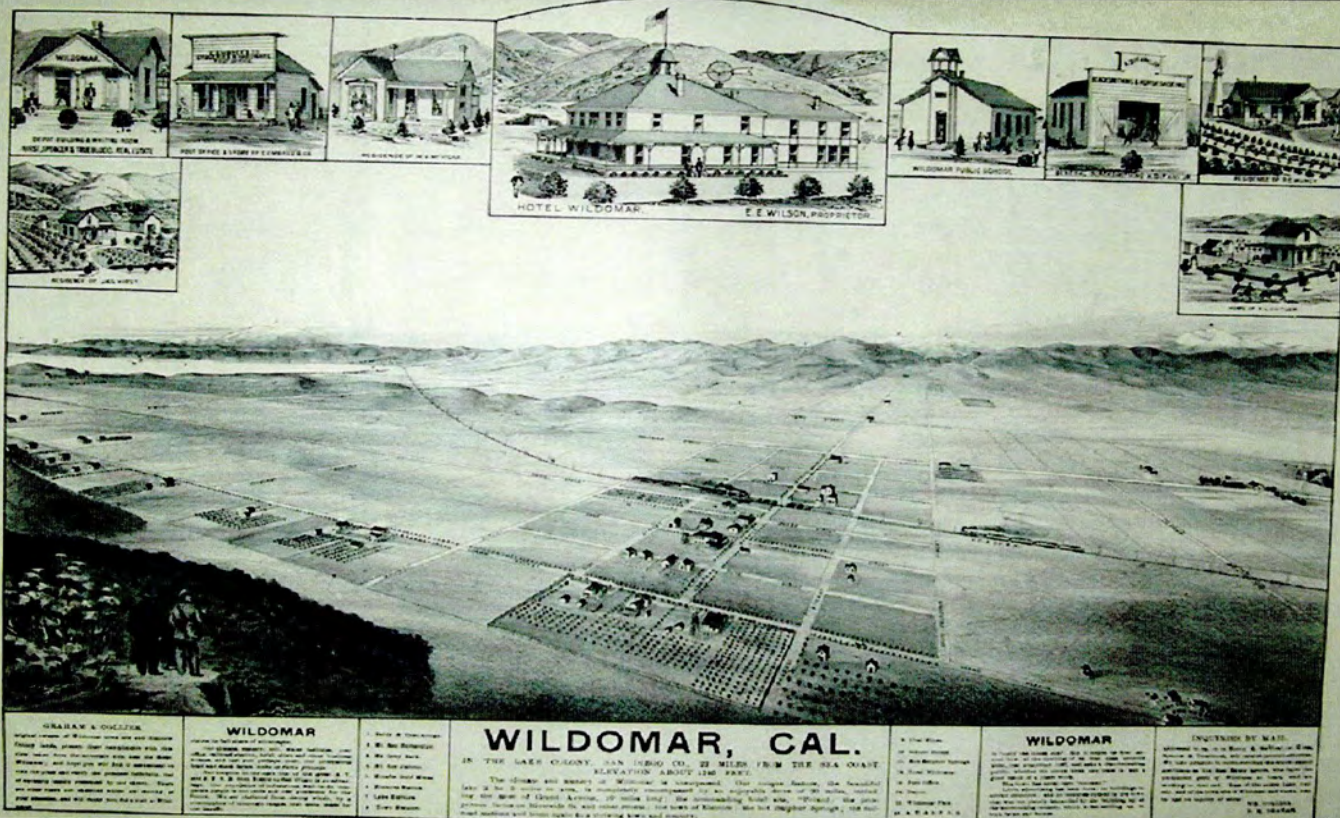
**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Corp Yard DIF**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ 79	\$ 79	\$ 79	\$ -
<b>Resources (Inflows):</b>				
Developer Participation	13,900	13,900	116	(13,784)
Amounts Available for Appropriations	13,979	13,979	195	(13,784)
<b>Charges to Appropriations (Outflows):</b>				
Public Works	-	-	1,074	(1,074)
Transfers Out	-	-	147	(147)
Total Charges to Appropriations	-	-	1,221	(1,221)
Budgetary Fund Balance, June 30	<u>\$ 13,979</u>	<u>\$ 13,979</u>	<u>\$ (1,026)</u>	<u>\$ (15,005)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - County Service Area**  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Budgetary Fund Balance, July 1	\$ 136,195	\$ 136,195	\$ 136,195	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	532,200	532,200	597,739	65,539
Amounts Available for Appropriations	668,395	668,395	733,934	65,539
<b>Charges to Appropriations (Outflows):</b>				
General Government	319,900	319,900	153,226	166,674
Public Safety	-	-	23,662	(23,662)
Public Works	245,000	245,000	265,160	(20,160)
Transfers Out	95,800	95,800	59,475	36,325
Total Charges to Appropriations	660,700	660,700	501,523	159,177
Budgetary Fund Balance, June 30	\$ 7,695	\$ 7,695	\$ 232,411	\$ 224,716

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# Statistical Section

This section of the City of Wildomar's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

## **Contents**

**Financial Trends** - These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time. As a newly incorporated City, information relative to the exact city boundaries prior to incorporation is not readily available in most cases. Therefore trend information will be developed over time and reported annually.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

**Revenue Capacity** - These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the

- Ratio of Outstanding Debt by type
- Direct and Overlapping Governmental Activities
- Legal Debt Margin

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

- Demographic and Economic Statistics
- Principal Employers
- Full-time Equivalent City Government Employees by Function/Program

**Operating Information** - These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information related to the services

- Operating Indicators by Function/ Program
- Capital Asset Statistics by Function/Program
- Miscellaneous Statistics

Sources: Unless otherwise noted, the information in these schedules is derived from various internal and other governmental and non-governmental sources where reliability of the data could be ascertained.

**CITY OF WILDOMAR**  
**Net Position by Component\***  
**(Accrual Basis of Accounting)**

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	Fiscal Year			
	2016	2015	2014	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 23,919,815	\$ 23,067,562	\$ 24,394,130	\$ 23,349,508
Restricted for:				
Community Development Projects	3,541,211	2,579,164	2,640,489	2,108,884
Public Safety	18,180	5,198	226	1,689,442
Public Works	249,576	714,148	1,352,511	483,243
Capital Projects	232,411	136,195	-	-
Cemetery	-	1,690,565	1,649,080	1,590,386
Nonexpendable	-	90,000	90,000	-
Unrestricted	457,120	(1,016,700)	(921,235)	(1,420,547)
<b>Total Governmental Activities Net Position</b>	<b>\$ 28,418,313</b>	<b>\$ 27,266,132</b>	<b>\$ 29,205,201</b>	<b>\$ 27,800,916</b>

\*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015. The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

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Fiscal Year			
2012	2011	2010	2009
\$ 11,725,170	\$ 12,329,670	\$ 13,341,779	\$ 14,841,391
715,474	780,098	617,689	76,322
1,997,091	1,943,203	1,763,914	1,284,148
-	-	-	-
-	-	-	-
1,331,920	-	-	-
-	-	-	-
(628,995)	(537,891)	(818,416)	(494,416)
<u>\$ 15,140,660</u>	<u>\$ 14,515,080</u>	<u>\$ 14,904,966</u>	<u>\$ 15,707,445</u>

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

	Fiscal Year			
	2016	2015	2014	2013
<b>EXPENSES</b>				
Governmental Activities:				
General Government	\$ 2,465,875	\$ 2,320,203	\$ 2,110,310	\$ 2,496,792
Public Safety	5,109,023	4,834,799	4,087,138	4,394,931
Community Development	2,569,072	3,058,008	2,881,440	1,818,348
Parks and Recreation	219,647	425,006	405,589	219,707
Public Works	3,649,428	4,435,300	2,570,554	2,457,319
Interest on long-term debt	-	-	522,724	-
Total Governmental Activities Expenses	<u>\$ 14,013,045</u>	<u>\$ 15,073,316</u>	<u>\$ 12,577,755</u>	<u>\$ 11,387,097</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 636,577	\$ 233,193	\$ 706,214	\$ 1,440,592
Public Safety	11,630	10,266	1,480	-
Community Development	2,773,440	2,491,406	285,075	243,188
Parks and Recreation	4,673	9,005	40	1,056
Public Works	299,806	332,187	8,866	20,061
Total Charges for Services	<u>\$ 3,726,126</u>	<u>\$ 3,076,057</u>	<u>\$ 1,001,675</u>	<u>\$ 1,704,897</u>
Operating Contributions and Grants:				
General Government	\$ 340,463	\$ 575,922	\$ 518,426	\$ 617,155
Public Safety	143,942	97,546	100,000	100,000
Community Development	339,399	343,060	1,921,554	1,257,696
Parks and Recreation	-	-	10,136	-
Public Works	2,497,709	1,351,679	2,229,719	2,383,168
Total Operating Contributions and Grants	<u>\$ 3,321,513</u>	<u>\$ 2,368,207</u>	<u>\$ 4,779,835</u>	<u>\$ 4,358,019</u>
Capital Contributions and Grants:				
Community Development	\$ -	\$ -	\$ 1,900,000	\$ -
Public Works	884,658	1,049,064	-	-
Interest on long-term debt	-	-	-	-
Total Capital Contributions and Grants	<u>\$ 884,658</u>	<u>\$ 1,049,064</u>	<u>\$ 1,900,000</u>	<u>\$ -</u>
Total Governmental Activities Program Revenue	<u>\$ 7,932,297</u>	<u>\$ 6,493,328</u>	<u>\$ 7,681,510</u>	<u>\$ 6,062,916</u>
<b>TOTAL NET REVENUES (EXPENSES)</b>	<u>\$ (6,080,748)</u>	<u>\$ (8,579,988)</u>	<u>\$ (4,896,245)</u>	<u>\$ (5,324,181)</u>

The City was incorporated in fiscal year 2008-2009. No Information prior to fiscal Year 2008-2009 is available.

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

The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

Fiscal Year			
2012	2011	2010	2009
\$ 1,923,733	\$ 2,231,313	\$ 1,798,566	\$ 2,156,911
3,996,420	5,413,023	5,378,962	5,547,480
1,253,984	1,069,198	1,786,894	1,501,865
303,190	297,168	341,458	463,746
2,551,241	2,371,664	2,741,040	29,440,843
<b>\$ 10,028,568</b>	<b>\$ 11,382,366</b>	<b>\$ 12,046,920</b>	<b>\$ 39,110,845</b>
\$ 152,978	\$ 359,266	\$ 71,195	\$ 1,633
			26,893
117,509	205,518	786,747	307,833
4,034	19,040	7,387	-
80,018	186,760	-	-
<b>\$ 354,539</b>	<b>\$ 770,584</b>	<b>\$ 865,329</b>	<b>\$ 336,359</b>
\$ 1,563,689	\$ 376,574	\$ 269,235	\$ 237,579
100,000	100,228	100,773	-
574,834	721,696	871,513	884,216
2,067,952	1,719,851	2,231,390	1,572,871
<b>\$ 4,306,475</b>	<b>\$ 2,918,349</b>	<b>\$ 3,472,911</b>	<b>\$ 2,694,666</b>
\$ -	\$ -	\$ -	\$ -
-	-	-	43,653,393
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,653,393</b>
<b>\$ 4,661,014</b>	<b>\$ 3,688,933</b>	<b>\$ 4,338,240</b>	<b>\$ 46,684,418</b>
<b>\$ (5,367,554)</b>	<b>\$ (7,693,433)</b>	<b>\$ (7,708,680)</b>	<b>\$ 7,573,573</b>

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

	Fiscal Year			
	2016	2015	2014	2013
<b>TOTAL NET REVENUES (EXPENSES) - Carry Forward</b>	<u><u>\$ (6,080,748)</u></u>	<u><u>\$ (8,579,988)</u></u>	<u><u>\$ (4,896,245)</u></u>	<u><u>\$ (5,286,347)</u></u>
<b>GENERAL REVENUES AND OTHER CHARGES IN NET POSITION</b>				
Governmental Activities:				
Taxes:				
Property Taxes, levied for general purpose	\$ 3,774,015	\$ 4,042,882	\$ 3,465,511	\$ 3,243,285
Sales Taxes	1,772,493	1,492,041	1,561,683	1,383,864
Franchise Taxes	1,056,712	1,061,333	972,108	850,808
Business Licenses Taxes	-	-	14,041	14,280
Motor Vehicle in Lieu Tax	13,778	-	-	14,074
Other Taxes	140,501	-	106,039	109,524
Investments Earnings	6,590	5,015	3,605	3,183
Other	71,073	114,382	54,338	48,344
Contributions from Other Entities	-	-	-	-
Special Item	1,185,337	-	-	-
Total Governmental Activities	<u><u>\$ 8,020,499</u></u>	<u><u>\$ 6,715,653</u></u>	<u><u>\$ 6,177,325</u></u>	<u><u>\$ 5,667,362</u></u>
<b>CHANGES IN NET POSITION</b>	<u><u>\$ 1,939,751</u></u>	<u><u>\$ (1,864,335)</u></u>	<u><u>\$ 1,281,080</u></u>	<u><u>\$ 381,015</u></u>

\*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015. The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

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Fiscal Year			
2012	2011	2010	2009
<u>\$ (5,419,990)</u>	<u>\$ (7,540,960)</u>	<u>\$ (7,779,785)</u>	<u>\$ 7,573,573</u>
\$ 3,307,425	\$ 3,092,037	\$ 2,743,768	\$ 3,589,773
1,362,647	1,226,227	1,096,907	1,295,785
749,046	725,775	591,706	520,290
12,705	11,506	12,525	6,390
18,450	1,978,210	2,226,922	2,555,318
83,021	76,110	99,456	130,518
12,011	7,737	9,682	20,403
30,943	32,882	84,030	15,395
576,456			
<u>\$ 6,152,704</u>	<u>\$ 7,150,484</u>	<u>\$ 6,864,996</u>	<u>\$ 8,133,872</u>
<u>\$ 732,714</u>	<u>\$ (390,476)</u>	<u>\$ (914,789)</u>	<u>\$ 15,707,445</u>

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

	Fiscal Year			
	2016	2015	2014	2013
<b>GENERAL FUND</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable:				
Inventory	-	-	-	-
Prepaid Items	11,184	-	-	1,686
Deposits	-	-	-	370,039
Restricted for: Debt Service	-	-	-	483,243
Unassigned:	946,503	773,060	770,686	(46,320)
<b>Total General Fund</b>	<b>957,687</b>	<b>773,060</b>	<b>770,686</b>	<b>\$ 808,648</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved:				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-
Self Insurance	-	-	-	-
Unreserved:				
Unreserved, Reported in Nonmajor				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Undesignated	-	-	-	-
Nonspendable:	-	-	-	-
Inventory	-	2,167	3,509	2,640
Prepaid Items	1,107	-	62	230
Cemetery Endowment	-	90,000	90,000	90,000
Restricted for:	-	-	-	-
Community development projects	3,541,211	2,579,164	2,640,489	2,108,884
Public safety	18,180	5,198	226	-
Public works	249,576	714,148	1,352,511	1,689,442
Capital projects	232,411	136,195	-	-
Cemetery	-	1,688,398	1,645,509	1,497,516
Unassigned:	(1,486,366)	(1,616,354)	(1,183,295)	(759,932)
<b>Total All Other Governmental Funds</b>	<b>\$ 2,556,119</b>	<b>\$ 3,598,916</b>	<b>\$ 4,549,011</b>	<b>\$ 4,628,780</b>

\*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.  
The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016 the District is not included in the governmental activities and its operations are discretely presented in the financial statements.

Source: City Finance Department

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Fiscal Year			
2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -
-	-	1,044,414	1,276,268
2,133			
211,752	275,866		
1,262,279	1,138,893		
<u>\$ 1,476,164</u>	<u>\$ 1,474,399</u>	<u>\$ 1,044,414</u>	<u>\$ 1,276,268</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	741,577	375,878
-	-	342,663	(7,128)
-	-	1,272,834	984,592
4,838			
220	-		
90,000			
715,474	780,098		
1,997,091	1,943,203		
1,331,920	-		
(101,996)	(101,652)		
<u>\$ 4,037,547</u>	<u>\$ 2,621,649</u>	<u>\$ 2,357,074</u>	<u>\$ 1,353,342</u>

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

	Fiscal Year			
	2016	2015	2014	2013
<b>REVENUES</b>				
Taxes	\$ 6,743,720	\$ 6,596,256	\$ 6,119,382	\$ 5,601,761
Licenses and Permits	2,754,563	2,460,535	9,880	16,636
Intergovernmental	3,612,975	3,660,760	3,148,003	2,262,217
Charges for Services	14,895	27,077	213,328	175,722
Investment Earnings	6,590	5,015	3,605	3,183
Fines and Forfeitures	52,654	51,882	81,387	78,322
Contributions	-	-	-	1,271
Developer Participation	598,955	181,553	2,280,715	2,671,888
Miscellaneous	87,850	123,387	54,338	48,344
<b>Total Revenues</b>	<b>\$ 13,872,202</b>	<b>\$ 13,106,465</b>	<b>\$ 11,910,638</b>	<b>\$ 10,859,344</b>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 2,426,059	\$ 2,410,577	\$ 2,049,831	\$ 2,468,897
Public Safety	5,079,535	4,834,799	4,447,176	4,616,892
Community Development	2,569,072	3,100,691	2,881,440	1,818,348
Parks and Recreation	-	27,866	188,047	64
Public Works	1,982,458	2,460,664	1,383,266	1,158,413
Capital Outlay	1,399,541	1,008,509	555,885	736,830
Debt Service:				
Principal Retirement	-	109,040	-	-
Interest and Fiscal Charges	-	-	522,724	-
<b>Total Expenditures</b>	<b>\$ 13,456,665</b>	<b>\$ 13,952,146</b>	<b>\$ 12,028,369</b>	<b>\$ 10,799,444</b>
<b>Excess (Deficiency) of Revenues</b>				-
<b>Over (Under) Expenditures</b>	415,537	(845,681)	(117,731)	59,900
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 517,123	\$ 544,116	\$ 522,000	\$ 649,336
Transfers Out	(517,123)	(544,116)	(522,000)	(649,336)
Other Debts Issued	-	-	-	-
Contributions from Other Entities	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balances/ Net Assets</b>	<b>415,537</b>	<b>(845,681)</b>	<b>(117,731)</b>	<b>59,900</b>
Fund Balances, Beginning of Year	2,591,411	5,319,697	5,437,428	5,513,711
Restatements	506,858	(102,040)	-	(136,183)
Fund Balances, Beginning of Year, as restated	3,098,269	5,217,657	5,437,428	5,377,528
Fund Balances, End of Year	<u>3,513,806</u>	<u>4,371,976</u>	<u>5,319,697</u>	<u>\$ 5,437,428</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NON CAPITAL EXPENDITURES</b>	0.00%	0.00%	0.00%	0.00%

\*Note: Wildomar Cemetery District (District) is included in fiscal years 2012 to 2015.  
The District became a subsidiary of the City in fiscal year 2012. However, for fiscal year 2016  
the District is not included in the governmental activities and its operations are discretely  
presented in the financial statements.

Source: City Finance Department

Fiscal Year			
2012	2011	2010	2009
\$ 5,514,844	\$ 5,131,655	\$ 4,544,362	\$ 5,542,756
25,100	29,171	71,195	28,526
2,598,557	4,361,487	4,559,085	4,128,189
119,850	116,552	132,672	82,583
12,011	7,737	9,682	20,403
88,216	132,535	111,619	149,272
-	-	244,706	237,579
693,022	970,258		
31,233	38,018	84,030	15,395
<b>\$ 9,082,833</b>	<b>\$ 10,787,413</b>	<b>\$ 9,757,351</b>	<b>\$ 10,204,703</b>
\$ 1,856,595	\$ 2,176,985	\$ 1,783,766	\$ 2,154,076
3,996,420	5,413,023	5,378,962	5,547,480
1,253,984	1,069,198	1,786,894	1,501,865
85,648	79,626	123,916	28,662
1,551,441	1,354,021	1,461,323	1,053,337
-	-	-	11,765
-	-	-	-
-	-	-	-
<b>\$ 8,744,088</b>	<b>\$ 10,092,853</b>	<b>\$ 10,534,861</b>	<b>\$ 10,297,185</b>
-	-	-	-
338,745	694,560	(777,510)	(92,482)
\$ 391,053	\$ 641,766	\$ 249,573	\$ -
(391,053)	(641,766)	(249,573)	-
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
338,745	694,560	(777,510)	(92,482)
4,096,048	3,401,488	2,629,610	-
(107,134)	-		
3,988,914			
<b>\$ 4,327,659</b>	<b>\$ 694,560</b>	<b>\$ (777,510)</b>	<b>\$ (92,482)</b>
0.00%	0.00%	0.00%	0.00%

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

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<b>Fiscal year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other Property</b>	<b>Less Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Rate</b>
2016	\$ 2,338,937,110	\$ 293,906,986	\$ 168,832,161	\$ (9,585,150)	\$ 2,792,091,107	0.06414
2015	\$ 2,128,221,360	\$ 186,564,353	\$ 301,703,479	\$ (6,592,208)	\$ 2,609,896,984	0.06742
2014	\$ 1,797,147,241	\$ 184,326,275	\$ 318,120,654	\$ (6,240,538)	\$ 2,293,353,632	0.0686
2013	\$ 1,680,133,457	\$ 188,066,878	\$ 342,293,939	\$ (5,922,179)	\$ 2,204,572,095	0.06624
2012	\$ 1,750,735,442	\$ 192,353,249	\$ 326,053,258	\$ (5,370,950)	\$ 2,263,770,999	0.06572
2011	\$ 1,768,880,175	\$ 187,418,307	\$ 361,130,486	\$ (5,106,890)	\$ 2,312,322,078	0.06522
2010	\$ 1,860,505,078	\$ 321,084,647	\$ 257,455,490	\$ (4,968,321)	\$ 2,434,076,894	0.06575
2009	\$ -	\$ -	\$ -	\$ -	\$ -	-

In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

The City of Wildomar was incorporated in July 2008, therefore data availability is limited. Changes in assessed value distribution is due to a change in source. Other property includes state unitary in the amount of \$129,600.

Source: MuniServices, LLC

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

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Agency	Fiscal Year			
	2016	2015	2014	2013
Basic Levy*	1.00000	1.00000	1.00000	1.00000
Menifee School Debt Svc	0.03010	0.03275	0.03421	0.03543
Metropolitan Water Dist Original Area	0.00350	0.00350	0.00350	0.00350
Perris Union High School Debt Svc	0.06236	0.06303	0.06970	0.03429
Mt. San Jacinto Jr College	0.01394	-	-	-
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.10990</b>	<b>1.09928</b>	<b>1.10741</b>	<b>1.07322</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>
<b>Total Direct Rate</b>	<b>0.06414</b>	<b>0.06742</b>	<b>0.06860</b>	<b>0.06624</b>

\* In 1978, California voters passed Proposition 13 which set the property tax rate at 1.00% fixed amount. This 1.00% is shared between all taxing agencies in which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

Source: MuniServices, LLC

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2012	2011	2010	2009
1.00000	1.00000	1.00000	-
0.03486	0.03436	0.03254	-
0.00370	0.00370	0.00430	-
0.03429	0.03126	0.02686	-
-	-	-	-
<b>1.07285</b>	<b>1.06932</b>	<b>1.06370</b>	-
<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>	-
<b>0.65720</b>	<b>0.06522</b>	<b>0.06575</b>	-

**CITY OF WILDOMAR**  
**Principal Property Tax Payers**  
**Current and Six Years Ago**

Taxpayer	Fiscal Year			
	2016		2010	
	Total Assessed Value	Percentage of Total City Taxable Assessed Value	Total Assessed Value	Percentage of Total City Taxable Assessed Value
Oak Springs Ranch	\$ 76,655,238	2.75%	\$ 15,549,900	0.64%
Universal Health Realty Income Trust	67,914,187	2.43%	32,576,448	1.35%
WNRA Wildomar	55,840,000	2.00%	46,638,000	1.93%
LG Oak Creek	30,000,000	1.07%	31,295,023	1.30%
MCW RC California Bear Creek Village	14,692,418	0.53%	13,712,235	0.57%
Inland Valley Medical Partners	14,554,484	0.52%	13,583,460	0.56%
Strata Oak	14,413,630	0.52%	-	0.00%
Stonebridge Medical Center	13,301,275	0.48%	12,413,863	0.51%
Beazer Homes Holdings Corp	11,666,338	0.42%	11,871,993	0.49%
Wildomar Industrial Park	11,064,873	0.40%	19,591,813	0.81%
Ck Self Storage			8,331,643	0.35%
Totals	<u>\$ 310,102,443</u>	<u>11.11%</u>	<u>\$ 205,564,378</u>	<u>8.50%</u>

Source: Riverside County Assessor Data, MuniServices, LLC

**CITY OF WILDOMAR**

**Property Tax Levies and Collections**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 3,625,979	\$ 3,515,561	96.95%	\$ -	\$ 3,515,561	96.95%
2015	3,394,851	3,241,573	95.48%	125,930	3,367,503	99.19%
2014	3,045,734	2,830,033	92.92%	148,755	2,978,788	97.80%
2013	2,949,607	2,761,748	93.63%	166,385	2,928,133	99.27%
2012	2,925,079	2,718,131	92.93%	119,967	2,838,098	97.03%
2011	3,053,563	2,758,449	90.34%	232,114	2,990,563	97.94%
2010	3,062,836	2,743,768	89.58%	283,126	3,026,894	98.83%

The City was not on the tax rolls until fiscal year 2009-2010, therefore there is no total tax levy. However, the City still received its portion of property tax collections from Riverside County.

Source: County of Riverside

**CITY OF WILDOMAR**

**Ratios of Outstanding Debt by Type**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Lease Revenue Bonds</b>	<b>Certificates of Participation</b>	<b>County Repayment <sup>(1)</sup></b>	<b>Total Governmental Activities</b>	<b>% of Actual Assessed Value of Property <sup>(2)</sup></b>	<b>Per Capita</b>
2016	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2015	\$ -	\$ -	\$ -	\$ 1,185,337	\$ 1,185,337	0.00%	\$ 35
2014	\$ -	\$ -	\$ -	\$ 1,294,377	\$ 1,294,377	0.00%	\$ 39
2013	\$ -	\$ -	\$ -	\$ 1,777,620	\$ 1,777,620	0.00%	\$ 54
2012	\$ -	\$ -	\$ -	\$ 1,999,581	\$ 1,999,581	0.00%	\$ 61
2011	\$ -	\$ -	\$ -	\$ 1,922,674	\$ 1,922,674	0.00%	\$ 60
2010	\$ -	\$ -	\$ -	\$ 1,848,725	\$ 1,848,725	0.00%	\$ 59

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

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

The City was incorporated in fiscal year 2008-2009. No Information prior to fiscal Year 2008-2009 is available.

Source: City Finance Department

**CITY OF WILDOMAR**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2016**

2015-2016 Assessed Valuation	\$ 2,827,895,030
Incremental Valuation	-
Adjusted Assessed Valuation	\$ 2,827,895,030

	Total Debt	Percent Applicable to City (1)	City's Share of Debt
<b>Overlapping Tax and Assessment Debt</b>			
Metropolitan Water District	\$ 92,865,000	0.115%	\$ 106,795
Mount San Jacinto Community College District General Funds Obligations	70,000,000	3.698%	2,588,600
Perris Union High School District	114,315,877	0.214%	244,636
Menifee Union School District	44,004,640	0.357%	157,097
Lake Elsinore Unified School District Community Facilities District No. 89-1,90-1 & 99-1	5,362,000	100.000%	5,362,000
Lake Elsinore Unified School District Community Facilities District No. 2002-1	3,792,000	44.393%	1,683,383
Lake Elsinore Unified School District Community Facilities District No. 2003-1 A	3,804,113	100.000%	3,804,113
Lake Elsinore Unified School District Community Facilities District No. 2004-2 ,3 & 4	17,754,300	47.300-100.0%	16,265,525
Lake Elsinore Unified School District Community Facilities District No. 2005-3 & 7	9,639,300	100.000%	9,639,300
Lake Elsinore Unified School District Community Facilities District No. 2006-3A & 4	8,545,000	100.000%	8,545,000
Lake Elsinore Unified School District Community Facilities District No. 2013-2	4,360,000	100.000%	4,360,000
Perris Union High School District Community Facilities District No. 92-1	35,625,000	0.319%	113,644
Riverside County Flood Control, Zone 3-B Benefit Assessment District	915,000	6.773%	61,973
Riverside County Flood Control, Zone 4	20,650,000	0.438%	90,447
Elsinore Valley Municipal Water District Community Facilities Districts	7,705,000	100.000%	7,705,000
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 60,727,513</b>

**Overlapping General Fund Debt**

Riverside County General Funds Obligation	\$ 889,831,745	1.187%	\$ 10,562,303
Riverside County Pension Obligations	304,520,000	1.187%	3,614,652
Riverside County Board of Education Certificates of Participation	935,000	1.187%	11,098
Lake Elsinore Unified School District Certificates of Participation	34,075,496	26.481%	9,023,532
Perris Union High School District General Fund Obligation	8,331,366	0.214%	17,829
Menifee Union School District Certificates of Participation	29,043,400	0.357%	103,685
<b>Total Gross Overlapping General Fund Debt</b>			<b>\$ 23,333,099</b>
Less: Riverside County Supported Obligations			74,032
<b>Total Net Overlapping General Fund Debt</b>			<b>\$ 23,259,067</b>

**Direct Debt**

City Of Wildomar	\$0	100%	\$0
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	\$ 218,413,028	2.196-18.549%	\$ 14,596,703
<b>Total Direct Debt</b>			<b>\$0</b>
<b>Total Gross Overlapping Debt</b>			<b>\$ 98,657,315</b>
<b>Total Net Overlapping Debt</b>			<b>\$ 98,583,283</b>
<b>Gross Combined Total Debt</b>			<b>\$ 98,657,315 (2)</b>
<b>Net Combined Total Debt</b>			<b>\$ 98,583,283</b>

(1) Percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping districts assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

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

**Ratios to 2015-16 Assessed Valuation:**

Overlapping Tax and Assessment Debt.....	2.15%
<b>Direct Debt (\$0).....</b>	<b>0.00%</b>
Gross Combined Total Debt	3.49%
Net Combined Total Debt	3.49%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$137,506,527):**

<b>Total Overlapping Tax Increment Debt .....</b>	<b>10.62%</b>
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Source: California Municipal Statistics

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

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	Fiscal Year			
	2016	2015	2014	2013
Assessed Valuation	\$ 2,792,091,107	\$ 2,609,896,984	\$ 2,293,353,635	\$ 2,204,512,095
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	\$ 418,813,666	\$ 391,484,548	\$ 344,003,045	\$ 330,676,814
Total Net Debt Applicable to Limit General Obligation Bonds:	-	-	-	-
Legal Debt Margin	<u>\$ 418,813,666</u>	<u>\$ 391,484,548</u>	<u>\$ 344,003,045</u>	<u>\$ 330,676,814</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

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

The City of Wildomar has no general obligation bond indebtedness.

Source: City Finance Department, The HdL Companies

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Fiscal Year			
2012	2011	2010	2009
\$ 2,263,770,999	\$ 2,312,322,078	\$ 2,434,076,894	\$ -
15%	15%	15%	15%
\$ 339,565,650	\$ 346,848,312	\$ 365,111,534	-
-	-	-	-
<u>\$ 339,565,650</u>	<u>\$ 346,848,312</u>	<u>\$ 365,111,534</u>	<u>\$ -</u>
0.00%	0.00%	0.00%	0.00%

**CITY OF WILDOMAR****Demographic and Economic Statistics**

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Calendar Year	(1) Population	(2) Personal Income (thousands)		(3) Unemployment Rate	(4) Median Age	% of Residents over 25 years of age with	
		Personal Income	Per Capita Personal Income (2)			High School Degree	Bachelor's Degree
2016	35,168	\$ 812,908	\$ 23,115	7%	33.8	88%	14%
2015	34,148	755,160	22,700	4%	34	84%	16%
2014	33,718	761,555	22,586	7%	34	83%	17%
2013	33,174	762,836	22,995	9%	32	85%	17%
2012	32,719	744,226	22,746	11%	33	83%	18%
2011	31,907	700,199	21,945	13%	32	84%	17%
2010	31,374	673,738	21,474	12%	38	80%	13%

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

City of Wildomar was incorporated in July 2008, therefore data availability is limited.

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

1.) Population projections are provided by the California Department of Finance.

2.) Income data is provided by the U.S. Census Bureau, 2011-2015 American Community Survey.

3.) Unemployment data is provided by the EDD's Bureau of Labor Statistics.

4.) Median age reflects the U.S. Census data estimation table.

**CITY OF WILDOMAR**  
**Principal Employers**  
**Current and Seven Years Ago**

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Employer	Fiscal Year			
	2016		2009	
	Percentage of Total City		Percentage of Total City	
	Employees	Employment	Employees	Employment
Lake Elsinore Unified School District*	2,429	14.54%	600	17.26%
Inland Valley Medical Center	780	4.67%	430	12.44%
Stater Bros Markets	99	0.59%	100	2.89%
Wildomar Senior Assisted Living	90	0.54%	-	-
Albertson's	85	0.51%	85	2.46%
Coldwell Banker	75	0.45%	60	1.74%
Jack in the Box	70	0.42%	80	2.31%
FCP INC	67	0.40%	150	4.34%
McDonald's	40	0.24%	50	1.45%
P K Mechanical Systems	20	0.12%	56	1.62%
Cornerstone Community Church & School	-	0	45	1.30%
<b>Total of Top 10 Employers</b>	<b>3,755</b>	<b>22.49%</b>	<b>1,656</b>	<b>47.91%</b>

Total City Labor Force (1) 16,700

Source: MuniServices, LLC

\*Count is districtwide

Results based on direct correspondence with City's local business.

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

**CITY OF WILDOMAR**
**Full-Time Equivalent City Government Employees by Function/Program**
**As of June 30, 2016**

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
City Manager								
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
City Clerk								
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Services								
Full- Time Equiv	2.0	1.0	2.0	2.0	2.0	1.0	1.0	-
Asst. City Manager								
Full- Time Equiv	1.0	1.0	1.0	-	-	-	-	-
Planning Director								
Full- Time Equiv	1.0	1.0	1.0	1.0	-	-	-	-
Building/Safety								
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0	1.0	-	-
Cemetery								
Full- Time Equiv	2.0	2.0	2.0	2.0	2.0	2.0	-	-
Community Services								
Full- Time Equiv	-	-	-	1.0	-	-	-	-
Accounting Manager								
Full- Time Equiv	1.0	1.0	-	-	-	-	-	-
Public Works								
Full- Time Equiv	-	1.0	1.0	-	-	-	-	-
Asst. Planner								
Full- Time Equiv	1.0	1.0	-	-	-	-	-	-
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>6</b>	<b>3</b>	<b>1</b>

Source: City Finance Department

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**CITY OF WILDOMAR**
**Operating Indicators by Function/ Program**

Function	2016	2015	2014	2013
Police Services				
Calls for Service	(1)	8,782	4,353	3,954
DUI Arrests	(1)	2	8	2
Traffic Citations	(1)	287	375	N/A
Public Works				
Street Resurfacing (Square Feet)	(1)	43,000	66,000	14,000
Right of Way Clearing (Square Feet)	(1)	112,000	139,000	64,500
Traffic Signs Installed	(1)	43	37	40
Drain Inlets Cleaned	(1)	288	278	280
Building & Safety				
Building Permits Issued	1,685	1,321	789	120
Building Inspections Completed	(1)	3,131	4,091	4,080
Community Development				
Planning Applications Completed	(1)	26	21	20
Community Services				
Community Events Attendance	(1)	3,400	1,320	800
Cemetery				
Burial Services	(1)	31	34	30

Source: City Finance Department, City Community Development Department, City Building Department, Riverside County Sheriff's Department, City Public Works Department, Cemetery

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2012	2011	2010	2009
12,451	14,797	8,740	8,684
40	80	53	78
474	1052	233	1267
43,200	0	0	N/A
64,500	30,119	21,600	N/A
69	41	78	N/A
278	278	300	N/A
130	132	151	232
2,904	2,626	4,032	N/A
29	24	50	39
1,700	N/A	N/A	N/A
30	N/A	N/A	N/A

# CITY OF WILDOMAR

## Capital Asset Statistics by Function/Program

Function	2016	2015	2014	2013	2012	2011	2010	2009
Public Works								
Streets (miles)								
Paved - Public	(1)	119	119	119	119	119	119	N/A
Paved - Private	(1)	9.1	9.1	9.1	9.1	9.1	9.1	N/A
Unpaved - Public	(1)	3.4	3.4	3.4	6.4	6.4	6	N/A
Unpaved - Private	(1)	47.1	47.1	47.1	47.1	47.1	47.1	N/A
Traffic Signals	(1)	23.3	23.3	23.3	23.3	23.3	19	N/A
Community Services								
Parks	3	3	3	3	3	3	3	3
Park Acreage	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4
Cemetery	1	1	1	1	1	0	0	0

Source: City Public Works Department, Community Services Department

(1) Information not available at time of publication.

**CITY OF WILDOMAR**  
**Miscellaneous Statistics**  
**As of June 30, 2016**

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Geographic Location	Wildomar is located along Interstate 15 in Riverside County.
Population	35,168
Area in Square Miles	24
Form of Government	Council-Manager
Date of Incorporation	July 1, 2008
Number of Full Time Employees	11
Public Safety:	
Police Department	Under contract with the Riverside County Sheriff's Department
Fire Department	Under contract with the Riverside County Fire Department ( Cal-Fire)
Library	1 branch, Riverside County Library System
Recreation:	3 Parks owned by the City
Schools:	
Elementary	4
Middle Schools	1
High Schools	1

Source: City Finance Department and California Department of Finance