

CITY OF WILDOMAR

COMPREHENSIVE ANNUAL FINANCIAL REPORT



2015
2014

FISCAL YEAR ENDED

JUNE 30, 2015

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CITY OF WILDOMAR, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared By:
The City of Wildomar, California
Finance Department

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CITY OF WILDOMAR
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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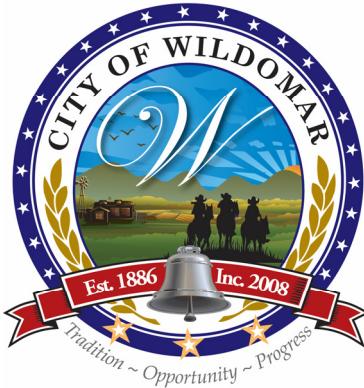
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CITY OF WILDOMAR

INTRODUCTORY SECTION

City Background

Ben Benoit, Mayor
Bridgette Moore, Mayor Pro Tem
Bob Cashman, Council Member
Marsha Swanson, Council Member
Timothy Walker, Council Member



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

January 27, 2016

Letter of Transmittal Fiscal Year 2014-15 Comprehensive Annual Financial Report (CAFR)

Dear Honorable Mayor, Council Members and Wildomar Citizens,

I am pleased to present the Fiscal Year 2014-15, Comprehensive Annual Financial Report for the City of Wildomar, California for the fiscal year ended June 30, 2015.

This report consists of management representations concerning the finances of the City of Wildomar in its seventh 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 Lance, Soll and Lunghard, LLP, a firm of certified public accountants and consultants. 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, 2015, 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 34,148 residents.

The City Council consists of 5 Council Members, elected at large 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.

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, economic development and the operations and maintenance of the cemetery.

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 annual 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.

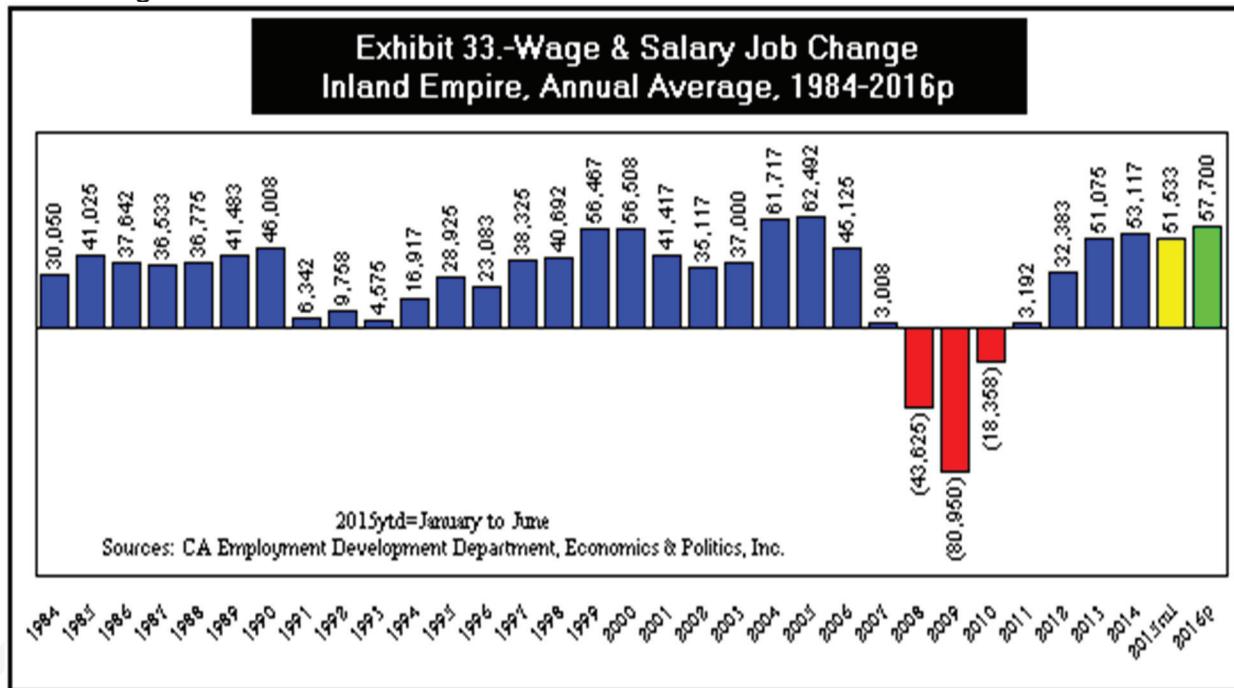
The Ad-Hoc Finance Committee meets with the City Manager at a workshop in mid-April. The City Manager presents the proposed budget for all governmental activities to the City Council at the first Council meeting in June for review. The City Council is required to hold a public hearing on the proposed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

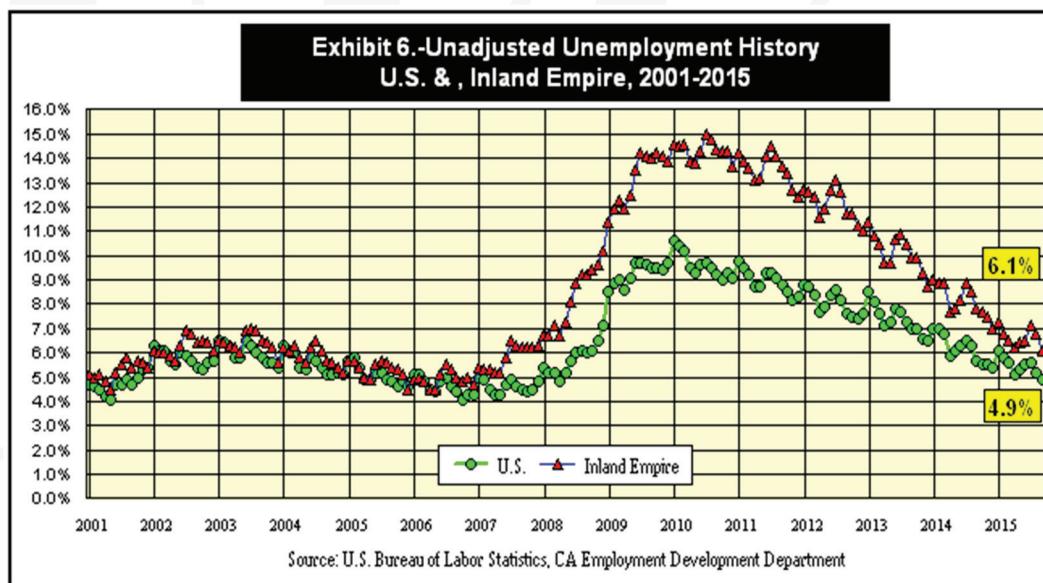
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Wildomar operates.

Local Economy

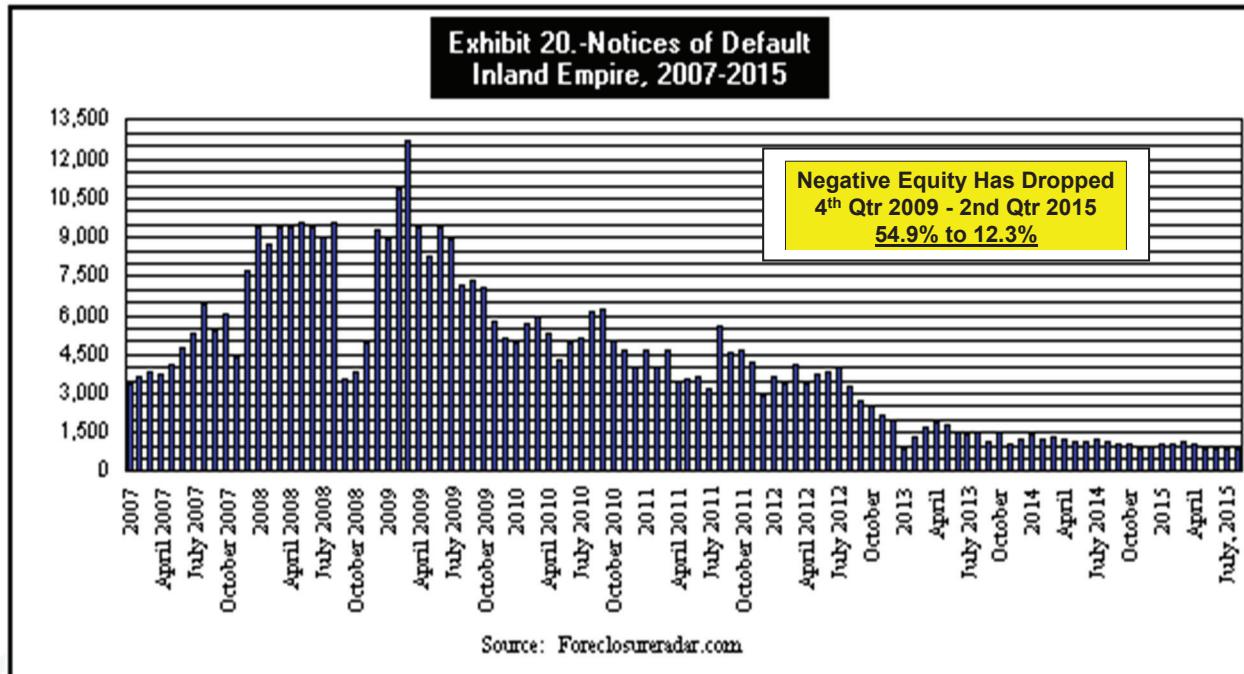
The City of Wildomar, in its seventh year of incorporation, is experiencing modest growth. Property valuations are increasing and the City has several new development projects. Job growth has been increasing at a good pace and this is good news for the City. Between 2011–2016, the Inland Empire has gained back 250,502 jobs vs. 142,933 lost during the Great Recession.



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



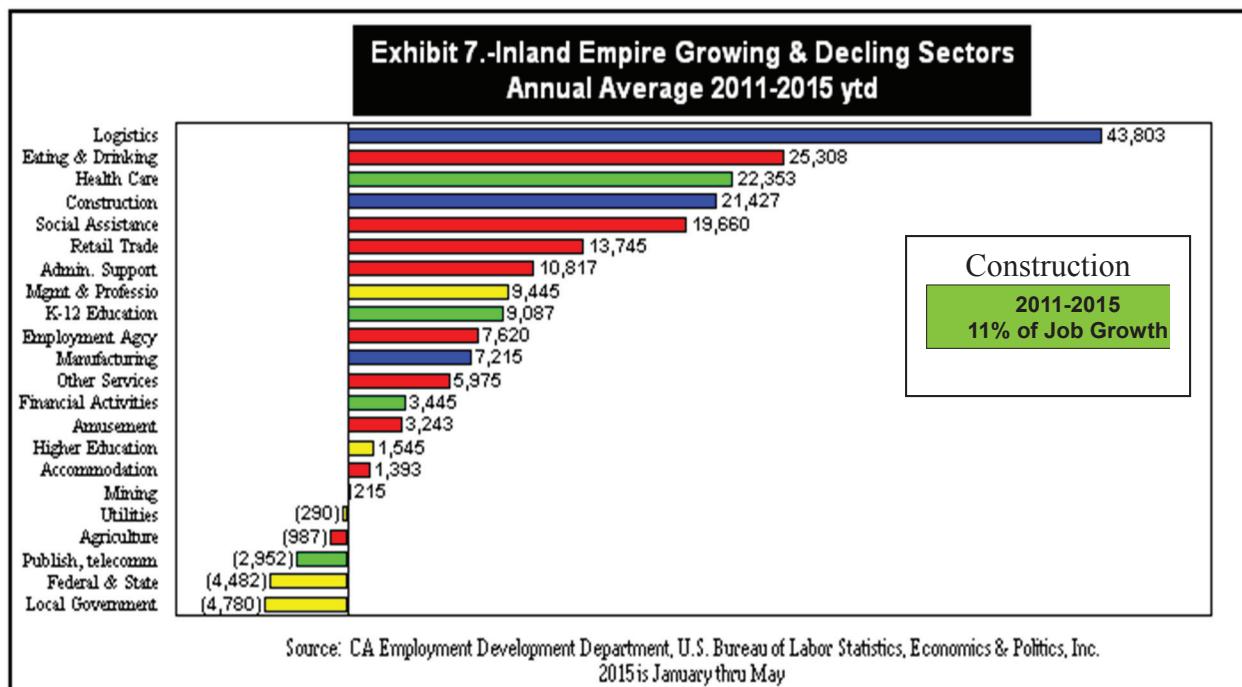
Another indicator of growth in the region is the return of construction. Notices of default have dropped significantly over the last several years and new construction is happening in the region.



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



This increase in new construction has brought back construction jobs to the region.



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 14/15 compared to fiscal year 13/14 have increased 20%, 902 permits vs. 753 permits. Assessed valuations of property also increased from \$2.3 billion in fiscal year 13/14 to \$2.6 billion in fiscal year 14/15, an increase of approximately 13%.

State of California.....Fiscal Impacts Continue

It has been four 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 (MVLF) 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. Furthermore, as in prior years, the City expected to receive the majority of these MVLF revenues during the month of August which greatly assisted with the City's operating cash flow.

Resulting from the actions taken by the Governor, the City Council, at a Special Council Meeting on July 7, 2011 directed staff to make the following General Fund reductions:

- Police Services Reduced from 72 hours per day to 40 hours
- 20% Reduction in City Hall Service Hours
- Salary and Benefit Costs reduced
- 50% Reduction in Public Meetings with City Council and Planning Commission

These reductions have remained in place as 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 \$2,374 to the General Fund balance for fiscal year 2014/15.

This year's budget for FY 2014-15 is year two of the City's first two year budget program. By year end, the adopted expenditure budget was amended several times throughout the year to reflect the changes of the organization and increasing levels of proposed development within the City. At year end the actual expenditures were \$1.8 million higher than the original budget primarily due to the development activity, which was partially offset by like revenue increases. The General Fund revenues were \$1.8 million more than the original budgeted revenues. The City tax revenue increased by \$434,127 (7.5%) as compared to the prior fiscal year FY 2013-14. At fiscal year end the General Fund revenues and transfers of \$9,388,703 exceeded expenditures of \$9,386,329 by \$2,374, resulting in a year end fund balance of \$773,060. The City will continue to work closely with the ad-hoc finance subcommittee to recognize fiscal changes and recommend actions at the quarterly budget reviews and public hearing meetings.

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.
- 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.

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

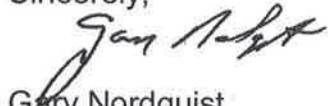
The City has a set of financial policies that it abides by and is continually enhancing and adding relevant policies as it develops its formal financial systems. Initially following incorporation, the City adopted all of the County's policies/codes. As the City develops its own unique needs, it will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

Concluding remarks

The City, in its seventh 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.

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

Sincerely,



Gary Nordquist
City Manager

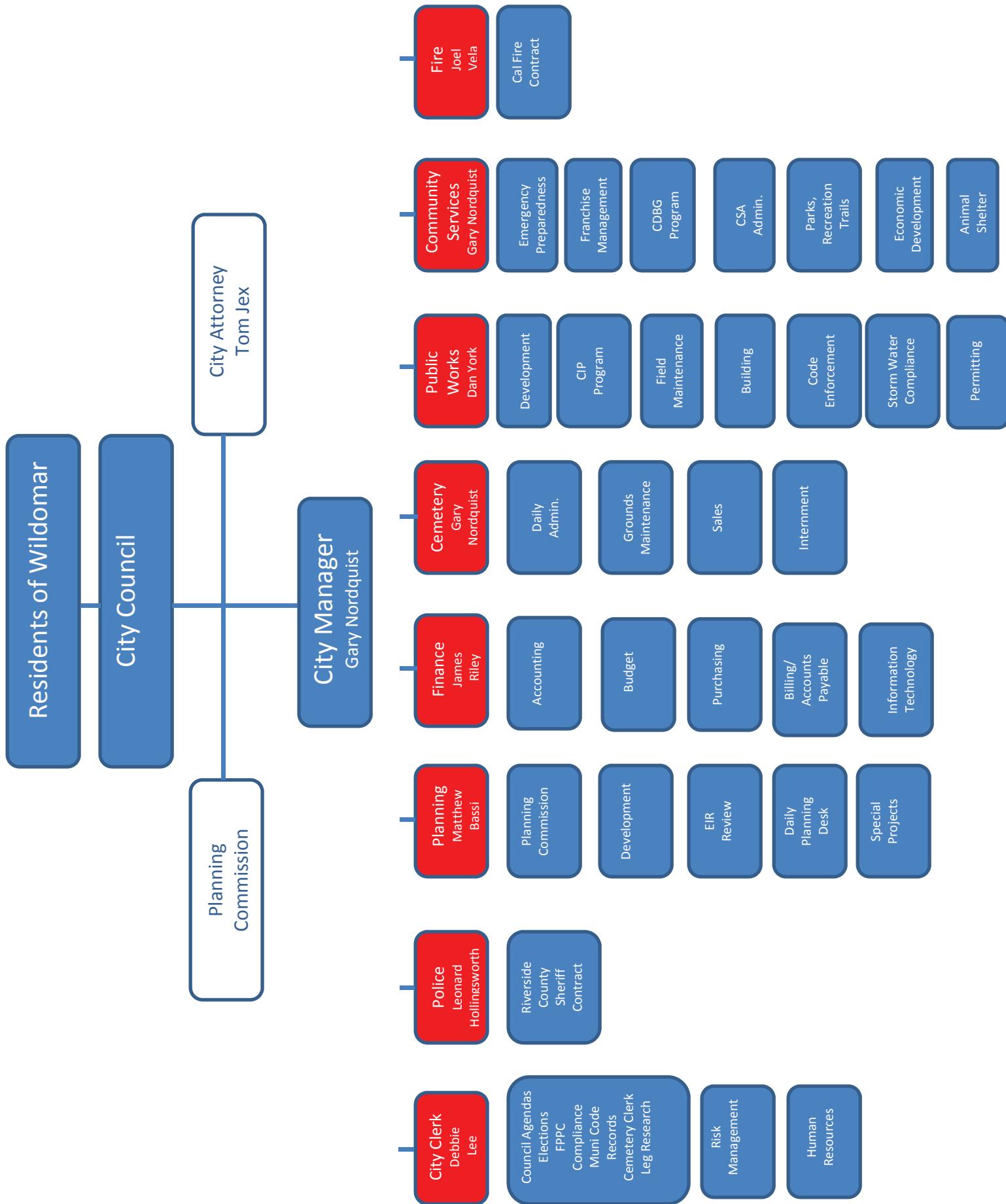
STAFF DIRECTORY

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>Leonard Hollingsworth</i>
Fire Chief.....	<i>Joel Vela</i>

CITY OF WILDOMAR CAFR TEAM:

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





Ben Benoit, Mayor
Bridgette Moore, Mayor Pro Tem
Marsha Swanson, Member
Timothy Walker, Member
Bob Cashman, Member

City Manager
Gary Nordquist

City Attorney
Thomas Jex

CITY OF WILDOMAR

FINANCIAL SECTION

The Numbers

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Wildomar, California, (the City) as of and for the year ended June 30, 2015, 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 about 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Wildomar, California, as of June 30, 2015, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the budgetary comparison schedules for the general fund, the development impact fees fund, the grants fund, and the Wildomar Cemetery District; the schedule of proportionate share of the net pension liability; and the schedule of plan contributions 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, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were 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 combining and individual nonmajor fund financial statements and the schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

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 26, 2016 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.

A handwritten signature in black ink that reads 'Lance, Soll & Lungard, LLP'.

Brea California
January 26, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

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 seventh fiscal year of operation which ended June 30, 2015. This the seventh year of incorporation for the City and thus comparative data is limited to those years. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through ix of this report, and with the City's financial statements which follow this discussion.

THE FINANCIAL HIGHLIGHTS

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

For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, in assessing the overall health of our City.

- The assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows or resources as of June 30, 2015, by \$27.3 million (net position).
- The City of Wildomar's total net position decreased by \$1.9 million. The primary decrease was the result of total revenues of governmental activities of \$13.2 million offset by \$15.1 million in total costs of governmental activities.
- As of June 30, 2015, the City of Wildomar's governmental funds reported combined ending fund balances of \$4.4 million, a decrease of \$947,721, in comparison to the prior year.
- As of June 30, 2015, fund balance of \$2.6 million was restricted for Community development projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

This report also contains other 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 chart 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 forum, 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 elicited from such sources as utility user's tax, transient occupancy tax, 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 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 and liabilities, 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 fashion 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 27 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 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* 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 20 through 26 of this report.

Notes to the Basic Financial Statements

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

Other Supplementary Information

In addition to the basic financial statements and included within the notes, this report also presents certain *supplementary information*. The combining statements referred to earlier in connection with non-major governmental funds are presented for all non-major Special Revenue Funds and County Service Area Capital Project Funds. The supplementary financial information also includes budgetary comparison schedules for the non-major governmental funds to demonstrate compliance with the annual budget as adopted and amended. The Supplementary Information can be found following the Notes to the Basic Financial Statements.

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 exceeded liabilities by \$27.3 million at June 30, 2015. 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, 2015, net assets were \$27.3 million of which \$23.1 million is invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$5.2 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements and -\$1 million is unrestricted. Of note is the fact that the City has no outstanding debt related to capital assets held.

Table 1 Net Position -Primary Government

City of Wildomar					
Summary of Changes in Net Position					
For the Years Ended June 30,					
Governmental Activities					
	2015	2014	2013	2012	2011
Assets:					
Current and other assets	\$ 9,267,214	\$ 10,134,045	\$ 9,119,464	\$ 7,557,176	\$ 6,445,594
Capital assets	23,067,562	24,394,130	23,349,508	11,725,170	12,329,670
Total Assets	32,334,776	34,528,175	32,468,972	19,282,346	18,775,264
Deferred Outflows of Resources:					
Deferred Pension-related items	341,515	-	-	-	-
Total Deferred Outflows of Resources	341,515	-	-	-	-
Liabilities:					
Other Liabilities	3,838,191	3,842,347	3,241,403	2,019,196	2,285,577
Long-term Liabilities	1,501,680	1,480,627	1,426,653	2,122,490	1,974,607
Total Liabilities	5,339,871	5,322,974	4,668,056	4,141,686	4,260,184
Deferred Inflows of Resources:					
Deferred Pension-related items	70,288	-	-	-	-
Total Deferred Inflows of Resources	70,288	-	-	-	-
Net Position:					
Net Investment in Capital Assets	23,067,562	24,394,130	23,349,508	11,725,170	12,329,670
Restricted	5,213,103	5,732,306	5,871,955	4,044,485	2,704,186
Unrestricted	(1,014,533)	(921,235)	(1,420,547)	(628,995)	(518,776)
Total Net Position	\$ 27,266,132	\$ 29,205,201	\$ 27,800,916	\$ 15,140,660	\$ 14,515,080

Table 2 Changes in Net Position -Primary Government

City of Wildomar Summary of Changes in Net Position For the Years Ended June 30,						
	Governmental Activities					
	2015	2014	2013	2012	2011	
Revenues						
Program Revenues						
Charges for Service	\$ 3,076,057	\$ 1,001,675	\$ 1,704,933	\$ 354,539	\$ 771,174	
Operating Grants and Contributions	2,368,207	4,779,835	4,395,853	4,330,946	2,918,349	
Capital Grants and Contributions	1,049,064	1,900,000	-	-	226,422	
General Revenues						
Sales Taxes	1,492,041	1,561,683	1,383,864	1,362,647	1,226,227	
Property Taxes	4,042,882	3,465,511	3,243,285	3,307,425	3,092,037	
Other Taxes	1,061,333	1,092,188	988,686	1,439,678	2,791,601	
Other Revenues	114,382	54,338	48,344	30,943	32,882	
Use of Money and Property	5,015	3,605	3,183	12,011	7,737	
Total Revenues	13,208,981	13,858,835	11,768,148	10,838,189	11,066,429	
Expenses						
General Government	2,320,203	2,110,310	2,496,792	1,923,733	2,231,313	
Public Safety	4,834,799	3,963,933	4,667,605	3,996,420	5,413,023	
Community Development	3,058,008	2,881,440	1,818,348	1,253,984	1,069,198	
Parks and Recreation	425,006	405,589	219,707	303,190	297,168	
Public Works	4,435,300	2,570,554	2,184,645	2,551,241	2,371,664	
Interest on Long-Term Debt	522,724	-	-	76,907	73,949	
Total Expenses	15,073,316	12,454,550	11,387,097	10,105,475	11,456,315	
Increase (Decrease) in Net Position	(1,864,335)	1,404,285	381,051	732,714	(389,886)	
Beginning Net Position	29,205,201	27,800,916	15,140,660	14,515,080	14,904,966	
Restatement of Net Position	(74,734)	-	12,279,205	(107,134)	-	
Ending Net Position	\$ 27,266,132	\$ 29,205,201	\$ 27,800,916	\$ 15,140,660	\$ 14,515,080	

As of the date of this report, property taxes were the single greatest source of City revenues for governmental activities. Total property tax revenues increased by \$577,371 (16.7%) as compared to the fiscal year 2013-14. The State of California taking of the recurring Motor Vehicle License Fee Revenues in FY 2011-12 (MVLF, estimated at \$1.7m of “Other Taxes”) is noticed in the Other Taxes line under General Revenues.

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 decreased when compared to the previous fiscal year. The total ending fund balance for the City's governmental funds was \$4.4 million which represented a \$947,721 or (17.8%) decrease from the prior fiscal year.

Restricted fund balance is \$5.1 million, the non-spendable fund balance is \$92,167 and unassigned fund balance is (\$843,294) primarily due to the grant funds.

Other Major Funds Budgetary Highlights:

Gas Tax and Measure A Funds

These funds are primarily used to record the expenditure of funds for road maintenance and capital transportation projects. There source of funding is State taxes on gasoline and Measure A receives funding from a county-wide voter approved sales tax.

Development Impact Fees

These funds are used to record the capital expenditures of funds 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. No improvements were authorized for construction during fiscal year 2014-15.

Other Governmental Funds-Community Service Area (CSAs) Funds

As a part of the incorporation of the City, five former CSAs were fully detached from the County in 2010 and transferred to the City. These funds provide services for street lights and landscape maintenance.

General Fund Financial Highlights

The General Fund is the primarily funding source for the City. At fiscal year end, the unassigned fund balance of the general fund was \$773,060 or 9% of the City's general fund expenditures of \$8.8 million.

General Fund revenues increased \$1.1 million from fiscal year 13-14. General Fund expenditures increased \$976,525.

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 (MVLF) revenues continue to impact the General Fund by \$1.7 million or 19% 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 net investment in capital assets (Table 3) for its governmental activities as of June 30, 2015, is \$23.1 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 4 in the Notes to Financial Statements. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-wide financial statements.

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

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

Table 3 Summary of Changes in Capital Assets

City of Wildomar Summary of Changes in Capital Assets For the Year Ended June 30, 2015				
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 3,190,006	\$ -	\$ -	\$ 3,190,006
Construction in Progress	1,339,241	926,789	701,010	1,565,020
Right-of-way	622,935	-	-	622,935
Total Capital Assets, Not Being Depreciated	5,152,182	926,789	701,010	5,377,961
Capital Assets, being depreciated:				
Buildings and Improvements	7,094,471	38,156	-	7,132,627
Furniture, fixtures and Equipment	46,730	-	-	46,730
Traffic Signals	128,838	-	-	128,838
Infrastructure	40,245,355	701,010	-	40,946,365
Total Capital Assets, Being Depreciated	47,515,394	739,166	-	48,254,560
Less Accumulated Depreciation				
Buildings and Improvements	1,852,661	237,754	-	2,090,415
Furniture, fixtures and Equipment	55,913	6,457	-	62,370
Traffic Signals	19,326	6,442	-	25,768
Infrastructure	26,345,546	2,040,860	-	28,386,406
Total Accumulated Depreciation	28,273,446	2,291,513	-	30,564,959
Total Capital Assets, Being Depreciated, Net	19,241,948	(1,552,347)	-	17,689,601
	\$ 24,394,130	\$ (625,558)	\$ 701,010	\$ 23,067,562

Long-term Debt

At year end, the City had \$1.3 million in outstanding long-term debt for Governmental Activities. This debt is due to a loan from the County of Riverside for the cost of services (\$1.2 million) the County provided to the City during the City's first year of incorporation and Compensated Absences (\$121,679). Long-term debt decreased \$96,872 during the year due primarily to a payment to the County of Riverside.

Table 4 Summary of Changes in Long-Term Liabilities

City of Wildomar Summary of Changes in Long-Term Liabilities For the Year Ended June 30, 2015					
	Beginning Balance	Additions	Deductions	Ending Balance	Within One Year
Loan from Riverside County	\$ 1,294,377	\$ -	\$ 109,040	\$ 1,185,337	\$ 100,000
Compensated Absences	109,511	86,391	74,223	121,679	82,470
Total Long-Term Liabilities	\$ 1,403,888	\$ 86,391	\$ 183,263	\$ 1,307,016	\$ 182,470

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, 2015, in preparing the budget for fiscal year 2015-16, 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 2015-16 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 2015-16 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 MVLF 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.

CITY OF WILDOMAR

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
Assets:	
Cash and investments	\$ 7,176,350
Receivables:	
Accounts	2,087,602
Accrued interest	1,095
Inventories	2,167
Capital assets not being depreciated	5,377,961
Capital assets, net of depreciation	<u>17,689,601</u>
Total Assets	<u>32,334,776</u>
Deferred Outflows of Resources:	
Deferred pension-related items	<u>341,515</u>
Total Deferred Outflows of Resources	<u>341,515</u>
Liabilities:	
Accounts payable	1,836,854
Accrued liabilities	12,315
Unearned revenue	660,535
Deposits payable	1,143,688
Due to other governments	184,799
Noncurrent liabilities:	
Due within one year	182,470
Due in more than one year	1,124,546
Net pension liability	98,405
Other post-employment benefits liability	<u>96,259</u>
Total Liabilities	<u>5,339,871</u>
Deferred Inflows of Resources:	
Deferred pension-related items	<u>70,288</u>
Total Deferred Inflows of Resources	<u>70,288</u>
Net Position:	
Investment in capital assets	23,067,562
Restricted for:	
Community development projects	2,579,164
Public safety	5,198
Public works	714,148
Capital projects	136,195
Cemetery	1,688,398
Cemetery Trust	
Nonexpendable	90,000
Unrestricted	<u>(1,014,533)</u>
Total Net Position	<u>\$ 27,266,132</u>

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CITY OF WILDOMAR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	
Governmental Activities:						
General government	\$ 2,320,203	\$ 233,193	\$ 575,922	\$ -	\$ (1,511,088)	
Public safety	4,834,799	10,266	97,546	-	(4,726,987)	
Community development	3,058,008	2,491,406	343,060	-	(223,542)	
Parks and recreation	425,006	9,005	-	-	(416,001)	
Public works	4,435,300	332,187	1,351,679	1,049,064	(1,702,370)	
Total Governmental Activities	15,073,316	3,076,057	2,368,207	1,049,064	(8,579,988)	
General Revenues:						
Taxes:						
Property taxes, levied for general purpose					4,042,882	
Sales taxes					1,492,041	
Franchise taxes					1,061,333	
Use of money and property					5,015	
Other					114,382	
Total General Revenues					6,715,653	
Change in Net Position					(1,864,335)	
Net Position at Beginning of Year					29,205,201	
Restatement of Net Position					(74,734)	
Net Position at End of Year					\$ 27,266,132	

CITY OF WILDOMAR

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	General	Development Impact Fees	Grants	Wildomar Cemetery District
Assets:				
Pooled cash and investments	\$ 1,710,622	\$ 2,337,037	\$ -	\$ 1,769,217
Receivables:				
Accounts, grants and taxes	721,921	51,200	1,058,227	13,201
Accrued interest	1,095	-	-	-
Due from other funds	1,030,915	914,528	-	-
Inventories	-	-	-	2,167
Total Assets	\$ 3,464,553	\$ 3,302,765	\$ 1,058,227	\$ 1,784,585
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,350,691	\$ 10,435	\$ 167,434	\$ 4,020
Accrued liabilities	12,315	-	-	-
Unearned revenues	-	655,475	5,060	-
Deposits payable	1,143,688	-	-	-
Due to other governments	184,799	-	-	-
Due to other funds	-	115,641	914,528	-
Total Liabilities	2,691,493	781,551	1,087,022	4,020
Deferred Inflows of Resources:				
Unavailable revenues	-	-	1,043,305	-
Total Deferred Inflows of Resources	-	-	1,043,305	-
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	2,167
Cemetery endowment	-	-	-	90,000
Restricted for:				
Community development projects	-	2,521,214	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Cemetery	-	-	-	1,688,398
Unassigned	773,060	-	(1,072,100)	-
Total Fund Balances	773,060	2,521,214	(1,072,100)	1,780,565
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,464,553	\$ 3,302,765	\$ 1,058,227	\$ 1,784,585

CITY OF WILDOMAR

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 1,359,474	\$ 7,176,350
Receivables:		
Accounts, grants and taxes	243,053	2,087,602
Accrued interest	-	1,095
Due from other funds	-	1,945,443
Inventories	-	2,167
Total Assets	<u>\$ 1,602,527</u>	<u>\$ 11,212,657</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 304,274	\$ 1,836,854
Accrued liabilities	-	12,315
Unearned revenues	-	660,535
Deposits payable	-	1,143,688
Due to other governments	-	184,799
Due to other funds	915,274	1,945,443
Total Liabilities	<u>1,219,548</u>	<u>5,783,634</u>
Deferred Inflows of Resources:		
Unavailable revenues	<u>13,742</u>	<u>1,057,047</u>
Total Deferred Inflows of Resources	<u>13,742</u>	<u>1,057,047</u>
Fund Balances:		
Nonspendable:		
Inventory	-	2,167
Cemetery endowment	-	90,000
Restricted for:		
Community development projects	57,950	2,579,164
Public safety	5,198	5,198
Public works	714,148	714,148
Capital projects	136,195	136,195
Cemetery	-	1,688,398
Unassigned	(544,254)	(843,294)
Total Fund Balances	<u>369,237</u>	<u>4,371,976</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,602,527</u>	<u>\$ 11,212,657</u>

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CITY OF WILDOMAR**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Fund balances of governmental funds	\$ 4,371,976
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	23,067,562
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Loan from County	\$ (1,185,337)
Compensated Absences	<u>(121,679)</u>
	(1,307,016)
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.	(96,259)
Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2014, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions.	196,524
Adjustment due to the changes in the proportionate share of the pension plan are recorded as deferred outflows of resources and amortized over the remaining service life.	144,991
In the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.	(98,405)
Deferred inflows related to the net difference between projected and actual earnings on pension plan investments and the adjustment due to differences in proportions.	(70,288)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>1,057,047</u>
Net Position of governmental activities	<u>\$ 27,266,132</u>

CITY OF WILDOMAR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	General	Development Impact Fees	Grants	Wildomar Cemetery District
Revenues:				
Taxes	\$ 6,196,420	\$ -	\$ -	\$ 399,836
Licenses and permits	2,460,535	-	-	-
Intergovernmental	43,338	-	773,319	-
Charges for services	18,077	-	-	9,000
Use of money and property	3,567	-	-	981
Fines and forfeitures	51,882	-	-	-
Developer participation	-	170,021	-	-
Miscellaneous	70,768	-	-	41,294
Total Revenues	8,844,587	170,021	773,319	451,111
Expenditures:				
Current:				
General government	1,568,650	-	15,948	362,068
Public safety	4,834,799	-	-	-
Community development	2,713,552	75,983	-	-
Parks and recreation	-	-	-	-
Public works	160,288	13,713	84,606	-
Capital outlay	-	-	966,722	-
Debt service:				
Principal retirement	109,040	-	-	-
Total Expenditures	9,386,329	89,696	1,067,276	362,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	(541,742)	80,325	(293,957)	89,043
Other Financing Sources (Uses):				
Transfers in	544,116	-	-	-
Transfers out	-	(27,389)	-	(47,558)
Total Other Financing Sources (Uses)	544,116	(27,389)	-	(47,558)
Net Change in Fund Balances	2,374	52,936	(293,957)	41,485
Fund Balances, Beginning of Year, as previously reported	770,686	2,468,278	(778,143)	1,739,080
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	770,686	2,468,278	(778,143)	1,739,080
Fund Balances, End of Year	\$ 773,060	\$ 2,521,214	\$ (1,072,100)	\$ 1,780,565

CITY OF WILDOMAR

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 6,596,256
Licenses and permits	-	2,460,535
Intergovernmental	2,844,103	3,660,760
Charges for services	-	27,077
Use of money and property	467	5,015
Fines and forfeitures	-	51,882
Developer participation	11,532	181,553
Miscellaneous	11,325	123,387
Total Revenues	<u>2,867,427</u>	<u>13,106,465</u>
Expenditures:		
Current:		
General government	463,911	2,410,577
Public safety	-	4,834,799
Community development	311,156	3,100,691
Parks and recreation	27,866	27,866
Public works	2,202,057	2,460,664
Capital outlay	41,787	1,008,509
Debt service:		
Principal retirement	-	109,040
Total Expenditures	<u>3,046,777</u>	<u>13,952,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(179,350)</u>	<u>(845,681)</u>
Other Financing Sources (Uses):		
Transfers in	-	544,116
Transfers out	<u>(469,169)</u>	<u>(544,116)</u>
Total Other Financing Sources (Uses)	<u>(469,169)</u>	<u>-</u>
Net Change in Fund Balances	<u>(648,519)</u>	<u>(845,681)</u>
Fund Balances, Beginning of Year, as previously reported	1,119,796	5,319,697
Restatements	<u>(102,040)</u>	<u>(102,040)</u>
Fund Balances, Beginning of Year, as restated	<u>1,017,756</u>	<u>5,217,657</u>
Fund Balances, End of Year	<u>\$ 369,237</u>	<u>\$ 4,371,976</u>

CITY OF WILDOMAR**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds \$ (845,681)

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	\$ 964,945
Depreciation	<u>(2,291,513)</u>
	(1,326,568)

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	109,040
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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. (12,168)

Pension obligation 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. 145,516

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. 35,451

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 30,075

Change in net position of governmental activities \$ (1,864,335)

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be incomplete. Under this definition, the following entity is determined to be blended component unit of the City. It is reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government and there is a financial benefit or burden relationship between the primary government and the component unit; (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; and (3) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government. The blended component unit has a June 30 year-end. The following entity is reported as a blended 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 reported in the Wildomar Cemetery District special revenue fund of the City. Separate financial statements are not prepared for the District.

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

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

The Wildomar Cemetery District accounts for revenues and expenditures of the Wildomar Cemetery District, which includes transactions for services, rents, property taxes and interest. The City took over the operations of the District on November 9, 2011 after the Riverside County Local Agency Formation Commission approved the Wildomar Cemetery District as a subsidiary district of the City. This fund also includes an endowment of \$90,000 that is derived from an endowment care fee assessed on each sale of burial right and earnings on these resources.

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

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.

Amounts 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 taxes.

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

Cash and Investments

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

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

Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Prepaid Costs and Deposits

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

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. 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 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Building and improvements	10-30
Equipment and furniture	3-20
Vehicles	5-10
Infrastructure	10-50
Software	5-10

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources for pension which relate to contributions after the measurement date and adjustments due to the difference in proportions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from 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 which relate to the net difference between projected and actual earnings of pension plan investments and the difference between actual and plan share proportionate contributions.

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 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, 2013

Measurement Date (MD): June 30, 2014

Measurement Period (MP): July 1, 2013 to June 30, 2014

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, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

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

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (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 include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the 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 proceeding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

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. Effect of New Accounting Standards

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27 will improve the decision-usefulness of information in local government employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* resulted in a beginning net position restatement at July 1, 2014 of \$27,306 for governmental activities.

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015

II. STEWARDSHIP**Note 2: Stewardship, Compliance and Accountability**

The following funds contained deficit fund balances or net position:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund:	
Grants	\$ (1,072,100)
Gas Tax	(288,629)
SLESF	(15,057)
TDA	(26,978)
Community Development Block Grant	(136,997)
Animal Shelter DIF	(76,593)

III. DETAILED NOTES ON ALL FUNDS**Note 3: Cash and Investments**

As of June 30, 2015, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	<u>\$ 7,176,350</u>
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The City maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Interest income earned on pooled cash and investments is allocated quarterly to the General Fund based on average daily cash balances.

Deposits

At June 30, 2015, the carrying amount of the City's deposits was \$5,501,119 and the bank balance was \$5,683,579. The \$182,460 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 deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 3: Cash and Investments (Continued)

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.

Investments in State Investment Pool

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

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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015

investment or collateral securities that are in the possession of an outside party. Investments in U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

As of June 30, 2015, none of the City's deposits or investments were exposed to custodial credit risk.

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, 2015, the City's investment in LAIF and money market is unrated.

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, 2015, the City had the following investments and remaining maturities:

	Investment Maturities (in Years)	
	Less than 1 year	Fair Value
California Local Agency Investment Fund	\$ 1,549,394	\$ 1,549,394
Money Market	125,837	125,837
Total	\$ 1,675,231	\$ 1,675,231

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,190,006	\$ -	\$ -	\$ 3,190,006
Construction in progress	1,339,241	926,789	701,010	1,565,020
Right-of-way	<u>622,935</u>	-	-	<u>622,935</u>
Total Capital Assets, Not Being Depreciated	<u>5,152,182</u>	<u>926,789</u>	<u>701,010</u>	<u>5,377,961</u>
Capital assets, being depreciated:				
Buildings and improvements	7,094,471	38,156	-	7,132,627
Furniture, fixtures and equipment	46,730	-	-	46,730
Traffic Signals	128,838	-	-	128,838
Infrastructure	<u>40,245,355</u>	<u>701,010</u>	-	<u>40,946,365</u>
Total Capital Assets, Being Depreciated	<u>47,515,394</u>	<u>739,166</u>	-	<u>48,254,560</u>
Less accumulated depreciation:				
Buildings and improvements	1,852,661	237,754	-	2,090,415
Furniture, fixtures and equipment	55,913	6,457	-	62,370
Traffic Signals	19,326	6,442	-	25,768
Infrastructure	<u>26,345,546</u>	<u>2,040,860</u>	-	<u>28,386,406</u>
Total Accumulated Depreciation	<u>28,273,446</u>	<u>2,291,513</u>	-	<u>30,564,959</u>
Total Capital Assets, Being Depreciated, Net	<u>19,241,948</u>	<u>(1,552,347)</u>	-	<u>17,689,601</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,394,130</u>	<u>\$ (625,558)</u>	<u>\$ 701,010</u>	<u>\$ 23,067,562</u>

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

Governmental Activities:	
General government	\$ 6,464
Cemetery	3,137
Parks and recreation	324,699
Public works	<u>1,957,213</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,291,513</u>

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015**Note 5: Long-Term Liabilities**

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2015:

	Beginning Balance	Additions	Deductions	Ending Balance	Within One Year
Loan from County	\$ 1,294,377	\$ -	\$ 109,040	\$ 1,185,337	\$ 100,000
Compensated absences	109,511	86,391	74,223	121,679	82,470
Total Long-Term Liabilities	<u>\$ 1,403,888</u>	<u>\$ 86,391</u>	<u>\$ 183,263</u>	<u>\$ 1,307,016</u>	<u>\$ 182,470</u>

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. The outstanding balance as of June 30, 2015, is \$1,185,337.

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 at June 30, 2015, had an outstanding accrued balance of unpaid vacation, sick and associated employee of \$121,679 that will be liquidated from various funding sources in future years.

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015**Note 6: Interfund Receivable, Payable and Transfers****a. Due To / From Other Funds**

Funds	Due To Other Funds:			
	Grants Fund	Development Impact Fees	Other Governmental Funds	Total
Due From Other Funds:				
General Fund	\$ -	\$ 115,641	\$ 915,274	\$ 1,030,915
Development Impact Fees	<u>914,528</u>	-	-	<u>914,528</u>
Total	<u>\$ 914,528</u>	<u>\$ 115,641</u>	<u>\$ 915,274</u>	<u>\$ 1,945,443</u>

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

b. Interfund Transfers

	Transfer Out:			
	Wildomar Cemetery District	Development Impact Fees	Other Governmental Funds	Total
Transfers In:				
General Fund	\$ 47,558	\$ 27,389	\$ 469,169	\$ 544,116
Total	<u>\$ 47,558</u>	<u>\$ 27,389</u>	<u>\$ 469,169</u>	<u>\$ 544,116</u>

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

Note 7: Pension Plan**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the City of Wildomar's separate Miscellaneous Pension Plan, 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.

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 each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 7: Pension Plan (Continued)

	Miscellaneous	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 62
Social Security Coverage	no	no
Full/Modified	full	full
Final Average Compensation Period	12 mos.	3 yrs.
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 (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on 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, 2015, the contributions recognized as a reduction of the net pension liability was \$156,299.

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

As of June 30, 2015, the City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan as follows:

Proportionate Share of Net Pension Liability		
Miscellaneous Plan	\$	98,405
Total Net Pension Liability:	\$	98,405

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015**Note 7: Pension Plan (Continued)**

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, 2014, 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, 2013 rolled forward to June 30, 2014 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 plan 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, 2013 and 2014 was as follows:

Proportion - June 30, 2013	0.00394%
Proportion - June 30, 2014	0.00398%
Change - Increase (Decrease)	<u>0.00004%</u>

For the year ended June 30, 2015, the City recognized pension expense of \$51,008. At June 30, 2015, 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
Miscellaneous Plan		
Contributions made after the measurement date	\$ 196,524	\$ -
Net difference between projected and actual earnings on pension plan investments	-	28,724
Difference between expected and actual experience	144,991	-
Adjustment due to differences in proportions	-	41,564
Plan Total	\$ 341,515	\$ 70,288

\$196,524 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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 of Resources	Deferred Inflows of Resources
2016	\$ 38,156	\$ (22,025)
2017	38,156	(22,025)
2018	38,156	(19,057)
2019	30,523	(7,181)
	\$ 144,991	\$ (70,288)

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015

Note 7: Pension Plan (Continued)**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	3.3% - 14.2% (1)
Investment Rate of Return	7.50% (2)
Mortality Rate Table (3)	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

(1) Depending on age, service and type of employment

(2) Net of Pension Plan Investment and Administrative Expenses; includes Inflation

(3) 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.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 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 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015

Note 7: Pension Plan (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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 and rounded down to the nearest one quarter of one percent.

The table below reflects 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 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015**Note 7: Pension Plan (Continued)**

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 pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District'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:

	Discount Rate - 1%	Current Discount	Discount Rate +1%
	6.50%	7.50%	8.50%
Plan's Net Pension Liability/(Asset)	\$ 166,935	\$ 98,405	\$ 41,531

Pension Plan Fiduciary Net Position

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

Note 8: 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 \$6,115 in contributions made during the 2014-2015, 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 (ARC)	\$ 21,854
Interest on net OPEB obligation (asset)	2,843
Adjustment to ARC	(4,260)
Annual OPEB Cost	20,437
Contributions made	6,115
(Decrease) increase in Net OPEB obligation	14,322
Adjustment for changes in assumptions	(49,773)
Net OPEB obligation (asset) June 30, 2014	131,710
Net OPEB obligation (asset) June 30, 2015	\$ 96,259

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015**Note 8: Other Post-Employment Benefits**

For the fiscal year 2014-2015, the City's annual OPEB cost (expense) was \$20,437. The Net OPEB obligation for the most recent fiscal years is presented below:

Fiscal Year End	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$ 29,750	\$ 2,812	9%	\$ 104,687
6/30/2014	27,023	-	0%	131,710
6/30/2015	20,437	(55,893)	0%	96,259

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 multiyear 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

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as percent of Covered Payroll	Interest Rate	Salary Scale
Actual	6/30/2015	\$ -	\$ 146,165	0.0%	\$ 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 the 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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 3.75% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 2.5% to 8.2% after eight years. Both rates include a 2.75% inflation assumption. The actuarial value of assets is set equal to the reported fair value of assets. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2015, was thirty years. The number of active participants is 10 and there is one retiree receiving benefits.

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 9: 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 reasonably 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 surplus revenues or may be required to pay additional assessments based on the Authority's operating results. Financial statements of the Public Agency Risk Sharing Authority of California (PARSAC) may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, California, 95815; www.parsac.org or by calling (916) 927-7727.

As of June 30, 2015, 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.

CITY OF WILDOMAR**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**
JUNE 30, 2015**Note 10: Restatement of Fund Balance and Net Position**

Government-wide beginning net position has been restated as follows:

Governmental Activities:

To record beginning net pension liability and deferred outflows of resources for pensions in accordance with GASBS No. 68	\$ 27,306
To record the July 2014 Highway Users Tax, in accordance with the change in reporting standards of the State Controller's Office.	<u>(102,040)</u>
Total Governmental Activities Restatements	<u>\$ (74,734)</u>

Beginning fund balance in the individual fund-level statements has been restated as follows:

Governmental Funds:*State Gasoline Tax Fund:*

To record the July 2014 Highway Users Tax, in accordance with the change in reporting standards of the State Controller's Office.	\$ <u>(102,040)</u>
Total Governmental Funds Restatements	<u>\$ (102,040)</u>

Note 11: City's Financial Condition

As of June 30, 2015, the City's governmental activities had a deficit unrestricted net position of \$1,016,700, compared to a deficit of \$921,235 in the prior year. The change is the result of an operating deficit and depreciation on capital assets. The General Fund had a fund balance of \$773,060, an increase of \$2,374 from the prior year, in the fund financial statements.

The following is the five-year trend information of financial condition of the City:

Government-Wide Financial Statements

	Governmental Activities			
	Total Net Position	Change \$	Unrestricted Net Position	Change \$
			(Deficit)	
2011	\$ 14,515,080	N/A	\$ (537,891)	N/A
2012	15,140,660	625,580	(628,995)	(91,104)
2013	27,800,916	12,660,256	(1,420,547)	(791,552)
2014	29,205,201	1,404,285	(921,253)	499,312
2015	27,266,132	(1,939,069)	(1,016,700)	(95,447)

Fund Financial Statements – General Fund

	General Fund	
	Balance	Change \$
2011	\$ 1,474,399	N/A
2012	1,476,164	1,765
2013	808,648	(667,516)
2014	770,686	(37,962)
2015	773,060	2,374

CITY OF WILDOMAR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: City's Financial Condition (Continued)

To address the continued deficits in net position, the City is expecting increased revenues. The City anticipates revenue for grant-funded capital projects for expenditures incurred in prior years that the County will reimburse for. The City Council is fully aware of the financial condition of the City.

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
 GENERAL FUND
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
	\$ 770,686	\$ 770,686		
Budgetary Fund Balance, July 1			\$ 770,686	\$ -
Resources (Inflows):				
Taxes	5,873,000	6,560,000	6,196,420	(363,580)
Licenses and permits	1,060,000	2,116,000	2,460,535	344,535
Intergovernmental	31,000	45,000	43,338	(1,662)
Charges for services	38,000	22,000	18,077	(3,923)
Use of money and property	5,000	5,000	3,567	(1,433)
Fines and forfeitures	74,000	59,000	51,882	(7,118)
Miscellaneous	1,000	66,200	70,768	4,568
Transfers in	538,900	473,400	544,116	70,716
Amounts Available for Appropriations		8,391,586	10,117,286	10,159,389
Charges to Appropriations (Outflow):				
General government				
City Council	108,100	136,900	143,059	(6,159)
City Manager	321,500	318,100	310,691	7,409
City Clerk	177,900	184,600	177,049	7,551
City Attorney	204,000	163,000	180,671	(17,671)
Finance	204,700	281,800	275,536	6,264
Non-departmental	330,900	400,700	383,866	16,834
Community Services	32,700	30,200	31,730	(1,530)
Marna O'Brien Park	-	24,700	31,763	(7,063)
Windsong Park	-	24,800	25,037	(237)
Ball Fields	25,000	15,000	9,248	5,752
Public safety				
Police	2,104,900	2,281,500	2,276,728	4,772
Fire	2,061,200	2,061,200	2,087,882	(26,682)
Animal Control	454,400	454,400	453,026	1,374
OEM	29,500	19,700	17,163	2,537
Community development				
Community development	68,200	222,000	225,801	(3,801)
Building and safety	444,800	424,400	441,480	(17,080)
Planning	194,100	268,200	243,001	25,199
Code enforcement	88,200	185,100	211,736	(26,636)
Development engineering	500	1,600	813	787
Deposit based projects	730,900	1,530,300	1,573,104	(42,804)
Planning commission	17,000	18,200	17,617	583
Public works	500	158,100	160,288	(2,188)
Debt service:				
Principal retirement	-	109,100	109,040	60
Total Charges to Appropriations		7,599,000	9,313,600	9,386,329
Budgetary Fund Balance, June 30		\$ 792,586	\$ 803,686	\$ 773,060
				\$ (30,626)

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
 DEVELOPMENT IMPACT FEES
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,468,278	\$ 2,468,278	\$ 2,468,278	\$ -
Resources (Inflows):				
Developer participation	1,169,000	119,600	170,021	50,421
Amounts Available for Appropriations	3,637,278	2,587,878	2,638,299	50,421
Charges to Appropriations (Outflow):				
Community development	139,000	250,000	75,983	174,017
Public works	-	-	13,713	(13,713)
Transfers out	7,100	107,600	27,389	80,211
Total Charges to Appropriations	146,100	357,600	117,085	240,515
Budgetary Fund Balance, June 30	\$ 3,491,178	\$ 2,230,278	\$ 2,521,214	\$ 290,936

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ (778,143)	\$ (778,143)		
Budgetary Fund Balance, July 1				
Resources (Inflows):				
Intergovernmental	-	6,181,300	773,319	(5,407,981)
Amounts Available for Appropriations	(778,143)	5,403,157	(4,824)	(5,407,981)
Charges to Appropriations (Outflow):				
General government	52,000	76,100	15,948	60,152
Public works	-	25,000	84,606	(59,606)
Capital outlay	-	5,170,900	966,722	4,204,178
Transfers out	7,000	7,000	-	7,000
Total Charges to Appropriations	59,000	5,279,000	1,067,276	4,211,724
Budgetary Fund Balance, June 30	\$ (837,143)	\$ 124,157	\$ (1,072,100)	\$ (1,196,257)

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
WILDOMAR CEMETERY DISTRICT
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,739,080	\$ 1,739,080	\$ 1,739,080	\$ -
Resources (Inflows):				
Taxes	215,000	368,200	399,836	31,636
Charges for services	-	9,000	9,000	-
Use of money and property	-	-	981	981
Miscellaneous	50,000	50,000	41,294	(8,706)
Amounts Available for Appropriations	2,004,080	2,166,280	2,190,191	23,911
Charges to Appropriations (Outflow):				
General government	265,400	357,200	362,068	(4,868)
Transfers out	-	38,000	47,558	(9,558)
Total Charges to Appropriations	265,400	395,200	409,626	(14,426)
Budgetary Fund Balance, June 30	\$ 1,738,680	\$ 1,771,080	\$ 1,780,565	\$ 9,485

CITY OF WILDOMAR**MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015
<u>Miscellaneous Plan</u>	
Proportion of the Net Pension Liability	0.00158%
Proportionate Share of the Net Pension Liability	\$ 98,405
Covered-Employee Payroll	\$ 890,684
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	11.05%
Plan Fiduciary Net Position	\$ 418,173
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF WILDOMAR**MISCELLANEOUS PLAN****SCHEDULE OF PLAN CONTRIBUTIONS****AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015
<u>Miscellaneous Plan</u>	
Actuarially Determined Contribution	\$ 196,524
Contribution in Relation to the Actuarially Determined Contribution	<u>(196,524)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>
 Covered-Employee Payroll	 \$ 890,684
Contributions as a Percentage of Covered-Employee Payroll	22.06%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below for the cost-sharing multiple-employer defined benefit pension plans:

Valuation Date:	June 30, 2012
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Inflation	2.75%
Salary Increases	3.30% to 14.20% depends on age, service, and type of employment
Payroll Growth	3.00%
Discount Rate	7.50% (net of administrative expenses)
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

CITY OF WILDOMAR**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**
JUNE 30, 2015

Budgetary Data**General Budget Policies**

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

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

Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in the categories in the following funds:

<u>Department</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
General Government			
City Council	\$ 143,059	\$ 136,900	\$ (6,159)
City Attorney	180,671	163,000	(17,671)
Community Services	31,730	30,200	(1,530)
Marna O'Brien Park	31,763	24,700	(7,063)
Windsong Park	25,037	24,800	(237)
Public Safety			
Fire	2,087,882	2,061,200	(26,682)
Community Development			
Community Development	225,801	222,000	(3,801)
Building and Safety	441,480	424,400	(17,080)
Code Enforcement	211,736	185,100	(26,636)
Deposit Based Projects	1,573,104	1,530,300	(42,804)
Public Works			
Public Works	160,288	158,100	(2,188)
Development Impact Fees:			
Public Works	13,713	-	(13,713)
Grants Fund:			
Public Works	84,606	25,000	(59,606)
Wildomar Cemetery District:			
General Government	362,068	357,200	(4,868)

CITY OF WILDOMAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

Special Revenue Funds					
	Air Quality Management				
	Gas Tax	District	Measure A	SLESF	
Assets:					
Pooled cash and investments	\$ -	\$ 115,658	\$ 565,400	\$ -	
Receivables:					
Accounts, grants and taxes	- -	10,977	138,245	- -	
Total Assets	\$ -	\$ 126,635	\$ 703,645	\$ -	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 143,946	\$ -	\$ 116,132	\$ -	
Due to other funds	144,683	- -	- -	15,057	
Total Liabilities	288,629	- -	116,132	15,057	
Deferred Inflows of Resources:					
Unavailable revenues	- -	- -	- -	- -	
Total Deferred Inflows of Resources	- -	- -	- -	- -	
Fund Balances:					
Restricted for:					
Community development projects	- -	- -	- -	- -	
Public safety	- -	- -	- -	- -	
Public works	- -	126,635	587,513	- -	
Capital Projects	- -	- -	- -	- -	
Unassigned	(288,629)	- -	- -	(15,057)	
Total Fund Balances	(288,629)	126,635	587,513	(15,057)	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 126,635	\$ 703,645	\$ -	

CITY OF WILDOMAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

(CONTINUED)

Special Revenue Funds					
	TDA	Community Development Block Grant	Measure Z Park	Police DIF	
Assets:					
Pooled cash and investments	\$ -	\$ -	\$ 59,727	\$ 3,390	
Receivables:					
Accounts, grants and taxes	<u>67,710</u>	<u>2,480</u>	<u>10,521</u>	<u>1,808</u>	
Total Assets	<u>\$ 67,710</u>	<u>\$ 2,480</u>	<u>\$ 70,248</u>	<u>\$ 5,198</u>	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 471	\$ 12,377	\$ -	
Due to other funds	<u>80,946</u>	<u>139,006</u>	<u>-</u>	<u>-</u>	
Total Liabilities	<u>80,946</u>	<u>139,477</u>	<u>12,377</u>	<u>-</u>	
Deferred Inflows of Resources:					
Unavailable revenues	<u>13,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Deferred Inflows of Resources	<u>13,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances:					
Restricted for:					
Community development projects	- -	- -	\$ 57,871	- -	
Public safety	- -	- -	- -	\$ 5,198	
Public works	- -	- -	- -	- -	
Capital Projects	- -	- -	- -	- -	
Unassigned	<u>(26,978)</u>	<u>(136,997)</u>	<u>- -</u>	<u>- -</u>	
Total Fund Balances	<u>(26,978)</u>	<u>(136,997)</u>	<u>57,871</u>	<u>5,198</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 67,710</u>	<u>\$ 2,480</u>	<u>\$ 70,248</u>	<u>\$ 5,198</u>	

CITY OF WILDOMAR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds		Capital Projects Funds		Total Non-major Governmental Funds
	Animal Shelter DIF	Corp Yard DIF	County Service Area		
Assets:					
Pooled cash and investments	\$ -	\$ -	\$ 615,299	\$ 615,299	\$ 1,359,474
Receivables:					
Accounts, grants and taxes	1,992	632	8,688	8,688	243,053
Total Assets	\$ 1,992	\$ 632	\$ 623,987	\$ 623,987	\$ 1,602,527
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 31,348	\$ 31,348	\$ 304,274
Due to other funds	78,585	553	456,444	456,444	915,274
Total Liabilities	78,585	553	487,792	487,792	1,219,548
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	13,742
Total Deferred Inflows of Resources	-	-	-	-	13,742
Fund Balances:					
Restricted for:					
Community development projects	-	79	-	-	57,950
Public safety	-	-	-	-	5,198
Public works	-	-	-	-	714,148
Capital Projects	-	-	136,195	136,195	136,195
Unassigned	(76,593)	-	-	-	(544,254)
Total Fund Balances	(76,593)	79	136,195	136,195	369,237
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,992	\$ 632	\$ 623,987	\$ 623,987	\$ 1,602,527

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CITY OF WILDOMAR

COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2015

Special Revenue Funds						
	Air Quality Management District					
	Gas Tax	Measure A	SLESF			
Revenues:						
Intergovernmental	\$ 964,557	\$ 41,834	\$ 541,890	\$ 89,563		
Use of money and property	-	467	-	-		
Developer participation	-	-	-	-		
Miscellaneous	-	-	-	-		
Total Revenues	964,557	42,301	541,890	89,563		
Expenditures:						
Current:						
General government	-	-	-	-		
Community development	-	-	-	-		
Parks and recreation	-	-	-	-		
Public works	1,117,416	-	1,016,977	-		
Capital outlay	33,462	-	-	-		
Total Expenditures	1,150,878	-	1,016,977	-		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,321)	42,301	(475,087)	89,563		
Other Financing Sources (Uses):						
Transfers out	(154,829)	(74)	(50,863)	(100,000)		
Total Other Financing Sources (Uses)	(154,829)	(74)	(50,863)	(100,000)		
Net Change in Fund Balances	(341,150)	42,227	(525,950)	(10,437)		
Fund Balances, Beginning of Year	154,561	84,408	1,113,463	(4,620)		
Restatements	(102,040)	-	-	-		
Fund Balances, Beginning of Year, as restated	52,521	84,408	1,113,463	(4,620)		
Fund Balances, End of Year	\$ (288,629)	\$ 126,635	\$ 587,513	\$ (15,057)		

CITY OF WILDOMAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	TDA	Community Development Block Grant	Measure Z Park	Police DIF
Revenues:				
Intergovernmental	\$ 332,187	\$ 2,480	\$ 325,190	\$ -
Use of money and property	-	-	-	-
Developer participation	-	-	-	4,972
Miscellaneous	-	-	11,325	-
Total Revenues	332,187	2,480	336,515	4,972
Expenditures:				
Current:				
General government	-	-	2,544	-
Community development	-	2,480	308,676	-
Parks and recreation	27,866	-	-	-
Public works	46,202	-	-	-
Capital outlay	8,325	-	-	-
Total Expenditures	82,393	2,480	311,220	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	249,794	-	25,295	4,972
Other Financing Sources (Uses):				
Transfers out	(13,237)	-	-	-
Total Other Financing Sources (Uses)	(13,237)	-	-	-
Net Change in Fund Balances	236,557	-	25,295	4,972
Fund Balances, Beginning of Year	(263,535)	(136,997)	32,576	226
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	(263,535)	(136,997)	32,576	226
Fund Balances, End of Year	\$ (26,978)	\$ (136,997)	\$ 57,871	\$ 5,198

CITY OF WILDOMAR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds		Capital Projects Funds		Total Non-major Governmental Funds
	Animal Shelter DIF	Corp Yard DIF	County Service Area		
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 546,402	\$ 2,844,103	
Use of money and property	-	-	-	467	
Developer participation	6,560	-	-	11,532	
Miscellaneous	-	-	-	11,325	
Total Revenues	6,560	-	546,402	2,867,427	
Expenditures:					
Current:					
General government	-	-	461,367	463,911	
Community development	-	-	-	311,156	
Parks and recreation	-	-	-	27,866	
Public works	-	-	21,462	2,202,057	
Capital outlay	-	-	-	41,787	
Total Expenditures	-	-	482,829	3,046,777	
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,560	-	63,573	(179,350)	
Other Financing Sources (Uses):					
Transfers out	(83,402)	-	(66,764)	(469,169)	
Total Other Financing Sources (Uses)	(83,402)	-	(66,764)	(469,169)	
Net Change in Fund Balances	(76,842)	-	(3,191)	(648,519)	
Fund Balances, Beginning of Year	249	79	139,386	1,119,796	
Restatements	-	-	-	(102,040)	
Fund Balances, Beginning of Year, as restated	249	79	139,386	1,017,756	
Fund Balances, End of Year	\$ (76,593)	\$ 79	\$ 136,195	\$ 369,237	

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 52,521	\$ 52,521		
Budgetary Fund Balance, July 1, as restated			\$ 52,521	\$ -
Resources (Inflows):				
Intergovernmental	1,139,000	1,139,000	964,557	(174,443)
Amounts Available for Appropriations	1,191,521	1,191,521	1,017,078	(174,443)
Charges to Appropriations (Outflow):				
Public works	1,265,100	1,115,100	1,117,416	(2,316)
Capital outlay	-	-	33,462	(33,462)
Transfers out	171,500	171,500	154,829	16,671
Total Charges to Appropriations	1,436,600	1,286,600	1,305,707	(19,107)
Budgetary Fund Balance, June 30	\$ (245,079)	\$ (95,079)	\$ (288,629)	\$ (193,550)

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
AIR QUALITY MANAGEMENT DISTRICT
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 84,408	\$ 84,408	\$ 84,408	\$ -
Resources (Inflows):				
Intergovernmental	41,000	41,000	41,834	834
Use of money and property	-	-	467	467
Amounts Available for Appropriations	125,408	125,408	126,709	1,301
Charges to Appropriations (Outflow):				
Public works	35,000	35,000	-	35,000
Transfers out	4,900	4,900	74	4,826
Total Charges to Appropriations	39,900	39,900	74	39,826
Budgetary Fund Balance, June 30	\$ 85,508	\$ 85,508	\$ 126,635	\$ 41,127

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
MEASURE A
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,113,463	\$ 1,113,463	\$ 1,113,463	\$ -
Resources (Inflows):				
Intergovernmental	502,000	502,000	541,890	39,890
Amounts Available for Appropriations	1,615,463	1,615,463	1,655,353	39,890
Charges to Appropriations (Outflow):				
Public works	560,200	1,763,670	1,016,977	746,693
Transfers out	75,900	38,500	50,863	(12,363)
Total Charges to Appropriations	636,100	1,802,170	1,067,840	734,330
Budgetary Fund Balance, June 30	\$ 979,363	\$ (186,707)	\$ 587,513	\$ 774,220

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
SLESF
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,620)	\$ (4,620)	\$ (4,620)	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	89,563	(10,437)
Amounts Available for Appropriations	95,380	95,380	84,943	(10,437)
Charges to Appropriations (Outflow):				
Transfers out	100,000	100,000	100,000	-
Total Charges to Appropriations	100,000	100,000	100,000	-
Budgetary Fund Balance, June 30	\$ (4,620)	\$ (4,620)	\$ (15,057)	\$ (10,437)

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
TDA
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ (263,535)	\$ (263,535)		
Budgetary Fund Balance, July 1			\$ (263,535)	\$ -
Resources (Inflows):				
Intergovernmental	781,380	781,300	332,187	(449,113)
Amounts Available for Appropriations	517,845	517,765	68,652	(449,113)
Charges to Appropriations (Outflow):				
Parks and recreation	140,000	140,000	27,866	112,134
Public works	-	-	46,202	(46,202)
Capital outlay	170,000	170,000	8,325	161,675
Transfers out	-	-	13,237	(13,237)
Total Charges to Appropriations	310,000	310,000	95,630	214,370
Budgetary Fund Balance, June 30	\$ 207,845	\$ 207,765	\$ (26,978)	\$ (234,743)

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (136,997)	\$ (136,997)	\$ (136,997)	\$ -
Resources (Inflows):				
Intergovernmental	130,000	130,000	2,480	(127,520)
Amounts Available for Appropriations	(6,997)	(6,997)	(134,517)	(127,520)
Charges to Appropriations (Outflow):				
Community development	130,000	130,000	2,480	127,520
Transfers out	17,600	17,600	-	17,600
Total Charges to Appropriations	147,600	147,600	2,480	145,120
Budgetary Fund Balance, June 30	\$ (154,597)	\$ (154,597)	\$ (136,997)	\$ 17,600

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
 MEASURE Z PARK
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,576	\$ 32,576	\$ 32,576	\$ -
Resources (Inflows):				
Intergovernmental	320,200	320,200	325,190	4,990
Miscellaneous	9,400	9,500	11,325	1,825
Amounts Available for Appropriations	362,176	362,276	369,091	6,815
Charges to Appropriations (Outflow):				
General government	36,300	11,500	2,544	8,956
Community development	274,200	302,800	308,676	(5,876)
Total Charges to Appropriations	310,500	314,300	311,220	3,080
Budgetary Fund Balance, June 30	\$ 51,676	\$ 47,976	\$ 57,871	\$ 9,895

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
 POLICE DIF
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 226	\$ 226		
Budgetary Fund Balance, July 1	\$ 226	\$ 226	\$ 226	\$ -
Resources (Inflows):				
Developer participation	40,000	3,000	4,972	1,972
Amounts Available for Appropriations	40,226	3,226	5,198	1,972
Budgetary Fund Balance, June 30	\$ 40,226	\$ 3,226	\$ 5,198	\$ 1,972

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
 ANIMAL SHELTER DIF
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 249	\$ 249	\$ 249	\$ -
Resources (Inflows):				
Developer participation	20,000	4,400	6,560	2,160
Amounts Available for Appropriations	20,249	4,649	6,809	2,160
Charges to Appropriations (Outflow):				
Transfers out	-	-	83,402	(83,402)
Total Charges to Appropriations	-	-	83,402	(83,402)
Budgetary Fund Balance, June 30	\$ 20,249	\$ 4,649	\$ (76,593)	\$ (81,242)

CITY OF WILDOMAR

BUDGETARY COMPARISON SCHEDULE
 COUNTY SERVICE AREA
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 139,386	\$ 139,386		
Budgetary Fund Balance, July 1				
Resources (Inflows):				
Intergovernmental	514,200	514,200	546,402	32,202
Amounts Available for Appropriations	653,586	653,586	685,788	32,202
Charges to Appropriations (Outflow):				
General government	513,500	513,500	461,367	52,133
Public works	-	-	21,462	(21,462)
Transfers out	69,400	41,300	66,764	(25,464)
Total Charges to Appropriations	582,900	554,800	549,593	5,207
Budgetary Fund Balance, June 30	\$ 70,686	\$ 98,786	\$ 136,195	\$ 37,409

CITY OF WILDOMAR

STATISTICAL SECTION

The Data

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 future.

- 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.

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

	Fiscal Year							
	2015	2014	2013	2012	2011	2010	2009	
Governmental Activities								
Net Investment in Capital Assets	\$ 23,067,562	\$ 24,394,130	\$ 23,349,508	\$ 11,725,170	\$ 12,329,670	\$ 13,341,779	\$ 14,841,391	
Restricted for:								
Community Development Projects	2,579,164	2,640,489	2,108,884	715,474	780,098	617,689	76,322	
Public Safety	5,198	226	1,689,442	1,997,091	1,943,203	1,763,914	1,284,148	
Public Works	714,148	1,352,511	483,243	-	-	-	-	
Capital Projects	136,195	-	-	-	-	-	-	
Cemetery	1,690,565	1,649,080	1,590,386	1,331,920	-	-	-	
Nonexpendable	90,000	90,000	-	-	-	-	-	
Unrestricted	(1,016,700)	(921,235)	(1,420,547)	(628,995)	(537,891)	(818,416)	(494,416)	
Total Governmental Activities Net Position	\$ 27,266,132	\$ 29,205,201	\$ 27,800,916	\$ 15,140,660	\$ 14,515,080	\$ 14,904,966	\$ 15,707,445	
Primary Government								
Net Investment in Capital Assets	\$ 23,067,562	\$ 24,394,130	\$ 23,349,508	\$ 11,725,170	\$ 12,329,670	\$ 13,341,779	\$ 14,841,391	
Restricted for:								
Community Development Projects	2,579,164	2,640,489	2,108,884	715,474	780,098	617,689	76,322	
Public Safety	5,198	226	1,689,442	1,997,091	1,943,203	1,763,914	1,284,148	
Public Works	714,148	-	-	-	-	-	-	
Capital Projects	136,195	1,352,511	483,243	-	-	-	-	
Cemetery	1,688,398	1,649,080	1,590,386	1,331,920	-	-	-	
Nonexpendable	90,000	90,000	-	-	-	-	-	
Unrestricted	(1,014,533)	(921,235)	(1,420,547)	(628,995)	(537,891)	(818,416)	(494,416)	
Total Primary Government Activities Net Position	\$ 27,266,132	\$ 29,205,201	\$ 27,800,916	\$ 15,140,660	\$ 14,515,080	\$ 14,904,966	\$ 15,707,445	

Source: City Finance Department

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

	Fiscal Year						
	2015	2014	2013	2012	2011	2010	2009
EXPENSES							
Governmental Activities:							
General Government	\$ 2,320,203	\$ 2,110,310	\$ 2,496,792	\$ 1,923,733	\$ 2,231,313	\$ 1,798,566	\$ 2,156,911
Public Safety	4,834,799	4,087,138	4,394,931	3,996,420	5,413,023	5,378,962	5,547,480
Community Development	3,058,008	2,881,440	1,818,348	1,253,984	1,069,198	1,786,894	1,501,865
Parks and Recreation	425,006	405,589	219,707	303,190	297,168	341,458	463,746
Public Works	4,435,300	2,570,554	2,457,319	2,551,241	2,371,664	2,741,040	29,440,843
Interest on long-term debt	-	522,724	-	76,907	73,949	71,105	-
Total Governmental Activities Expenses	\$ 15,073,316	\$ 12,577,755	\$ 11,387,097	\$ 10,105,475	\$ 11,456,315	\$ 12,118,025	\$ 39,110,845
PROGRAM REVENUES							
Governmental Activities:							
Charges for Services:							
General Government	\$ 233,193	\$ 706,214	\$ 1,440,592	\$ 152,978	\$ 359,266	\$ 71,195	\$ 1,633
Public Safety	10,266	1,480	36	-	590	-	26,893
Community Development	2,491,406	285,075	243,188	117,509	205,518	786,747	307,833
Parks and Recreation	9,005	40	1,056	4,034	19,040	7,387	-
Public Works	332,187	8,866	20,061	80,018	186,760	-	-
Total Charges for Services	\$ 3,076,057	\$ 1,001,675	\$ 1,704,933	\$ 354,539	\$ 771,174	\$ 865,329	\$ 336,359
Operating Contributions and Grants:							
General Government	\$ 575,922	\$ 518,426	\$ 617,155	\$ 1,563,689	\$ 376,574	\$ 269,235	\$ 237,579
Public Safety	97,546	100,000	100,000	100,000	100,228	100,773	-
Community Development	343,060	1,921,554	1,257,696	574,834	721,696	871,513	884,216
Parks and Recreation	-	10,136	37,834	24,471	-	-	-
Public Works	1,351,679	2,229,719	2,383,168	2,067,952	1,719,851	2,231,390	1,572,871
Total Operating Contributions and Grants	\$ 2,368,207	\$ 4,779,835	\$ 4,395,853	\$ 4,330,946	\$ 2,918,349	\$ 3,472,911	\$ 2,694,666
Capital Contributions and Grants:							
Community Development		\$ 1,900,000					
Public Works	\$ 1,049,064	-	-	-	-	-	\$ 43,653,393
Interest on long-term debt	-	-	-	-	226,422	-	-
Total Capital Contributions and Grants	\$ 1,049,064	\$ 1,900,000	\$ -	\$ -	\$ 226,422	\$ -	\$ 43,653,393
Total Governmental Activities Program Revenue	\$ 6,493,328	\$ 7,681,510	\$ 6,100,786	\$ 4,685,485	\$ 3,915,945	\$ 4,338,240	\$ 46,684,418
TOTAL NET REVENUES (EXPENSES)	\$ (8,579,988)	\$ (4,896,245)	\$ (5,286,311)	\$ (5,419,990)	\$ (7,540,370)	\$ (7,779,785)	\$ 7,573,573

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
Changes in Net Position (Continued)
(Accrual Basis of Accounting)

	Fiscal Year							2010	2009		
	2015	2014	2013	2012	2011	2010					
GENERAL REVENUES AND OTHER CHARGES IN NET POSITION											
Governmental Activities:											
Taxes:											
Property Taxes, levied for general purpose	\$ 4,042,882	\$ 3,465,511	\$ 3,243,285	\$ 3,307,425	\$ 3,092,037	\$ 2,743,768	\$ 3,589,773				
Sales Taxes	1,492,041	1,561,683	1,383,864	1,362,647	1,226,227	1,096,907	1,295,785				
Franchise Taxes	1,061,333	972,108	850,808	749,046	725,775	591,706	520,290				
Business Licenses Taxes	-	14,041	14,280	12,705	11,506	12,525	6,390				
Other Taxes	-	106,039	109,524	83,021	76,110	99,456	130,518				
Motor Vehicle in Lieu	-	-	14,074	18,450	1,978,210	2,226,922	2,555,318				
Use of Money and Property	5,015	3,605	3,183	12,011	7,737	9,682	20,403				
Other	114,382	54,338	48,344	30,943	32,882	84,030	15,395				
Contributions from Other Entities	-	-	-	576,456	-	-	-				
Total Governmental Activities	\$ 6,715,653	\$ 6,177,325	\$ 5,667,362	\$ 6,152,704	\$ 7,150,484	\$ 6,864,996	\$ 8,133,872				
CHANGES IN NET POSITION	\$ (1,864,335)	\$ 1,281,080	\$ 381,051	\$ 732,714	\$ (389,886)	\$ (914,789)	\$ 15,707,445				

Source: City Finance Department

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

	Fiscal Year						
	2015	2014	2013	2012	2011	2010	2009
GENERAL FUND							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	1,044,414	1,276,268
Nonspendable:							
Inventory	-	-	-	-	-	-	-
Prepaid Costs			1,686	2,133		-	-
Deposits			370,039	211,752	275,866	-	-
Cemetery Endowment			-	-	-	-	-
Debt Service			483,243	-	-	-	-
Unassigned:	773,060	770,686	(46,320)	1,262,279	1,138,893	-	-
Total General Fund	773,060	770,686	\$ 808,648	\$ 1,476,164	\$ 1,474,399	\$ 1,044,414	\$ 1,276,268
ALL OTHER GOVERNMENTAL FUNDS							
Reserved:							
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-	-	-
Self Insurance	-	-	-	-	-	-	-
Unreserved:							
Unreserved, Reported in Nonmajor							
Special Revenue Funds	-	-	-	-	-	741,577	375,878
Capital Projects Funds	-	-	-	-	-	342,663	(7,128)
Undesignated	-	-	-	-	-	1,272,834	984,592
Nonspendable:							
Inventory	2,167	3,509	2,640	4,838	-	-	-
Prepaid Costs	-	62	230	220	-	-	-
Deposits	-	-	-	-	-	-	-
Cemetery Endowment	90,000	90,000	90,000	90,000	-	-	-
Restricted for:							
Community development projects	2,579,164	2,640,489	2,108,884	715,474	780,098	-	-
Public safety	5,198	226	-	-	-	-	-
Public works	714,148	1,352,511	1,689,442	1,997,091	1,943,203	-	-
Capital projects	136,195	-	-	-	-	-	-
Cemetery	1,688,398	1,645,509	1,497,516	1,331,920	-	-	-
Unassigned:	(1,616,354)	(1,183,295)	(759,932)	(101,996)	(101,652)	-	-
Total All Other Governmental Funds	\$ 3,598,916	\$ 4,549,011	\$ 4,628,780	\$ 4,037,547	\$ 2,621,649	\$ 2,357,074	\$ 1,353,342

Source: City Finance Department

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

	Fiscal Year						
	2015	2014	2013	2012	2011	2010	2009
REVENUES							
Taxes	\$ 6,596,256	\$ 6,119,382	\$ 5,601,761	\$ 5,514,844	\$ 5,131,655	\$ 4,544,362	\$ 5,542,756
Licenses and Permits	2,460,535	9,880	16,636	25,100	29,171	71,195	28,526
Intergovernmental	3,660,760	3,148,003	2,262,217	2,598,557	4,361,487	4,559,085	4,128,189
Charges for Services	27,077	213,328	175,722	119,850	116,552	132,672	82,583
Use of Money and Property	5,015	3,605	3,183	12,011	7,737	9,682	20,403
Fines and Forfeitures	51,882	81,387	78,322	88,216	132,535	111,619	149,272
Contributions	-	-	1,271	-	-	244,706	237,579
Developer Participation	181,553	2,280,715	2,671,888	693,022	970,258	1,437,078	944,472
Miscellaneous	123,387	54,338	48,344	31,233	38,018	84,030	15,395
Total Revenues	\$ 13,106,465	\$ 11,910,638	\$ 10,859,344	\$ 9,082,833	\$ 10,787,413	\$ 11,194,429	\$ 11,149,175
EXPENDITURES							
Current:							
General Government	\$ 2,410,577	\$ 2,049,831	\$ 2,468,897	\$ 1,856,595	\$ 2,176,985	\$ 1,783,766	\$ 2,154,076
Public Safety	4,834,799	4,447,176	4,616,892	3,996,420	5,413,023	5,378,962	5,547,480
Community Development	3,100,691	2,881,440	1,818,348	1,253,984	1,069,198	1,786,894	1,501,865
Parks and Recreation	27,866	188,047	64	85,648	79,626	123,916	28,662
Public Works	2,460,664	1,383,266	1,158,413	1,551,441	1,354,021	1,461,323	1,053,337
Capital Outlay	1,008,509	555,885	736,830	-	-	-	11,765
Debt Service	-	-	-	-	-	-	-
Principal Retirement	109,040	-	-	-	-	-	-
Interest and Fiscal Charges	-	522,724	-	-	-	-	-
Total Expenditures	\$ 13,952,146	\$ 12,028,369	\$ 10,799,444	\$ 8,744,088	\$ 10,092,853	\$ 10,534,861	\$ 10,297,185
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	(845,681)	(117,731)	59,900	338,745	694,560	659,568	851,990
OTHER FINANCING SOURCES (USES)							
Transfers In	\$ 544,116	\$ 522,000	\$ 649,336	\$ 391,053	\$ 641,766	\$ 249,573	\$ -
Transfers Out	(544,116)	(522,000)	(649,336)	(391,053)	(641,766)	(249,573)	-
Other Debts Issued	-	-	-	-	-	-	1,777,620
Contributions from Other Entities	-	-	-	1,186,052	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 1,186,052	\$ -	\$ -	\$ 1,777,620
Net Change in Fund Balances/ Net Assets	(845,681)	(117,731)	59,900	1,524,797	694,560	659,568	2,629,610
Fund Balances, Beginning of Year	5,319,697	5,437,428	5,513,711	4,096,048	3,401,488	2,629,610	-
Restatements	(102,040)	-	(136,183)	(107,134)	-	112,310	-
Fund Balances, Beginning of Year, as restated	5,217,657	5,437,428	5,377,528	3,988,914	3,401,488	2,741,920	-
Fund Balances, End of Year	\$ 4,371,976	\$ 5,319,697	\$ 5,437,428	\$ 5,513,711	\$ 4,096,048	\$ 3,401,488	\$ 2,629,610

**DEBT SERVICE AS A PERCENTAGE OF
NON CAPITAL EXPENDITURES**

0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

Source: City Finance Department

CITY OF WILDOMAR

Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year	Residential Property	Commercial Property	Other Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Rate
2015	\$ 2,128,221,360	\$ 186,564,353	\$ 301,703,479	\$ (6,592,208)	\$ 2,609,896,984	0.06742
2014	1,797,147,241	184,326,275	318,120,654	(6,240,538)	2,293,353,632	0.06860
2013	1,680,133,457	188,066,878	342,293,939	(5,922,179)	2,204,572,095	0.06624
2012	1,750,735,442	192,353,249	326,053,258	(5,370,950)	2,263,770,999	0.06572
2011	1,768,880,175	187,418,307	361,130,486	(5,106,890)	2,312,322,078	0.06522
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.

Source: The HdL Companies

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

Agency	Fiscal Year						2009
	2015	2014	2013	2012	2011	2010	
Basic Levy*	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	-
Menifee School Debt Svc	0.03275	0.03421	0.03543	0.03486	0.03436	0.03254	-
Metropolitan Water Dist Original Area	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430	-
Perris Union High School Debt Svc	0.06303	0.06970	0.03429	0.03429	0.03126	0.02686	-
Total Direct & Overlapping Tax Rates	1.09928	1.10741	1.07322	1.07285	1.06932	1.06370	-
City's Share of 1% Levy Per Prop 13	0.05800	0.05800	0.05800	0.05800	0.05800	0.05800	-
Total Direct Rate	0.06742	0.06860	0.06624	0.65720	0.06522	0.06575	-

* 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: The HdL Companies

CITY OF WILDOMAR
Principal Property Tax Payers

Taxpayer	Fiscal Year					
	2015			2014		
	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
WNRA Wildomar	\$ 51,600,000	1	1.97%	Universal Health Realty Income Trust	\$ 42,162,585	1 1.83%
Universal Health Realty Income Trust	42,353,999	2	1.62%	WNRA Wildomar	35,470,000	2 1.54%
LG Oak Creek	26,000,000	3	0.99%	Universal Health SVS of Rancho Springs	27,341,881	3 1.19%
Universal Health SVS of Rancho Springs	25,712,647	4	0.98%	LG Oak Creek	15,817,000	4 0.69%
Oak Springs Ranch	24,774,311	5	0.95%	MCW RC California Bear Creek Village	14,339,534	5 0.62%
MCW RC California Bear Creek Village	14,404,627	6	0.55%	Inland Valley Medical Partners	14,204,896	6 0.62%
Inland Valley Medical Partners	14,269,384	7	0.55%	Stonebridge Medical Center	12,981,790	7 0.56%
Rainbow Mountain LLC	13,040,724	8	0.50%	Wildomar Industrial Park	11,049,387	8 0.48%
Wildomar Industrial Park	10,921,000	9	0.42%	VSHS	9,335,660	9 0.41%
VSHS	9,348,056	10	0.36%	Wildomar Renaissance Plaza LLC	8,739,970	10 0.38%
Totals	\$ 232,424,748		8.89%	Totals	\$ 191,442,703	8.32%
2013						
Taxpayer	2013			2012		
	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Universal Health Realty Income Trust	\$ 41,335,870	1	1.87%	Universal Health Realty Income Trust	\$ 52,839,578	1 2.33%
WNRA Wildomar	35,470,000.00	2	1.60%	WNRA Wildomar	35,470,000.00	2 1.56%
LG Oak Creek	24,792,417.00	3	1.12%	LG Oak Creek	31,455,944.00	3 1.39%
Wildomar Industrial Park	20,086,388.00	4	0.91%	Wildomar Industrial Park	19,692,540.00	4 0.87%
Dusk LLC	15,817,000.00	5	0.72%	Dusk LLC	18,752,298.00	5 0.83%
MCW RC California Bear Creek Village	14,058,373.00	6	0.64%	MCW RC California Bear Creek Village	13,782,723.00	6 0.61%
Inland Valley Medical Partners	13,926,369.00	7	0.63%	Inland Valley Medical Partners	13,653,304.00	7 0.60%
Stonebridge Medical Center	12,727,246.00	8	0.58%	Stonebridge Medical Center	12,477,693.00	8 0.55%
Beazer Homes Holdings Corporation	11,432,870.00	9	0.52%	Beazer Homes Holdings Corporation	11,291,592.00	9 0.50%
A and S Properties at Clinton Keith	9,426,434.00	10	0.43%	A and S Properties at Clinton Keith	10,610,159.00	10 0.47%
Totals	\$ 199,072,967		9.02%	Totals	\$ 220,025,831	9.71%

Source: The HdL Companies

CITY OF WILDOMAR**Property Tax Levies and Collections****Collected within the
Fiscal Year of the Levy**

Fiscal Year	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Total Tax Collections
2015	\$ 3,415,000	\$ 3,197,487	93.6%	\$ 3,197,487
2014	3,577,034	3,409,862	95.3%	3,409,862
2013	3,181,168	3,243,285	102.0%	3,243,285
2012	3,117,883	3,307,425	106.1%	3,307,425
2011	2,846,306	3,092,037	108.6%	3,092,037
2010	3,015,396	2,743,768	91.0%	2,743,768
2009	-	3,589,773	0.0%	3,589,773

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

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation	County Repayment ⁽¹⁾	Total Governmental Activities	% of Actual Assessed Value of Property ⁽²⁾	Per Capita
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
2009	-	-	-	1,777,620	1,777,620	0.00%	-

⁽¹⁾ County Repayment is not a bonded debt

⁽²⁾ 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, 2015

2014-2015 Assessed Valuation

Incremental Valuation

Adjusted Assessed Valuation

\$ 2,615,319,309

\$ 2,615,319,309

Overlapping Tax and Assessment Debt

	Total Debt	Percent Applicable to City (1)	City's Share of Debt
Metropolitan Water District	\$ 110,420,000	0.113%	\$ 124,775
Mount San Jacinto Community College District General Funds Obligations	70,000,000	3.633%	2,543,100
Perris Union High School District	77,983,834	0.222%	173,124
Menifee Union School District	44,573,642	0.375%	167,151
Lake Elsinore Unified School District Community Facilities District No. 89-1 & 90-1	5,861,000	100.000%	5,861,000
Lake Elsinore Unified School District Community Facilities District No. 2002-1	3,887,000	44.393%	1,725,557
Lake Elsinore Unified School District Community Facilities District No. 2003-1 A	3,897,113	100.000%	3,897,113
Lake Elsinore Unified School District Community Facilities District No. 2004-2 & 3	18,008,100	70.464-100.0%	16,477,166
Lake Elsinore Unified School District Community Facilities District No. 2005-3 & 7	9,904,500	100.000%	9,904,500
Lake Elsinore Unified School District Community Facilities District No. 2006-3A & 4	8,660,000	100.000%	8,660,000
Perris Union High School District Community Facilities District No. 92-1	36,315,000	0.319%	115,845
Riverside County Flood Control, Zone 3-B Benefit Assessment District	1,325,000	6.754%	89,491
Riverside County Flood Control, Zone 4	21,000,000	0.426%	89,460
Elsinore Valley Municipal Water District Community Facilities Districts	8,020,000	100.000%	8,020,000
Total Overlapping Tax and Assessment Debt			\$ 57,848,281

Overlapping General Fund Debt

Riverside County General Funds Obligation	\$ 947,052,082	1.158%	\$ 10,966,863
Riverside County Pension Obligations	320,470,000	1.158%	3,711,043
Riverside County Board of Education Certificates of Participation	1,835,000	1.158%	21,249
Lake Elsinore Unified School District Certificates of Participation	34,935,210	26.092%	9,115,295
Perris Union High School District General Fund Obligation	8,769,511	0.222%	19,468
Menifee Union School District Certificates of Participation	4,277,775	0.375%	16,042
Total Gross Overlapping General Fund Debt			\$ 23,849,960
Less: Riverside County Supported Obligations			87,603
Total Net Overlapping General Fund Debt			\$ 23,762,357

Direct Debt

City Of Wildomar

\$0 100% \$0

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 225,176,688	2.160-18.107%	\$ 14,851,208
Total Direct Debt			\$0
Total Gross Overlapping Debt			\$ 96,549,448
Total Net Overlapping Debt			\$ 96,461,845
Gross Combined Total Debt			\$ 96,549,448 (2)
Net Combined Total Debt			\$ 96,461,845

⁽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, mortage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2014-15 Assessed Valuation:

Overlapping Tax and Assessment Debt.....	2.21%
Direct Debt (\$0).....	0.00%
Gross Combined Total Debt	3.69%
Net Combined Total Debt	3.69%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$120,096,366):

Total Overlapping Tax Increment Debt	12.37%
AB: (\$475)	

Source: California Municipal Statistics

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

	Fiscal Year						
	2015	2014	2013	2012	2011	2010	2009
Assessed Valuation	\$ 2,609,896,984	\$ 2,293,353,635	\$ 2,204,512,095	\$ 2,263,770,999	\$ 2,312,322,078	\$ 2,434,076,894	\$ -
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%
Debt Limit	\$ 391,484,548	\$ 344,003,045	\$ 330,676,814	\$ 339,565,650	\$ 346,848,312	\$ 365,111,534	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-
General Obligation Bonds:	-	-	-	-	-	-	-
Legal Debt Margin	\$ 391,484,548	\$ 344,003,045	\$ 330,676,814	\$ 339,565,650	\$ 346,848,312	\$ 365,111,534	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

The City of Wildomar has no general obligation bond indebtedness.

Source: City Finance Department, The HdL Companies

CITY OF WILDOMAR**Demographic and Economic Statistics**

Calendar Year	Population	Personal Income (thousands)		Per Capita Personal Income	Unemployment Rate	Median Age	% of Residents over 25 years of age with	
		\$	764,899				\$	22,700
2015	34,148	\$	764,899	\$ 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: The HdL Companies, California Employment Development Department

CITY OF WILDOMAR
Principal Employers

Employer	Employees	Rank	Fiscal Year												
			2015			2014			2013			2012			
			Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lake Elsinore Unified School District	1,995	1	N/A	1,995	1	N/A	2,000	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inland Valley Medical Center	780	2	N/A	780	2	N/A	784	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FCP INC	200	3	N/A	200	3	N/A	200	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stater Bros Markets	95	4	N/A	95	4	N/A	100	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Albertson's	90	6	N/A	90	6	N/A	85	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jack in the Box	60	7	N/A	60	7	N/A	60	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coldwell Banker	52	8	N/A	52	8	N/A	52	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A
P K Mechanical Systems	50	5	N/A	50	5	N/A	50	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
McDonald's	52	9	N/A	52	9	N/A	50	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cornerstone Community Church & School	45	10	N/A	45	10	N/A	45	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southern California Edison	20	11	N/A	20	11	N/A	20	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total of Top Employers	3,439		N/A	3,439		N/A	3,446		N/A	0		0.00%			
Fiscal Year															
2009															
Employer	Employees	Rank	Employment												
Lake Elsinore Unified School District	600	1	17.36%												
Inland Valley Medical Center	430	2	12.44%												
FCP INC	150	3	4.34%												
Stater Bros Markets	100	4	2.89%												
Albertson's	85	5	2.46%												
Jack in the Box	80	6	2.31%												
Coldwell Banker	60	7	1.74%												
P K Mechanical Systems	56	8	1.62%												
McDonald's	50	9	1.45%												
Cornerstone Community Church & School	45	10	1.30%												
Total of Top Employers	1656		47.91%												

(1) Principal Employers Report is unavailable for fiscal year 2011-2012 due to unreliable data.

Source: The HdL Companies

CITY OF WILDOMAR
Full-Time Equivalent City Government Employees by Function/Program
As of June 30, 2015

Function	2015	2014	2013	2012	2011	2010	2009
City Manager							
Full- Time Equiv	1	1	1	1	1	1	0
City Clerk							
Full- Time Equiv	1	1	1	1	1	1	1
Administrative Services							
Full- Time Equiv	1	1	2	2	1	1	0
Asst. City Manager							
Full- Time Equiv	1	1	0	0	0	0	0
Community Development							
Full- Time Equiv	1	1	1	0	0	0	0
Building/Safety							
Full- Time Equiv	1	1	1	0	0	0	0
Cemetery							
Full- Time Equiv	2	2	2	2	0	0	0
Accounting Manager			1				
Full- Time Equiv							
Asst. Planner			1				
Full- Time Equiv							
TOTAL	10	8	8	6	3	3	1

During FY 2013-14 the Budget included the addition of an Assistant City Manager as City employee and the deduction of Community Service Manager.

During FY 2012-13 the Budget included the addition of a Planning Director and a Community Service Manager as

City employees. There was one city employees in fiscal Year 2008-2009 one City Clerk

All City employees with the exception of City Manager, City Clerk and Administrative Services were contract. The Cemetery became a subsidiary district of the City during 2012

Source: City Finance Department

CITY OF WILDOMAR
Operating Indicators by Function/ Program

Function	2015	2014	2013	2012	2011	2010	2009
Police Services							
Calls for Service	8,782	4,353	3,954	12,451	14,797	8,740	8,684
DUI Arrests	2	8	2	40	80	53	78
Traffic Citations	287	375	N/A	474	1052	233	1267
Public Works							
Street Resurfacing (Square Feet)	43,000	66,000	14,000	43,200	0	0	N/A
Right of Way Clearing (Square Feet)	112,000	139,000	64,500	64,500	30,119	21,600	N/A
Traffic Signs Installed	43	37	40	69	41	78	N/A
Drain Inlets Cleaned	288	278	280	278	278	300	N/A
Building & Safety							
Building Permits Issued	1,321	789	120	130	132	151	232
Building Inspections Completed	3,131	4,091	4,080	2,904	2,626	4,032	N/A
Community Development							
Planning Applications Completed	26	21	20	29	24	50	39
Community Services							
Community Events Attendance	3,400	1,320	800	1,700	N/A	N/A	N/A
Cemetery							
Burial Services	31	34	30	30	N/A	N/A	N/A

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

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

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

Source: City Public Works Department, Community Services Department

CITY OF WILDOMAR
Miscellaneous Statistics
As of June 30, 2015

Geographic Location	Wildomar is located along Interstate 15 in Riverside County.
Population	34,148
Area in Square Miles	24
Form of Government	Council-Manager
Date of Incorporation	July, 1 2008
Number of Full Time Employees	10
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