

# **City of Wildomar, CA**



**Comprehensive Annual Financial Report**

**June 30, 2018**



**CITY OF WILDOMAR, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2018**

**Prepared By:**

**The City of Wildomar  
Finance Department**



**City of Wildomar**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2018

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	i - viii
Staff Directory	ix
City Organization Chart	x
Directory of City Officials	xi
Governmental Finance Officers Association Certificate of Achievement	xii
<b>II. FINANCIAL SECTION</b>	
<b>Independent Auditors' Report</b>	1 - 2
<b>Management Discussion &amp; Analysis</b>	3 - 16
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19 - 20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22 - 23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Notes to Financial Statements	25 - 56
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule by Department - General Fund	57
Budgetary Comparison Schedule - Development Impact Fees	58
Budgetary Comparison Schedule - Grants	59
Schedule of the City's Proportionate Share of the Net Pension Liability - CalPERS Pension Plan	60
Schedule of Contributions - CalPERS Pension Plan	61
Schedule of Changes in Net OPEB Liability and Related Ratios	62
Schedule of Contributions - OPEB	63
Notes to Required Supplementary Information	64
<b>Supplementary Information:</b>	
Non-Major Governmental Funds	
Combining Balance Sheet	65 - 66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67 - 68

**City of Wildomar**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2018

**Table of Contents - Continued**

	<b>PAGE</b>
<b>Supplementary Information - Continued:</b>	
Budgetary Comparison Schedules - Special Revenue Funds	
Gas Tax	69
Air Quality Management District	70
Measure A	71
SLESF	72
TDA	73
Community Development Block Grant	74
Measure Z Park	75
Budgetary Comparison Schedules - Capital Projects Fund	
Assessment Districts	76
Capital Reinvestment	77
 <b>III. STATISTICAL SECTION</b>	
Table of Contents	78
Financial Trends:	
Net Position by Component	79 - 80
Changes in Net Position	81 - 84
Fund Balances of Governmental Funds	85 - 86
Changes in Fund Balances of Governmental Funds	87 - 88
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	89
Direct and Overlapping Property Tax Rates	90 - 91
Principal Property Tax Payers	92
Property Tax Levies and Collections	93
Debt Capacity:	
Ratio of Outstanding Debt by Type	94
Direct and Overlapping Governmental Activities Debt	95
Legal Debt Margin Information	96 - 97
Demographic and Economic Statistics:	
Demographic and Economic Status	98
Operating Information:	
Principal Employers	99
Full-time Equivalent City Government Employees by Function / Program	100 - 101
Operating Indicators by Function / Program	102 - 103
Capital Asset Statistics by Function / Program	104 - 105
Miscellaneous Statistics	106

## **INTRODUCTORY SECTION**



Ben J. Benoit, Mayor, Dist. 1  
Marsha Swanson, Mayor Pro Tem, Dist. 5  
Bridgette Moore, Council Member, Dist. 4  
Dustin Nigg, Council Member, Dist. 2  
Joseph Morabito, Council Member, Dist.3



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[www.CityofWildomar.org](http://www.CityofWildomar.org)

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

December 19, 2018

## **Letter of Transmittal Fiscal Year 2017-18 Comprehensive Annual Financial Report (CAFR)**

Dear Honorable Mayor, Council Members and Wildomar Citizens,

I am pleased to present the Fiscal Year 2017-18, Comprehensive Annual Financial Report for the City of Wildomar, California for the fiscal year ended June 30, 2018.

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

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

The City of Wildomar's financial statements have been audited by Teaman, Ramirez & Smith, Inc., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Wildomar for the fiscal year ended June 30, 2018, 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. The 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 36,287 residents.

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

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

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

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

## **The Budget Process**

The City Council adopted a Biennial budget for Fiscal Years 2017/18 and 2018/19 at a Public Hearing held on June 28, 2017. Since that adoption date, several changes have occurred through FY 2017/18 Quarterly Budget Reviews.

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

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

A budget workshop is held in February to receive input from the public. The City Manager presents the proposed budget for all governmental activities to the City Council at the 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 tenth year of incorporation, is experiencing consistent, stable growth. The City's median age is 35 with a per capita personal income of \$23,083, which is a 6.4% increase over fiscal year 2016-17. The unemployment rate for the City was down significantly to 3.9% compared to 6.1% in fiscal year 2016-17. This equates to a 36% decrease in the unemployment rate.

Property valuations increased 5.4% over fiscal year 2016-17 and the City opened a new 47,000 square feet retail center, Wildomar Square, in March 2018. Also, after six years of revenue loss of \$12.7 million from the State of California take away of our annual Motor Vehicle License Fees, Governor Brown on May 12, 2017 signed SB 130, which restored an annual payment of \$2.4 million to the City. The effective date of SB 130 was July 1, 2017 and the City received payments in January and May 2018.

See the charts below to see the trend for the last ten years in taxable property net assessed value, property tax revenue and sales tax revenue.

Chart 1.

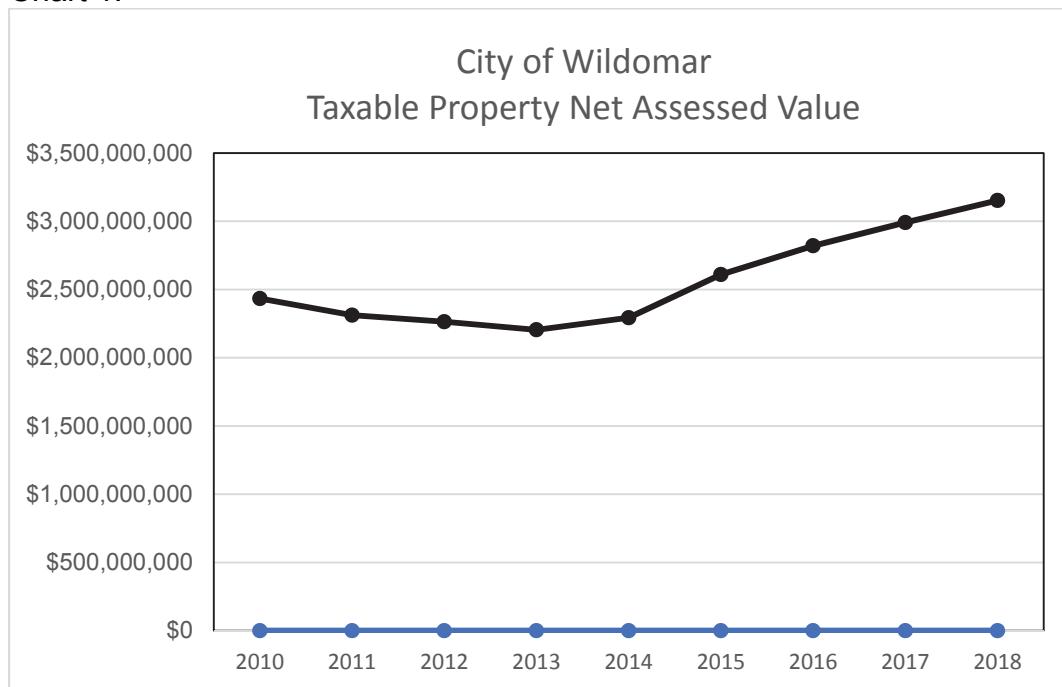


Chart 2.

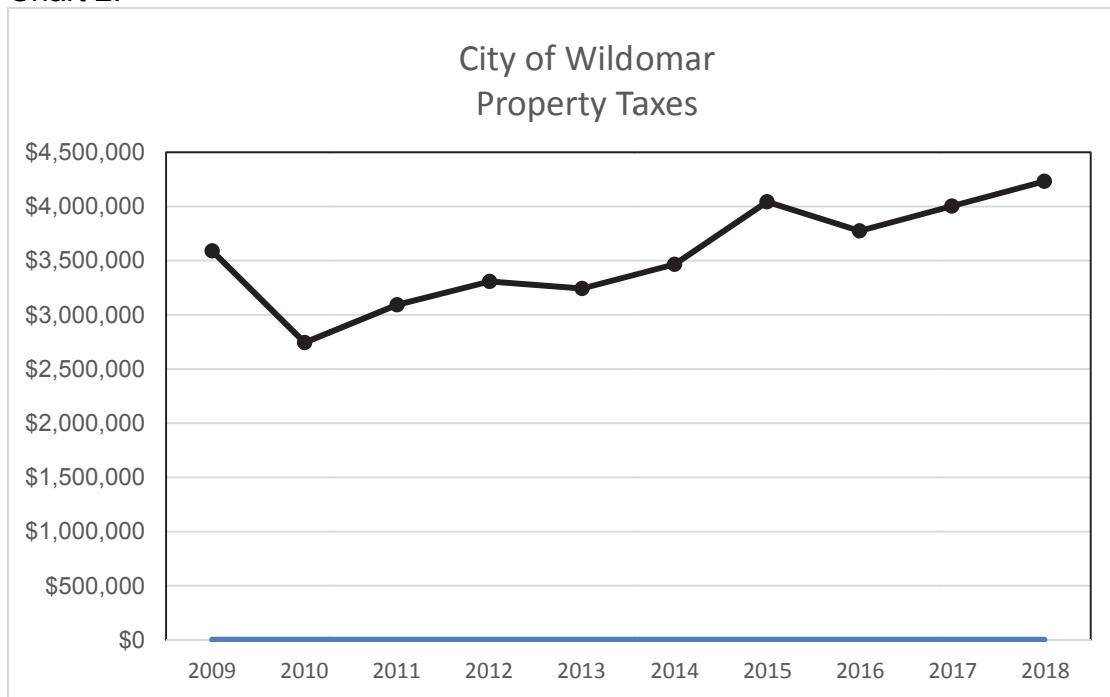
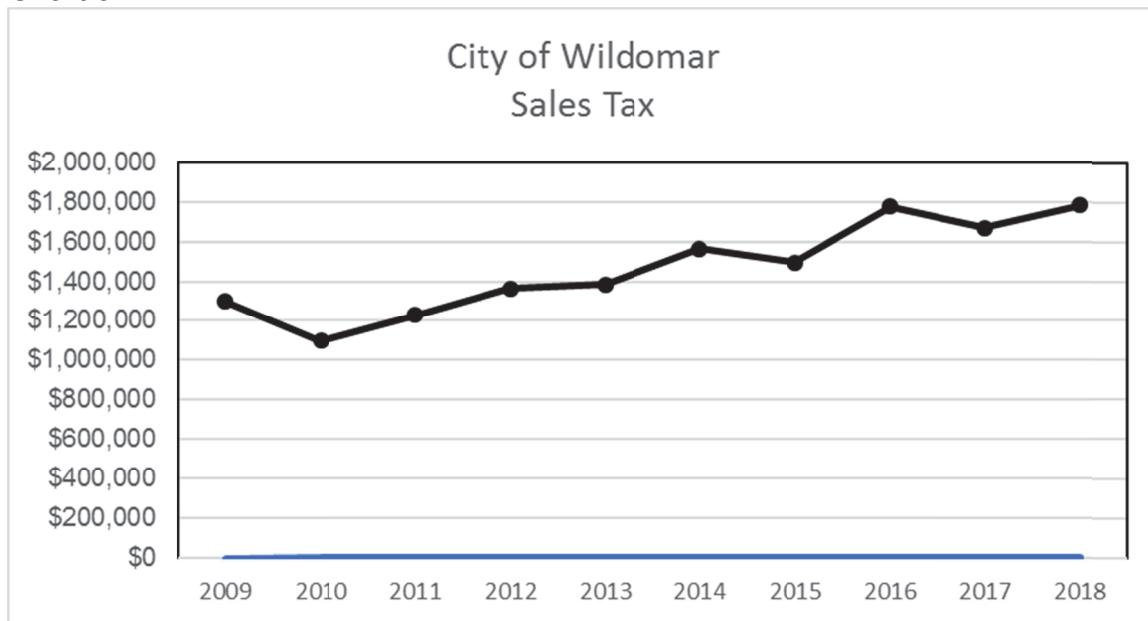


Chart 3.



## Financial Reserves

This year's budget for FY 2017-18 was year one of the City's third two-year budget program. At fiscal year end, the General Fund revenues and transfers in of \$12.1 million exceeded expenditures and transfers out of \$11.4 million, for a net change

in fund balance of \$682,582. This resulted in an ending fund balance of \$1,552,339, which is 14.8% of general fund expenditures of \$10.8 million.

General Fund actual revenues were a net \$1.0 million less than budget. The primary sources for the revenue received being less than budget are as follows:

- Taxes received were \$0.3 million less than budgeted, primarily due to property tax
- Licenses and permits were less than \$0.7 million budgeted related to decreased building permit activity and private development fees.

General Fund actual expenditures were a net \$0.7 million less than budget. The primary sources for the net expenditure savings are as follows:

- Public Safety-Police and fire services had expenditure savings of \$0.5 million due to contractual services being less than anticipated.
- General government had expenditure savings of \$0.2 million due to a decrease in contractual services.

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

The replacement of the annual Motor Vehicle License Fee revenues, taken by the State in 2011, accounted for an additional \$2.4 million in recurring revenue for the City, beginning in fiscal year 2017-18. The restoration of this annual revenue has allowed the City to return police patrol levels to the 70 hours per day that were in effect prior to the State takeaway in 2011. This is a significant increase from the 40 hours per day of police service the City was contracting for the last six years. Unfortunately, the past six-year revenue loss of \$12.7 million will not be repaid by the State of California and the replacement of the annual Motor Vehicle License Fee revenue only covers the return of the police hours to 70 hours per day.

Therefore, on November 6, 2018, the voters of Wildomar approved Measure AA. Effective on April 1, 2019, Measure AA establishes a 1.0% transactions tax on the gross receipts of any retailer from the sale of tangible property sold within the city limits. In addition, an excise tax of 1.0% is imposed on the storage, use or other consumption within the city limits of Wildomar of tangible personal property purchased from any retailer. The anticipated revenue from this tax is \$1.7 million, which will be used to fund improvement for public safety services, roads and homeless outreach.

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 Riverside 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.

## Current Year Initiatives

In April 2017, the City adopted the following Vision Statement:

*“The City of Wildomar will be a Safe and Active Community with Responsible Growth and Quality Infrastructure While Keeping a Hometown Feel.”*

As noted above, with the addition of \$1.7 million in revenue from Measure AA, the City is proposing the following initiatives in fiscal year 2018-19:

- Increase police services levels to reflect the growth of the City.
- Add a dedicated Traffic or Motor officers to deal with traffic safety issues.
- Add dedicate POP/HOT officers to help mitigate many of the Quality of Life issues plaguing our community and increase Community Service Officers.
- Add a Fire Medic Squad to decrease response time and increase unit availability.
- Continued transition of County of Riverside Transportation Uniform Mitigation Fee (TUMF) capital projects to the City including Bundy Canyon Road, Grand Avenue, and Clinton Keith Widening Project.
- Maintain City infrastructure and road improvements.
- Provide sustained funding to address homelessness in Wildomar.

## Concluding remarks

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wildomar for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. To receive a Certificate of Achievement, the City must

an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. We believe the City's current CAFR meets the program requirements of the Certificate of Achievement and we are submitting it to the GFOA to determine its eligibility for the award.

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

Sincerely,



Gary Nordquist  
City Manager

  
James R. Riley  
Finance Director/ City Treasurer

# STAFF DIRECTORY

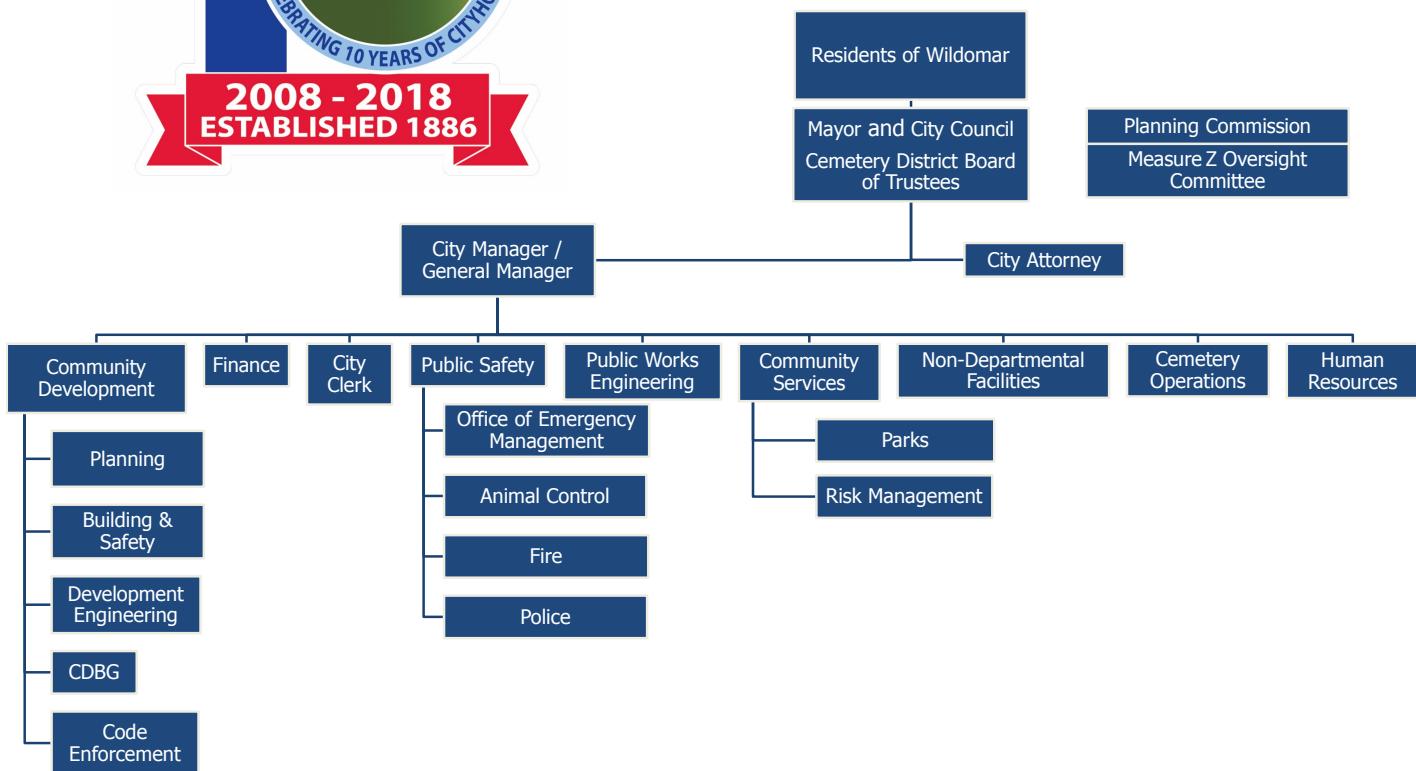
## EXECUTIVE MANAGEMENT:

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

## CITY OF WILDOMAR CAFR TEAM:

Finance Director.....	<i>James Riley</i>
Accounting Manager.....	<i>Robert Howell</i>
Project Accountant.....	<i>Sherri Stanton</i>
Administrative Analyst.....	<i>Adam Jantz</i>

## City of Wildomar - Organization Chart





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

**Ben J. Benoit, Mayor/Chair, District 1**

**Marsha Swanson, Mayor Pro Tem/Vice Chair, District 5**

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

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

**Joseph Morabito, Council member/Trustee, District 3**

**\*Effective as of December 12, 2018**

**City Manager/General Manager**

**Gary Nordquist**

**City Attorney/District Counsel**

**Thomas Jex**



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Wildomar  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

City Council  
City of Wildomar  
Wildomar, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wildomar, California (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wildomar, California, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

##### ***Change in Accounting Principle***

As described in Note 1e to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 through 16 and 57 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, 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.



Riverside, California  
December 19, 2018

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

For the Year Ended June 30, 2018

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 tenth fiscal year of operation which ended June 30, 2018. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through viii of this report and with the City's financial statements which follow this discussion.

### **THE FINANCIAL HIGHLIGHTS**

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

- The assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2018, by \$34.3 million (net position).
- The City of Wildomar's total net position increased by \$4.1 million. The primary increase is related to the following: (1.) an increase of \$3.0 million in net investment in capital assets related to land acquisition (\$0.4 million), construction in progress (\$1.4 million) and net infrastructure (\$1.5 million); (2.) an increase of \$0.6 million in restricted net position related to capital street projects and (3.) an increase of \$0.5 million in unrestricted net position.
- The revenues in the Statement of Activities increased by a net \$3.4 million primarily due to an increase in general revenues related to the vehicle license fee replacement approved in September 2017 (SB 130) of \$2.3 million; an increase in other revenue of \$1.8 million for unearned grant revenue; an increase in sales and property taxes of \$0.4 million; offset by a decrease in program revenues related to charges for services and operating grants and contributions of \$1.1 million.

- The expenses in the Statement of Activities increased a net \$0.9 million. This is related to the following: (1.) an increase in public safety of \$0.4 million related to an increase in police service hours in the fourth quarter of fiscal year 2017-18; (2.) an increase of \$0.3 million in community development due to various park related projects; and an increase of \$0.2 million for public works related to the new SB1 funds received in fiscal year 2017-18.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

### **Government-wide financial statements**

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

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

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

The *Statement of Activities* demonstrates how the City's net position evolves during the current fiscal year. Specifically, this statement provides comparative analysis between direct expenses and program revenues for each functional activity of the City. In this format, net position changes are recorded in real time when triggered by underlying events without respect to the timing of the related cash flows. Because of this, it is expected that revenue and expenses for some items (such as uncollected taxes and earned but unused vacation leave) will result in recorded cash flows in future fiscal periods.

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

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

Governmental activities are chiefly supported by:

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

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

The City does not have any business-type activities.

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

## Fund Financial Statements

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

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

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

### ***Governmental funds***

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

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

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

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

The City of Wildomar maintains 41 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 (Assessment Districts and Capital Reinvestment). Data from the 41 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the major and non-major governmental funds is provided in the form of *combining statements* later in this report.

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

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

The City of Wildomar adopts a bi-annual appropriated budget for its general fund, with a revision made for the second year of the budget if necessary. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 through 24 of this report.

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wildomar, assets and deferred outflows of resources of the City of Wildomar exceeded its liabilities and deferred inflows of resources as of June 30, 2018, by \$34.3 million (net position). Infrastructure assets of the governmental activities are included within this report. The general capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) of the governmental activities of the City of Wildomar are the largest portion of the City's net position (80%).

During the fiscal year ended June 30, 2018, net position was \$34.3 million of which \$27.5 million is invested in capital assets such as land, equipment, buildings and infrastructure. Of the remaining total, \$6.2 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements and \$0.6 million is unrestricted. Of note is the fact that the City has no outstanding debt related to capital assets held.

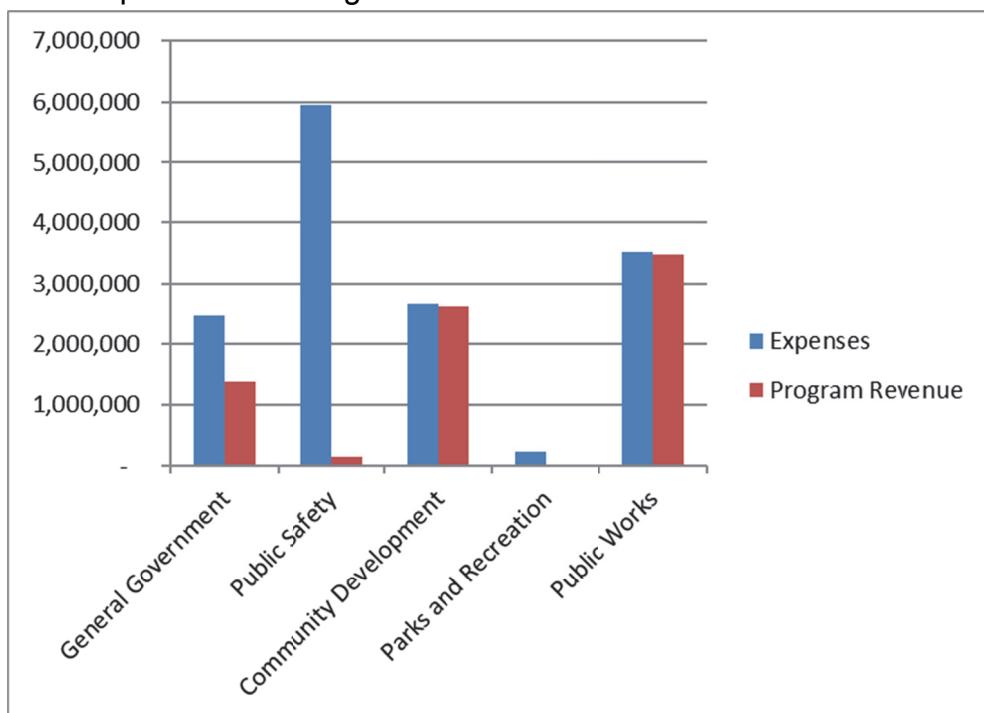
**Table 1 Statement of Net Position -Primary Government**

City of Wildomar <b>Statement of Net Position-Summary</b> For the Years Ended June 30,		
Governmental Activities	2018	2017
<b>Assets:</b>		
Current and other assets	\$ 13,207,624	\$ 10,472,511
Capital assets	27,511,461	24,487,895
Total Assets	<u>40,719,085</u>	<u>34,960,406</u>
<b>Deferred Outflows of Resources:</b>		
Deferred Pension-related items	430,473	307,834
Total Deferred Outflows of Resources	<u>430,473</u>	<u>307,834</u>
<b>Liabilities:</b>		
Other Liabilities	6,141,173	4,566,097
Long-term Liabilities	589,998	421,165
Total Liabilities	<u>6,731,171</u>	<u>4,987,262</u>
<b>Deferred Inflows of Resources:</b>		
Deferred Pension-related items	33,897	74,726
Deferred OPEB-related items	45,452	-
Total Deferred Inflows of Resources	<u>79,349</u>	<u>74,726</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	27,511,461	24,487,895
Restricted	6,175,006	5,584,338
Unrestricted	652,571	134,019
<b>Total Net Position</b>	<b><u>\$ 34,339,038</u></b>	<b><u>\$ 30,206,252</u></b>

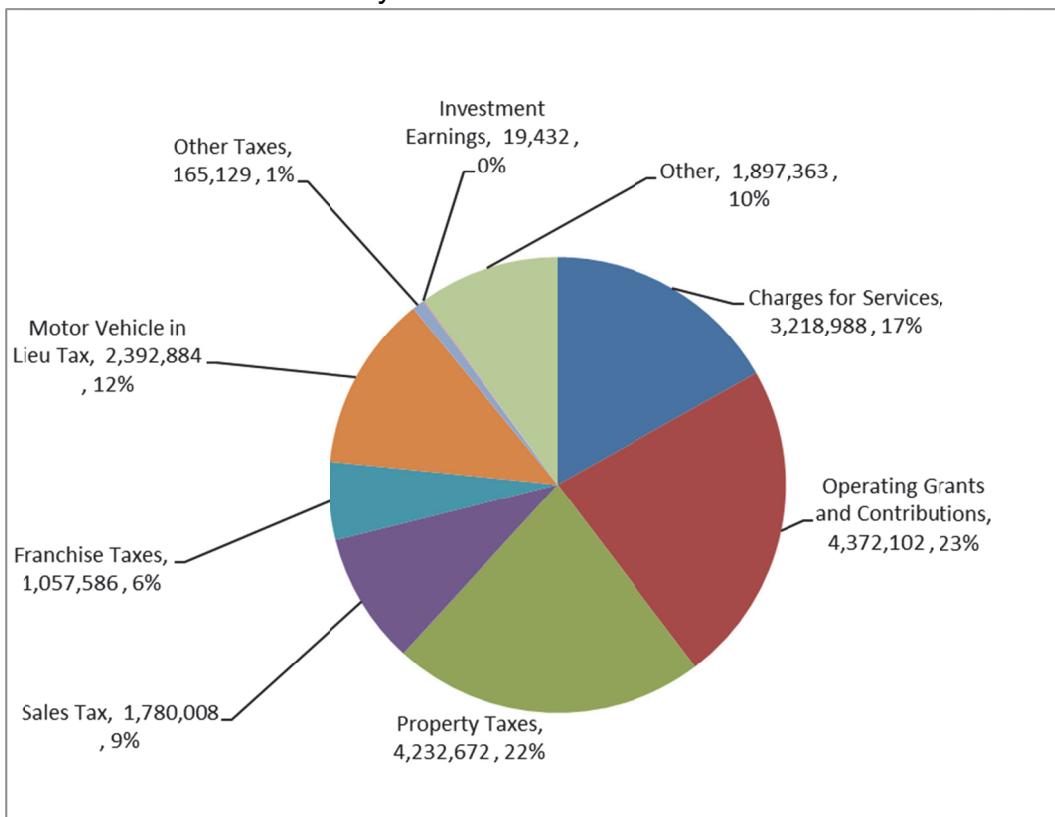
**Table 2 Statement of Activities -Primary Government**

City of Wildomar <b>Statement of Activities</b> For the Years Ended June 30,			
<b>Governmental Activities</b>			
	<u>2018</u>	<u>2017</u>	
<b>Revenues</b>			
Program Revenues			
Charges for Service	\$ 3,218,988	\$ 4,184,936	
Operating Grants and Contributions	4,372,102	4,428,472	
Capital Grants and Contributions	-	-	
General Revenues			
Sales Taxes	1,780,008	1,666,324	
Property Taxes	4,232,672	4,002,949	
Other Taxes	3,615,599	1,286,846	
Other Revenues	1,897,363	101,253	
Use of Money and Property	19,432	10,659	
	<b>Total Revenues</b>	<b>19,136,164</b>	<b>15,681,439</b>
<b>Expenses</b>			
General Government	2,469,147	2,494,133	
Public Safety	5,957,516	5,517,602	
Community Development	2,660,031	2,389,801	
Parks and Recreation	219,647	219,647	
Public Works	3,508,423	3,272,317	
	<b>Total Expenses</b>	<b>14,814,764</b>	<b>13,893,500</b>
	<b>Increase (Decrease) in Net Position</b>	<b>4,321,400</b>	<b>1,787,939</b>
Beginning Net Position	30,206,252	28,418,313	
Restatement of Net Position	(188,614)	-	
	<b>Ending Net Position</b>	<b>\$ 34,339,038</b>	<b>\$ 30,206,252</b>

**City of Wildomar**  
**Expenses and Program Revenues-Governmental Activities**



**City of Wildomar**  
**Revenues by Sources-Governmental Activities**



## Financial Analysis of Governmental Funds

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

### Governmental Funds

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

The financial position of the City's governmental funds has decreased when compared to the previous fiscal year. The total ending fund balance for the City's governmental funds was \$4.1 million which represented a \$0.7 million or 15.2% decrease from the prior fiscal year balance.

The General Fund is the primarily funding source for the City. At fiscal year end, the unassigned fund balance of the general fund was \$1.6 million or 14.8% of the City's general fund expenditures of \$10.8 million. This is an increase of \$0.7 million in the general fund ending fund balance. The primary source for this increase is related to the vehicle license fee replacement revenue approved in September 2017 (SB 130) of \$2.3 million, offset by an increase in general government of \$0.4 million, an increase in public safety of \$0.5 million and transfers to the new Capital Reinvestment fund of \$0.7 million.

Other major factors in fund balance changes were as follows:

#### **Development Impact Fee Funds:**

These funds are used to record the capital expenditures of various improvements needed to meet the increased demands associated with new development, primarily residential. Capital facility expansions are pre-determined and are constructed when the collected fees fully fund the improvement. During fiscal year 2017-18, fund balance increased a net \$0.2 million related to revenues of \$0.9 million offset by \$0.7 million in capital improvements and cost allocation.

### Grant Funds

These grant funds are awarded by Federal, State and Local Agencies for various projects, services and equipment. The projects, services and equipment include street improvement, traffic signals, storm drains, flood control, bike trails and sidewalks. During fiscal year 2017-18, fund balance decreased a net \$1.4 million related to revenues of \$1.5 million offset by \$2.9 million in improvements related to sidewalks, bike paths and multi-use trails.

## General Fund Financial Highlights

General Fund original vs. final budget significant changes were as follows:

#### Revenues:

- Intergovernmental increased \$2.4 million primarily related to the vehicle license fee replacement revenue approved in September 2017 (SB 130) of \$2.3 million

#### Expenditures:

- City Manager's Office increased \$0.2 million due to increase contract, professional and legal services for various issues.
- Non-departmental increased \$0.2 million due to increased purchases of hardware and software for the City.
- Police services increased \$0.4 million due to increased police service hours in the 4<sup>th</sup> quarter of fiscal year 2017-18.
- Transfers Out increased \$0.7 million due to set up of the new Capital Reinvestment Fund. This fund will be used for various capital related projects in the City.

General Fund actual revenues were a net \$1.0 million less than budget. The primary sources for the revenue received being less than budget are as follows:

- Taxes received were \$0.3 million less than budgeted, primarily due to property tax
- Licenses and permits were less than \$0.7 million budgeted related to decreased building permit activity and private development fees.

General Fund actual expenditures were a net \$0.7 million less than budget. The primary sources for the net expenditure savings are as follows:

- Public Safety-Police and fire services had expenditure savings of \$0.5 million due to contractual services being less than anticipated.
- General government had expenditure savings of \$0.2 million due to a decrease in contractual services.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets (Table 3) for its governmental activities as of June 30, 2018, is \$27.5 million (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure and construction in progress. For more information, please refer to Note 5 in the Notes to Financial Statements. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-wide financial statements.

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

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

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

<b>City of Wildomar</b> <b>Summary of Changes in Capital Assets</b> For the Year Ended June 30, 2018				
	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 2,613,490	\$ 418,611	\$ -	\$ 3,032,101
Construction in Progress	4,310,810	4,339,887	(2,949,172)	5,701,525
Right-of-way	622,935	-	-	622,935
Total Capital Assets, Not Being Depreciated	<u>7,547,235</u>	<u>4,758,498</u>	<u>(2,949,172)</u>	<u>9,356,561</u>
Capital Assets, being depreciated:				
Buildings and Improvements	7,442,488	-	-	7,442,488
Furniture, fixtures and Equipment	59,133	8,470	-	67,603
Traffic Signals	251,824	-	-	251,824
Infrastructure	41,999,139	2,867,932	-	44,867,071
Total Capital Assets, Being Depreciated	<u>49,752,584</u>	<u>2,876,402</u>	<u>-</u>	<u>52,628,986</u>
Less Accumulated Depreciation				
Buildings and Improvements	(2,238,605)	(249,135)	-	(2,487,740)
Furniture, fixtures and Equipment	(32,215)	(6,770)	-	(38,985)
Traffic Signals	(53,117)	(12,591)	-	(65,708)
Infrastructure	(30,487,987)	(1,393,666)	-	(31,881,653)
Total Accumulated Depreciation	<u>(32,811,924)</u>	<u>(1,662,162)</u>	<u>-</u>	<u>(34,474,086)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,940,660</u>	<u>1,214,240</u>	<u>-</u>	<u>18,154,900</u>
	<b><u>\$ 24,487,895</u></b>	<b><u>\$ 5,972,738</u></b>	<b><u>\$ (2,949,172)</u></b>	<b><u>\$ 27,511,461</u></b>

## Long-term Debt

At year end, the City had \$115,171 in outstanding long-term debt for Governmental Activities. This debt is related to compensated absences.

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

City of Wildomar <b>Summary of Changes in Long-Term Liabilities</b> For the Year Ended June 30, 2018					
	Beginning Balance	Additions	Deductions	Ending Balance	Within One Year
Compensated Absences	165,595	32,374	(82,798)	115,171	28,793
<b>Total Long-Term Liabilities</b>	<b>\$ 165,595</b>	<b>\$ 32,374</b>	<b>\$ (82,798)</b>	<b>\$ 115,171</b>	<b>\$ 28,793</b>

## ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Key budget assumptions for forecasting General Fund revenues include for fiscal year 2018-19 and beyond are the following:

- The replacement of the City's Motor Vehicle License Fee of \$2.4 million. Fiscal year 2018-19 will be the second year of receiving these funds after five years of the State's takeaway.
- Residential property values are increasing, which will be reflected in higher property taxes.
- Sales tax revenue is increasing due to a full year of retail activity at Wildomar Square.
- Development activity in the coming years is going down, which will bring a reduction in building permit and private development fees.
- Fire marshal services will be in operation starting January 2019. Fees have been approved to cover the costs of these services.

In addition, on November 6, 2018, voters approved Measure AA. Effective on April 1, 2019, Measure AA establishes a 1.0% transactions tax on the gross receipts of any retailer from the sale of tangible property sold within the city limits. In addition, an excise tax of 1.0% is imposed on the storage, use or other consumption within the city limits of Wildomar of tangible personal property purchased from any retailer. The anticipated revenue from this tax is \$1.7 million, which will be used to fund increases in public safety, roads and homeless outreach.

The Adopted Operating Budget for Fiscal Year 2018-19 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. At the City's Mid-Year budget review in January 2019, the addition of Measure AA revenues will be considered in meeting the needs of Wildomar residents.

## **REQUESTS FOR INFORMATION**

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

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

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

## **BASIC FINANCIAL STATEMENTS**



**City of Wildomar**  
**Statement of Net Position**  
June 30, 2018

	Primary Government Governmental Activities	Component Unit Wildomar Cemetery District
<b>ASSETS</b>		
Cash and Investments	\$ 6,847,189	\$ 3,014
Restricted Cash and Investments	-	127,032
Receivables:		
Accounts	147,447	-
Developer	1,150,865	-
Grants	4,022,682	-
Accrued Interest	7,511	-
Due from Other Governments	1,031,930	1,442,678
Inventories	-	2,957
Capital Assets, Not Being Depreciated	9,356,561	963,390
Capital Assets, Net of Depreciation	<u>18,154,900</u>	<u>15,103</u>
Total Assets	<u>40,719,085</u>	<u>2,554,174</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Items	<u>430,473</u>	<u>88,538</u>
Total Deferred Outflows of Resources	<u>430,473</u>	<u>88,538</u>
<b>LIABILITIES</b>		
Accounts Payable	2,025,341	5,554
Accrued Liabilities	36,971	4,228
Unearned Revenue	766,799	-
Deposits Payable	1,796,176	50,220
Due to Other Governments	1,515,886	-
Noncurrent Liabilities:		
Due Within One Year	28,793	634
Due in More Than One Year	86,378	1,901
Net Pension Liability	176,110	213,644
Net OPEB Liability	<u>298,717</u>	-
Total Liabilities	<u>6,731,171</u>	<u>276,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Items	33,897	14,854
OPEB Related Items	<u>45,452</u>	-
Total Deferred Inflows of Resources	<u>79,349</u>	<u>14,854</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	27,511,461	978,493
Restricted:		
Community Development Projects	5,049,328	-
Public Works	79,976	-
Capital Projects	1,045,702	-
Cemetery Trust - Nonexpendable	-	230,226
Unrestricted	<u>652,571</u>	<u>1,142,958</u>
Total Net Position	<u>\$ 34,339,038</u>	<u>\$ 2,351,677</u>

The accompanying notes are an integral part of this statement.

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**City of Wildomar**  
**Statement of Activities**  
For the Year Ended June 30, 2018

	Net (Expenses) Revenues and Changes in Net Position				
	Program Revenues				Component Unit
	Primary Government	Governmental Activities	Wildomar Cemetery District		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
	Expenses				
Governmental Activities:					
General Government	\$ 2,469,147	\$ 898,352	\$ 479,537	\$ -	\$ (1,091,258)
Public Safety	5,957,516	10,581	116,667	-	(5,830,268)
Community Development	2,660,031	2,054,708	545,537	-	(59,786)
Parks and Recreation	219,647	15,570	-	-	(204,077)
Public Works	3,508,423	239,777	3,230,361	-	(38,285)
Total Governmental Activities	<u>\$ 14,814,764</u>	<u>\$ 3,218,988</u>	<u>\$ 4,372,102</u>	<u>\$ -</u>	<u>(7,223,674)</u>
Component Unit:					
Wildomar Cemetery District	\$ 471,975	\$ 36,497	\$ -	\$ -	\$ (435,478)
Total Component Unit	<u>\$ 471,975</u>	<u>\$ 36,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(435,478)</u>
General Revenues:					
Taxes:					
Property Tax, Levied for General Purpose			4,232,672	502,361	
Sales Tax			1,780,008		-
Franchise Taxes			1,057,586		-
Motor Vehicle in Lieu Tax			2,392,884		-
Other Taxes			165,129		-
Investment Earnings			19,432	(1,266)	
Other			<u>1,897,363</u>		-
Total General Revenues			<u>11,545,074</u>	<u>501,095</u>	
Change in Net Position			<u>4,321,400</u>	<u>65,617</u>	
Net Position - Beginning of Year			30,206,252	2,286,060	
Prior Period Adjustment			<u>(188,614)</u>		-
Net Position - Beginning of Year, as Restated			<u>30,017,638</u>	<u>2,286,060</u>	
Net Position - End of Year			<u>\$ 34,339,038</u>	<u>\$ 2,351,677</u>	

The accompanying notes are an integral part of this statement.

**City of Wildomar**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2018

		Special Revenue		
		General	Development Impact Fees	Grants
		\$	\$	\$
<b>ASSETS</b>				
Pooled Cash and Investments		\$ 2,817,914	\$ 3,749,001	\$ 102
Receivables:				
Accounts		137,493	-	5,579
Developer		1,150,865	-	-
Grants		-	-	3,377,159
Accrued Interest		7,511	-	-
Due from Other Governments		685,670	-	-
Due from Other Funds		<u>40,080</u>	<u>2,253,803</u>	<u>-</u>
Total Assets		<u><u>\$ 4,839,533</u></u>	<u><u>\$ 6,002,804</u></u>	<u><u>\$ 3,382,840</u></u>
<b>LIABILITIES</b>				
Accounts Payable		\$ 1,313,133	\$ 5,080	\$ 152,049
Accrued Liabilities		33,375	-	-
Unearned Revenues		55,823	710,976	-
Deposits Payable		1,796,176	-	-
Due to Other Governments		88,687	-	1,427,199
Due to Other Funds		<u>-</u>	<u>450,537</u>	<u>1,861,487</u>
Total Liabilities		<u>3,287,194</u>	<u>1,166,593</u>	<u>3,440,735</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Intergovernmental		<u>-</u>	<u>-</u>	<u>2,359,704</u>
Total Deferred Inflows of Resources		<u>-</u>	<u>-</u>	<u>2,359,704</u>
<b>FUND BALANCES</b>				
Restricted for:				
Community Development Projects		-	4,836,211	-
Public Works		-	-	-
Capital Projects		-	-	-
Unassigned		<u>1,552,339</u>	<u>-</u>	<u>(2,417,599)</u>
Total Fund Balances		<u>1,552,339</u>	<u>4,836,211</u>	<u>(2,417,599)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances		<u><u>\$ 4,839,533</u></u>	<u><u>\$ 6,002,804</u></u>	<u><u>\$ 3,382,840</u></u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 280,172	\$ 6,847,189
4,375	147,447
-	1,150,865
645,523	4,022,682
-	7,511
346,260	1,031,930
1,571,224	3,865,107
<u>\$ 2,847,554</u>	<u>\$ 17,072,731</u>
\$ 555,079	\$ 2,025,341
3,596	36,971
-	766,799
-	1,796,176
-	1,515,886
1,553,083	3,865,107
<u>2,111,758</u>	<u>10,006,280</u>
<u>645,523</u>	<u>3,005,227</u>
<u>645,523</u>	<u>3,005,227</u>
213,117	5,049,328
79,976	79,976
1,045,702	1,045,702
(1,248,522)	(2,113,782)
<u>90,273</u>	<u>4,061,224</u>
<u>\$ 2,847,554</u>	<u>\$ 17,072,731</u>

The accompanying notes are an integral part of this statement.

**City of Wildomar**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2018**

Fund Balances of Governmental Funds	\$ 4,061,224
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of depreciation have not been included as financial resources in government fund activity.	27,511,461
Long-term liabilities and compensated absences that have not been included in the governmental fund activity.	
Compensated Absences	(115,171)
Net Pension Liability	(176,110)
Net OPEB Liability	(298,717)
Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period.	
Pension Related Deferred Outflows of Resources	430,473
Pension Related Deferred Inflows of Resources	(33,897)
OPEB Related Deferred Inflows of Resources	(45,452)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.	<u>3,005,227</u>
Net Position of Governmental Activities	<u><u>\$ 34,339,038</u></u>

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**City of Wildomar**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended June 30, 2018

	General	Special Revenue		
		Development	Impact Fees	Grants
		Impact Fees		
<b>REVENUES</b>				
Taxes	\$ 7,229,816	\$ -	\$ -	\$ -
Licenses and Permits	2,003,200	-	-	-
Intergovernmental	2,440,538	-	-	1,446,327
Charges for Services	10,983	-	-	-
Fines and Forfeitures	45,552	-	-	-
Use of Money and Property	4,586	13,785	-	-
Developer Participation	-	867,838	-	-
Miscellaneous	8,819	-	-	-
Total Revenues	<u>11,743,494</u>	<u>881,623</u>	<u>-</u>	<u>1,446,327</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,360,813	-	-	36,151
Public Safety	5,926,817	-	-	-
Community Development	2,295,797	40,212	-	-
Public Works	177,156	461,774	150,718	-
Capital Outlay	-	67,558	2,705,146	-
Total Expenditures	<u>10,760,583</u>	<u>569,544</u>	<u>-</u>	<u>2,892,015</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>982,911</u>	<u>312,079</u>	<u>-</u>	<u>(1,445,688)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	362,310	-	-	47,677
Transfers Out	(662,639)	(94,124)	-	-
Total Other Financing Sources (Uses)	<u>(300,329)</u>	<u>(94,124)</u>	<u>-</u>	<u>47,677</u>
Net Change in Fund Balances	682,582	217,955	(1,398,011)	-
Fund Balances - Beginning of Year	<u>869,757</u>	<u>4,618,256</u>	<u>(1,019,588)</u>	-
Fund Balances - End of Year	<u>\$ 1,552,339</u>	<u>\$ 4,836,211</u>	<u>\$ (2,417,599)</u>	-

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 7,229,816
-	2,003,200
3,146,821	7,033,686
27,786	38,769
-	45,552
1,060	19,431
-	867,838
100	8,919
<hr/>	<hr/>
<u>3,175,767</u>	<u>17,247,211</u>
204,920	2,601,884
-	5,926,817
324,022	2,660,031
2,585,830	3,375,478
639,213	3,411,917
<hr/>	<hr/>
<u>3,753,985</u>	<u>17,976,127</u>
<u>(578,218)</u>	<u>(728,916)</u>
860,990	1,270,977
<u>(514,214)</u>	<u>(1,270,977)</u>
<hr/>	<hr/>
<u>346,776</u>	<u>-</u>
(231,442)	(728,916)
<hr/>	<hr/>
<u>321,715</u>	<u>4,790,140</u>
<u>\$ 90,273</u>	<u>\$ 4,061,224</u>

The accompanying notes are an integral part of this statement.

**City of Wildomar**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities**  
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (728,916)
--	--------------

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	4,685,728
Depreciation	(1,662,162)

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. 50,424

Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Net Change in Net Pension Liability	(51,557)
Net Change in Net OPEB Liability	(32,372)
Net Change in Pension Deferred Outflows and Inflows of Resources	163,468
Net Change in OPEB Deferred Outflows and Inflows of Resources	7,834

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. 1,888,953

Change in Net Position of Governmental Activities \$ 4,321,400

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Description of the Reporting Entity**

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

**Component Units**

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

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

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

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

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

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

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

***Cash and Investments***

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

***Receivables and Payables***

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

***Prepaid Items and Deposits***

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

***Capital Assets***

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

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

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

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

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

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

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

***Compensated Absences***

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

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

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

***Long-term Obligations***

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

***Net Pension Liability***

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

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

Valuation Date (VD): June 30, 2016

Measurement Date (MD): June 30, 2017

Measurement Period (MP): July 1, 2016 to June 30, 2017

***Other Post Employment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date: June 30, 2018

Measurement Date: June 30, 2018

Measurement Period: July 1, 2017 to June 30, 2018

***Unearned Revenues***

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

***Fund Equity***

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

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

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

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

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

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

***Net Position Flow Assumptions***

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

***Fund Balance Flow Assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

***Fund Balance Flow Assumption - Continued***

statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Property Taxes***

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding, the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1<sup>st</sup> to June 30<sup>th</sup>. All secured personal property taxes and one-half of the taxes on real property are due November 1<sup>st</sup>, the second installment is due February 1<sup>st</sup>. All taxes are delinquent, if unpaid, on December 10<sup>th</sup> and April 10<sup>th</sup> respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31<sup>st</sup>.

***Functional Classifications***

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

Governmental Accounting Standard Board Statement No. 75

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement was issued to improve accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. Statement No. 75 is effective for fiscal years beginning after June 15, 2017. The City has implemented GASB No. 75 which is reflected in the City's financial statements.

Governmental Accounting Standard Board Statement No. 81

In March of 2016, GASB issued Statement No. 81, *Irrevocable Split Interest Agreements*. This statement was issued to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Currently, this Statement has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 83

In November of 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement was issued to address the criteria for the recognition and measurement of the liability and corresponding deferred outflows of resources associated with certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 is effective for reporting periods beginning after June 15, 2018. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This Statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 85

In March of 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have risen from the implementation of certain GASB Statements; primarily pension and OPEB related measurement, recognition, timing, and reporting issues. Other issues include blending of component units for governments whose primary activity is business-type, goodwill reporting, classifying real estate held by insurance entities and measuring particular investments at amortized cost. This Statement is effective for reporting periods beginning after June 15, 2017. Currently, this Statement has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 86

In May of 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement expands upon GASB No. 7 *Advance Refundings Resulting in Defeasance of Debt* which defines debt defeased in substance and the criteria for the trusts used to extinguish debt. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. This Statement is effective for reporting periods beginning after June 15, 2017. Currently, this Statement has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this Statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

Governmental Accounting Standard Board Statement No. 87 - Continued

establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for reporting periods beginning after December 15, 2019. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 88

In March of 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Statement No. 88 is effective for fiscal years beginning after June 15, 2018. The City has elected not to early implement GASB No. 88 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. The City has elected not to early implement GASB No. 88 and has not determined its effect on the City's financial statements.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

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

Governmental Accounting Standard Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. The City has elected not to early implement GASB No. 88 and has not determined its effect on the City's financial statements.

**II.) STEWARDSHIP**

**2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The following funds had expenditures in excess of appropriations:

Fund	Budget	Actual	Variance
<b>Special Revenue Fund:</b>			
Gas Tax	\$ 1,027,900	\$ 1,145,486	\$ (117,586)
Air Quality Management District	46,200	63,066	(16,866)
Measure A	621,400	907,707	(286,307)
SLESF	100,000	116,667	(16,667)
TDA	140,400	623,928	(483,528)

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

**3) CASH AND INVESTMENTS**

As of June 30, 2018, cash and investments were reported in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government	
Cash and Investments	\$ 6,847,189
Component Unit - Wildomar Cemetery District	
Cash and Investments	3,014
Restricted Cash and Investments	<u>127,032</u>
Total Cash and Investments	<u>\$ 6,977,235</u>

Cash and investments consist of the following:

Petty Cash	\$ 115
Deposits with Financial Institutions	5,267,062
Investments	<u>1,710,058</u>
Total Cash and Investments	<u>\$ 6,977,235</u>

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

***Deposits***

At June 30, 2018, the carrying amount of the City's deposits was \$5,267,062 and the bank balance was \$5,324,305. The \$57,243 difference represents outstanding checks and other reconciling items.

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**3) CASH AND INVESTMENTS - Continued**

***Deposits - Continued***

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

***Investments***

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

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

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.

***Investments Authorized by Debt Agreements***

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**3) CASH AND INVESTMENTS - Continued**

***GASB Statement No. 31***

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

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investments in U.S. Government securities are not considered to have a credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2018, \$5,017,062 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

***Concentration of Credit Risk***

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

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in commercial paper to those rated "A" or higher from Standard and Poor's (S&P) and Moody's, respectively. At June 30, 2018, the City's investment in LAIF and the District's money market are AAA rated.

***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.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**3) CASH AND INVESTMENTS - Continued**

***Interest Rate Risk - Continued***

As of June 30, 2018, the City had the following investments and remaining maturities:

Investment Type	Investment Maturities (in Years)		Fair Value
	Less than 1 Year	More than 1 Year	
Primary Government:			
Local Agency Investment Fund	\$ 1,582,993		\$ 1,582,993
Component Unit –			
Wildomar Cemetery District:			
Money Market	127,065		127,065
Total	\$ 1,710,058		\$ 1,710,058

**4) FAIR VALUE MEASUREMENTS**

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

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

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**4) FAIR VALUE MEASUREMENTS - Continued**

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

Fair value of assets measured on a recurring basis at June 30, 2018, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
<b>Primary Government:</b>			
Local Agency Investment Fund	\$ 1,582,993	\$ -	\$ 1,582,993
Total	<u>\$ 1,582,993</u>	<u>\$ -</u>	<u>\$ 1,582,993</u>
<b>Component Unit:</b>			
Money Market	\$ 127,065	\$ 127,065	\$ -
Total	<u>\$ 127,065</u>	<u>\$ 127,065</u>	<u>\$ -</u>

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**5) CAPITAL ASSETS**

Capital asset activity for the year was as follows:

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 2,613,490	\$ 418,611	\$ -	\$ 3,032,101
Construction in Progress	4,310,810	4,339,887	(2,949,172)	5,701,525
Right-of-Way	622,935	-	-	622,935
Total Capital Assets, Not Being Depreciated	<u>7,547,235</u>	<u>4,758,498</u>	<u>(2,949,172)</u>	<u>9,356,561</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	7,442,488	-	-	7,442,488
Furniture, Fixtures and Equipment	59,133	8,470	-	67,603
Traffic Signals	251,824	-	-	251,824
Infrastructure	41,999,139	2,867,932	-	44,867,071
Total Capital Assets, Being Depreciated	<u>49,752,584</u>	<u>2,876,402</u>	<u>-</u>	<u>52,628,986</u>
Less Accumulated Depreciated for:				
Buildings and Improvements	(2,238,605)	(249,135)	-	(2,487,740)
Furniture, Fixtures and Equipment	(32,215)	(6,770)	-	(38,985)
Traffic Signals	(53,117)	(12,591)	-	(65,708)
Infrastructure	(30,487,987)	(1,393,666)	-	(31,881,653)
Total Accumulated Depreciation	<u>(32,811,924)</u>	<u>(1,662,162)</u>	<u>-</u>	<u>(34,474,086)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,940,660</u>	<u>1,214,240</u>	<u>-</u>	<u>18,154,900</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 24,487,895</u>	<u>\$ 5,972,738</u>	<u>\$ (2,949,172)</u>	<u>\$ 27,511,461</u>

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

Governmental Activities	
General Government	\$ 5,060
Parks and Recreation	219,647
Public Safety	30,699
Public Works	<u>1,406,756</u>
Total Governmental Activities	
Depreciation Expense	<u>\$ 1,662,162</u>

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**5) CAPITAL ASSETS - Continued**

Component Unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	<u>\$ 577,892</u>	<u>\$ 385,498</u>	<u>\$ -</u>	<u>\$ 963,390</u>
Total Capital Assets, Not Being Depreciated	<u>577,892</u>	<u>385,498</u>	<u>-</u>	<u>963,390</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	<u>349,597</u>	<u>-</u>	<u>-</u>	<u>349,597</u>
Furniture, Fixtures and Equipment	<u>132,025</u>	<u>-</u>	<u>-</u>	<u>132,025</u>
Total Capital Assets, Being Depreciated	<u>481,622</u>	<u>-</u>	<u>-</u>	<u>481,622</u>
Less Accumulated Depreciated for:				
Buildings and Improvements	<u>(333,478)</u>	<u>(1,016)</u>	<u>-</u>	<u>(334,494)</u>
Furniture, Fixtures and Equipment	<u>(132,025)</u>	<u>-</u>	<u>-</u>	<u>(132,025)</u>
Total Accumulated Depreciation	<u>(465,503)</u>	<u>(1,016)</u>	<u>-</u>	<u>(466,519)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,119</u>	<u>(1,016)</u>	<u>-</u>	<u>15,103</u>
Capital Assets, Net	<u>\$ 594,011</u>	<u>\$ 384,482</u>	<u>\$ -</u>	<u>\$ 978,493</u>

**6) LONG-TERM LIABILITIES**

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

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	<u>\$ 165,595</u>	<u>\$ 32,374</u>	<u>\$ (82,798)</u>	<u>\$ 115,171</u>	<u>\$ 28,793</u>

Component Unit - Wildomar Cemetery District:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	<u>\$ 15,608</u>	<u>\$ 1,560</u>	<u>\$ (14,633)</u>	<u>\$ 2,535</u>	<u>\$ 634</u>

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

**Compensated Absences**

The City accrues accumulated unpaid vacation, sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee as described in Note 1. The City and Wildomar Cemetery District (component unit) at June 30, 2018, had an outstanding accrued balance of unpaid vacation, sick and associated employee related costs of \$115,171 and \$2,535, respectively that will be liquidated from various funding sources in future years.

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

**Due To / From Other Funds**

		DUE TO				Total
		Development Impact Fees	Grants Fund	Other Governmental Funds		
DUE FROM	General Fund	\$ -	\$ -	\$ 40,080	\$ 40,080	
	Development Impact Fees	-	1,861,487	392,316		2,253,803
	Other Governmental Funds	450,537	-	1,120,687		1,571,224
	Total	\$ 450,537	\$ 1,861,487	\$ 1,553,083	\$ 3,865,107	

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

**Interfund Transfers**

		TRANSFERS OUT				Total
		General Fund	Development Impact Fees	Other Governmental Funds		
TRANSFERS IN	General Fund	\$ -	\$ 94,124	\$ 268,186	\$ 362,310	
	Grants	47,677	-	-		47,677
	Other Governmental Funds	614,962	-	246,028		860,990
	Total	\$ 662,639	\$ 94,124	\$ 514,214	\$ 1,270,977	

During the year, interfund transfers were used to provide services, funding administrative costs, and construct assets between funds.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

## 8) PENSION PLAN

### *Plan Description*

All full time employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City's 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. Eligible employees hired after January 1, 2013 that, are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

### *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 as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2018 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013 <sup>(1)</sup>
Hire Date	2.7% at 55	2.0% at 62
Benefit Formula		
Social Security Coverage	No	No
Full/Modified	Full	Full
Final Average Compensation Period	12 months	12 months
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 Employee Contribution Rates	7%	6.25%
Required Employer Contribution Rates	11.675%	6.533%

<sup>(1)</sup>For employees hired on or after January 1, 2013, they are included in their respective PEPRA (California Public Employees' Pension Reform Act) with the above provisions and benefits.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**8) PENSION PLAN - Continued**

***Required Contribution***

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

The City's contributions to the Plan for the year ended June 30, 2018 were \$115,449.

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

As of June 30, 2018, the City and Wildomar Cemetery District (component unit) reported a net pension liability for its proportionate share of the net pension liability of \$176,110 and \$213,644, respectively.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2016	0.00144%
Proportion - June 30, 2017	0.00178%
Change - Increase (Decrease)	0.00034%

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**8) PENSION PLAN - Continued**

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

For the year ended June 30, 2018, the City recognized pension expense (credit) of \$205,092. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 115,449	\$ -
Changes in assumptions	52,353	-
Differences between employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	249,853	(27,810)
Differences between projected and actual investment earnings	12,818	-
Difference between expected and actual experience	-	(6,087)
 Total	 \$ 430,473	 \$ (33,897)

\$115,449 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/Inflows of Resources
2019	\$ 152,279
2020	78,803
2021	57,655
2022	(7,610)
2023	-
Thereafter	-
 Total	 \$ 281,127

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**8) PENSION PLAN - Continued**

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

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

**Actuarial Cost Method**

**Actuarial Assumptions:**

Discount Rate

7.15%

Inflation

2.75%

Projected Salary Increase

Depending on age, service, and type of employment

Investment Rate of Return

7.50%<sup>(1)</sup>

Mortality Rate Table<sup>(3)</sup>

Derived using CalPERS' Membership Data for all Funds

Post Retirement Benefit Increase

Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS' website under Forms and Publications.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**8) PENSION PLAN - Continued**

***Discount Rate - Continued***

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above the rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
<b>Total</b>	<b>100%</b>		

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

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

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

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

1% Decrease		6.15%
Net Pension Liability	\$	362,926
Current Discount Rate		7.15%
Net Pension Liability	\$	176,110
1% Increase		8.15%
Net Pension Liability	\$	21,385

***Pension Plan Fiduciary Net Position***

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

**9) OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

***Plan Description***

The City's defined benefit postemployment healthcare plan provides medical benefits to eligible retired employees and qualified dependents. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

***Funding Policy***

The contribution requirements of the City are established and may be amended by the City Council.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued**

***Employees Covered***

As of June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	11
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving benefits	3
<b>Total</b>	<b><u>16</u></b>

***Contributions***

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the City did not make any contributions to the Plan.

***Net OPEB Liability***

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

**Actuarial Assumptions**

Discount Rate	3.75%
Inflation	1.75%
Salary Increases	3.00% plus merit
Investment Rate of Return	3.75%
Mortality Rate <sup>(1)</sup>	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	3.00%

Notes:

<sup>(1)</sup>Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup>The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued**

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

***Changes in the OPEB Liability***

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
<b>Balance at June 30, 2017</b> <i>(Valuation Date June 30, 2018)</i>	\$ 266,345	\$ -	\$ 266,345
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	21,295	-	21,295
Interest	9,988	-	9,988
Actual and Expected Experience Difference	7,834	-	7,834
Changes of Assumptions	-	-	-
Contribution – Employer	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(6,745)	-	(6,745)
Administrative Expense	-	-	-
Net Changes	<u>32,372</u>	<u>-</u>	<u>32,372</u>
<b>Balance at June 30, 2018</b> <i>(Measurement Date June 30, 2018)</i>	<u>\$ 298,717</u>	<u>\$ -</u>	<u>\$ 298,717</u>

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Liability	\$ 361,700	\$ 298,717	\$ 241,400

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued**

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.00%)	Current Healthcare Cost Trend Rates (3.00%)	1% Increase (4.00%)
Net OPEB Liability	\$ 266,500	\$ 298,717	\$ 353,400

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

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

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**9) OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued**

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$32,492. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes in assumptions	- -	- -
Net differences between projected and actual earnings on OPEB plan investments	- -	(45,452)
<b>Total</b>	<b>\$ -</b>	<b>\$ (45,452)</b>

The \$0 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date as the valuation was for the same reporting period. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflow/(Inflows) of Resources	
2019	\$ (9,090)	
2020	(9,090)	
2021	(9,090)	
2022	(9,090)	
2023	(9,092)	
Thereafter		-

**10) RISK MANAGEMENT**

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

The City is a member of the Public Agency Risk Sharing Authority of California - PARSAC (Authority), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$5,000 retention limit similar to a deductible with the Authority being responsible for losses above that

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**10) RISK MANAGEMENT - Continued**

amount up to \$1 million. The Authority has additional coverage of \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. The Authority also provides one billion dollars aggregate per occurrence property damage to its members with such coverage provided by purchased insurance.

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

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

As of June 30, 2018, 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 four years.

**11) FUND EQUITY**

The following had a deficit fund balance at June 30, 2018. These deficits are expected to be eliminated through future revenues.

Fund	Amount
Grants Special Revenue Fund	\$ (2,417,599)
Gas Tax Special Revenue Fund	\$ (586,363)
Measure A Special Revenue Fund	\$ (15,086)
TDA Special Revenue Fund	\$ (548,725)
Community Development Block Grant	
Special Revenue Fund	\$ (98,348)

**City of Wildomar**  
**Notes to Financial Statements**  
June 30, 2018

**12) PRIOR PERIOD ADJUSTMENT**

The prior period adjustment of \$188,614 relates to the implementation of GASB Statement 75 for postemployment benefits other than pensions. According to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the City in the 2018 fiscal year, the City recognized liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB plan.

**13) SUBSEQUENT EVENT**

Subsequent to year end on July 26, 2018 the Local Agency Formation Commission (LAFCO) approved a reorganization of the Wildomar Cemetery District (a subsidiary district) whereby the boundaries will be under the jurisdiction of the City. The underlying result will recharacterize the District from a discretely presented component unit to an operational activity of the City recognized as a special revenue fund. The effective date of the reorganization will be on July 1, 2019 and the City will recognize the change at that time.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**City of Wildomar**  
**Budgetary Comparison Schedule by Department**  
**General Fund**  
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 869,757	\$ 869,757	\$ 869,757	\$ -
<b>Resources (Inflows):</b>				
Taxes	7,364,300	7,480,700	7,229,816	(250,884)
Licenses and Permits	2,517,400	2,672,000	2,003,200	(668,800)
Intergovernmental	59,000	2,451,900	2,440,538	(11,362)
Charges for Services	11,800	11,800	10,983	(817)
Fines and Forfeitures	51,400	51,400	45,552	(5,848)
Use of Money and Property	5,100	5,100	4,586	(514)
Miscellaneous	61,500	61,500	8,819	(52,681)
Transfers In	508,100	425,400	362,310	(63,090)
Amounts Available for Appropriations	11,448,357	14,029,557	12,975,561	(1,053,996)
<b>Charges to Appropriations (Outflows):</b>				
General Government				
City Council	171,600	171,600	144,309	27,291
City Manager	503,500	688,600	663,069	25,531
City Clerk	181,600	188,200	169,014	19,186
City Attorney	204,000	126,500	149,572	(23,072)
Administrative Services	431,400	442,500	515,053	(72,553)
Non-departmental	582,600	732,200	652,827	79,373
Community Services	60,300	66,800	52,870	13,930
Marna O'Brien Park	8,500	43,500	1,444	42,056
Windsong Park	-	25,000	-	25,000
Ball Fields	13,600	22,600	12,655	9,945
Public Safety				
Police	2,927,900	3,283,500	3,007,638	275,862
Fire	2,641,000	2,607,700	2,413,615	194,085
Animal Control	484,800	484,800	483,207	1,593
OEM	29,500	29,500	22,357	7,143
Community Development				
Building and Safety	374,900	388,200	555,650	(167,450)
Planning	207,900	255,100	256,210	(1,110)
Code Enforcement	128,600	128,600	113,869	14,731
Deposit Based Projects	1,369,600	1,461,800	1,353,607	108,193
Planning Commission	19,500	19,500	16,461	3,039
Public Works	235,800	249,300	177,156	72,144
Transfers Out	-	662,700	662,639	61
Total Charges to Appropriations	10,576,600	12,078,200	11,423,222	654,978
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 871,757</b>	<b>\$ 1,951,357</b>	<b>\$ 1,552,339</b>	<b>\$ (399,018)</b>

**City of Wildomar**  
**Budgetary Comparison Schedule**  
**Development Impact Fees**  
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,618,256	\$ 4,618,256	\$ 4,618,256	\$ -
<b>Resources (Inflows):</b>				
Use of Money and Property	-	-	13,785	13,785
Developer Participation	1,668,800	1,800,800	867,838	(932,962)
Amounts Available for Appropriations	6,287,056	6,419,056	5,499,879	(919,177)
<b>Charges to Appropriations (Outflows):</b>				
Community Development	20,400	26,100	40,212	(14,112)
Public Works	2,157,500	2,556,800	461,774	2,095,026
Capital Outlay	-	67,900	67,558	342
Transfers Out	101,300	101,300	94,124	7,176
Total Charges to Appropriations	2,279,200	2,752,100	663,668	2,088,432
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,007,856</b>	<b>\$ 3,666,956</b>	<b>\$ 4,836,211</b>	<b>\$ 1,169,255</b>

**City of Wildomar**  
**Budgetary Comparison Schedule**  
**Grants**  
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,019,588)	\$ (1,019,588)	\$ (1,019,588)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,047,400	6,047,400	1,446,327	(4,601,073)
Transfers In	-	-	47,677	47,677
Amounts Available for Appropriations	<u>5,027,812</u>	<u>5,027,812</u>	<u>474,416</u>	<u>(4,553,396)</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	-	357,000	36,151	320,849
Public Works	-	678,800	150,718	528,082
Capital Outlay	<u>3,962,200</u>	<u>3,629,000</u>	<u>2,705,146</u>	<u>923,854</u>
Total Charges to Appropriations	<u>3,962,200</u>	<u>4,664,800</u>	<u>2,892,015</u>	<u>1,772,785</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 1,065,612</u>	<u>\$ 363,012</u>	<u>\$ (2,417,599)</u>	<u>\$ (2,780,611)</u>

**City of Wildomar**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
As of June 30, 2018

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00398%	\$ 98,405	\$ 564,727	17.43%	81.15%
2016	0.00329%	\$ 90,222	\$ 890,684	10.13%	87.60%
2017	0.00359%	\$ 124,553	\$ 868,158	14.35%	87.55%
2018	0.00447%	\$ 176,110	\$ 1,028,756	17.12%	85.58%

**Notes to Schedule:**

**Benefit Changes.** In 2018, there was no benefit terms modified.

**Changes in Assumptions.** For the 2018 fiscal year the discount rate was changed from 7.65 percent to 7.15 percent. In the 2017 fiscal year the discount rate changed from 7.5 percent to 7.65 percent to correct for an adjustment to exclude administrative expenses.

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

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

**City of Wildomar**  
**Schedule of Contributions**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
As of June 30, 2018

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 196,524	\$ (196,524)	\$ -	\$ 890,684	22.06%
2016	\$ 85,106	\$ (85,106)	\$ -	\$ 868,158	9.80%
2017	\$ 111,100	\$ (111,100)	\$ -	\$ 1,028,756	10.80%
2018	\$ 115,449	\$ (115,449)	\$ -	\$ 1,110,538	10.40%

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

**City of Wildomar**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios for**  
**Measurement Periods Ended June 30,**

	<b>Measurement Period</b>	<b>2018</b>
<b>Total OPEB Liability</b>		
Service Cost	\$ 21,295	
Interest on the Total OPEB Liability	9,988	
Actual and Expected Experience Difference	7,834	
Changes in Assumptions	-	
Changes in Benefit Terms	-	
Benefit Payments	<u>(6,745)</u>	
<b>Net Change in Total OPEB Liability</b>	<b>32,372</b>	
<b>Total OPEB Liability - Beginning</b>	<b>266,345</b>	
<b>Total OPEB Liability - Ending (a)</b>	<b><u>\$ 298,717</u></b>	
<b>Plan Fiduciary Net Position</b>		
Contribution - Employer	\$ -	
Net Investment Income	-	
Benefit Payments	-	
Administrative Expense	<u>-</u>	
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b><u>\$ -</u></b>	
<b>Net OPEB Liability - Ending (a)-(b)</b>	<b><u>\$ 298,717</u></b>	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	
Covered-employee Payroll	993,955	
Net OPEB Liability as a Percentage of Covered-employee Payroll	34.69%	

**Notes to Schedule:**

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**City of Wildomar**  
**Schedule of Contributions - OPEB**  
**Last Ten Fiscal Years'**

Fiscal Year Ended June 30,	<u>2018<sup>(1)</sup></u>
Actuarially Determined Contribution (ADC)	N/A
Contributions in Relation to the ADC	N/A
Contribution Deficiency (Excess)	<u>N/A</u>
Covered-Employee Payroll	\$ 993,955
Contributions as a percentage of covered-employee payroll	0%

**Notes to Schedule:**

<sup>(1)</sup>No Actuarially Determined Contribution (ADC) was calculated for the Plan.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information become available.

**City of Wildomar**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

**Budgets and Budgetary Data**

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

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

**Excess of Expenditures over Appropriations**

Expenditures exceeded appropriations in the categories in the following funds:

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<b>General Fund:</b>			
General Government			
City Attorney	\$ 126,500	\$ 149,572	\$ (23,072)
Administrative Service	442,500	515,053	(72,553)
Community Development			
Building and Safety	388,200	555,650	(167,450)
Planning	255,100	256,210	(1,110)

## **SUPPLEMENTARY INFORMATION**



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**City of Wildomar**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2018

	Special Revenue Funds			
	Air Quality Management District			
	Gas Tax	Measure A	SLESF	
<b>ASSETS</b>				
Pooled Cash and Investments	\$ -	\$ 68,196	\$ -	\$ -
Receivables:				
Accounts	- -	- -	- -	- -
Grants	- -	- -	- -	- -
Due from Other Governments	132,706	11,780	152,546	25,000
Due from Other Funds	<u>133,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 266,533</u></u>	<u><u>\$ 79,976</u></u>	<u><u>\$ 152,546</u></u>	<u><u>\$ 25,000</u></u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 460,422	\$ -	\$ 12,708	\$ -
Accrued Liabilities	1,523	- -	762	- -
Due to Other Funds	<u>390,951</u>	<u>-</u>	<u>154,162</u>	<u>25,000</u>
Total Liabilities	<u><u>852,896</u></u>	<u><u>-</u></u>	<u><u>167,632</u></u>	<u><u>25,000</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Intergovernmental	- -	- -	- -	- -
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Community Development Projects	- -	- -	- -	- -
Public Works	- -	79,976	- -	- -
Capital Projects	- -	- -	- -	- -
Unassigned	<u>(586,363)</u>	<u>-</u>	<u>(15,086)</u>	<u>-</u>
Total Fund Balances	<u><u>(586,363)</u></u>	<u><u>79,976</u></u>	<u><u>(15,086)</u></u>	<u><u>-</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 266,533</u></u>	<u><u>\$ 79,976</u></u>	<u><u>\$ 152,546</u></u>	<u><u>\$ 25,000</u></u>

Special Revenue Funds			Capital Projects Fund			Total Non-Major Governmental Funds	
TDA	Community Development Block Grant	Measure Z Park	Assessment Districts	Capital Reinvestment			
\$ -	\$ -	\$ 211,976	\$ -	\$ -		\$ 280,172	
567,111	78,412	4,375	-	-		4,375	645,523
-	-	17,837	6,391	-		346,260	
-	-	-	1,209,186	228,211		1,571,224	
<b>\$ 567,111</b>	<b>\$ 78,412</b>	<b>\$ 234,188</b>	<b>\$ 1,215,577</b>	<b>\$ 228,211</b>		<b>\$ 2,847,554</b>	
\$ -	\$ 19,760	\$ 39,140	\$ 23,049	\$ 555,079			
548,725	98,348	1,311	-	3,596		1,553,083	
548,725	98,348	21,071	375,037	23,049		2,111,758	
<b>567,111</b>	<b>78,412</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>645,523</b>	
<b>567,111</b>	<b>78,412</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>645,523</b>	
-	-	213,117	-	-		213,117	
-	-	-	-	-		79,976	
-	-	-	840,540	205,162		1,045,702	
(548,725)	(98,348)	-	-	-		(1,248,522)	
(548,725)	(98,348)	213,117	840,540	205,162		90,273	
<b>\$ 567,111</b>	<b>\$ 78,412</b>	<b>\$ 234,188</b>	<b>\$ 1,215,577</b>	<b>\$ 228,211</b>		<b>\$ 2,847,554</b>	

**City of Wildomar**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Year Ended June 30, 2018

	Special Revenue Funds			
	Air Quality Management District			
	Gas Tax	Measure A	SLESF	
<b>REVENUES</b>				
Intergovernmental	\$ 968,588	\$ 45,791	\$ 616,835	\$ 116,667
Charges for Services	-	-	-	-
Use of Money and Property	-	281	-	-
Miscellaneous	-	-	-	-
 Total Revenues	 968,588	 46,072	 616,835	 116,667
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Works	1,145,436	31,073	394,658	-
Capital Outlay	50	29,265	272,958	-
 Total Expenditures	 1,145,486	 60,338	 667,616	 -
Excess (Deficiency) of Revenues Over (Under) Expenditures	 (176,898)	 (14,266)	 (50,781)	 116,667
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	136,750	4,888	-	-
Transfers Out	-	(2,728)	(240,091)	(116,667)
 Total Other Financing Sources (Uses)	 136,750	 2,160	 (240,091)	 (116,667)
Net Change in Fund Balances	(40,148)	(12,106)	(290,872)	-
Fund Balances - Beginning of Year	(546,215)	92,082	275,786	-
Fund Balances - End of Year	 \$ (586,363)	 \$ 79,976	 \$ (15,086)	 \$ -

Special Revenue Funds			Capital Projects Fund			Total Non-Major Governmental Funds
TDA	Community Development Block Grant	Measure Z Park	Assessment Districts	Capital Reinvestment		
\$ 158,400	\$ 196,741	\$ 348,796	\$ 695,003	\$ -	\$ 3,146,821	
-	-	27,786	-	-	27,786	
-	-	779	-	-	1,060	
-	-	100	-	-	100	
<u>158,400</u>	<u>196,741</u>	<u>377,461</u>	<u>695,003</u>	<u>-</u>	<u>3,175,767</u>	
-	11	29,153	175,756	-	204,920	
-	-	324,022	-	-	324,022	
567,111	-	-	255,014	192,538	2,585,830	
56,817	<u>280,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,213</u>	
<u>623,928</u>	<u>280,134</u>	<u>353,175</u>	<u>430,770</u>	<u>192,538</u>	<u>3,753,985</u>	
<u>(465,528)</u>	<u>(83,393)</u>	<u>24,286</u>	<u>264,233</u>	<u>(192,538)</u>	<u>(578,218)</u>	
-	-	-	321,652	397,700	860,990	
-	-	-	(154,728)	-	(514,214)	
-	-	-	166,924	397,700	346,776	
(465,528)	(83,393)	24,286	431,157	205,162	(231,442)	
(83,197)	(14,955)	<u>188,831</u>	<u>409,383</u>	<u>-</u>	<u>321,715</u>	
<u>\$ (548,725)</u>	<u>\$ (98,348)</u>	<u>\$ 213,117</u>	<u>\$ 840,540</u>	<u>\$ 205,162</u>	<u>\$ 90,273</u>	

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Gas Tax**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (546,215)	\$ (546,215)	\$ (546,215)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	812,400	984,800	968,588	(16,212)
Transfers In	-	-	136,750	136,750
Amounts Available for Appropriations	<u>266,185</u>	<u>438,585</u>	<u>559,123</u>	<u>120,538</u>
<b>Charges to Appropriations (Outflows):</b>				
Public Works	747,200	951,300	1,145,436	(194,136)
Capital Outlay	-	-	50	(50)
Transfers Out	<u>76,600</u>	<u>76,600</u>	<u>-</u>	<u>76,600</u>
Total Charges to Appropriations	<u>823,800</u>	<u>1,027,900</u>	<u>1,145,486</u>	<u>(117,586)</u>
Budgetary Fund Balance, June 30	<u>\$ (557,615)</u>	<u>\$ (589,315)</u>	<u>\$ (586,363)</u>	<u>\$ 2,952</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Air Quality Management District**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 92,082	\$ 92,082	\$ 92,082	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	36,400	36,400	45,791	9,391
Use of Money and Property	-	-	281	281
Transfers In	-	-	4,888	4,888
Amounts Available for Appropriations	<u>128,482</u>	<u>128,482</u>	<u>143,042</u>	<u>14,560</u>
<b>Charges to Appropriations (Outflows):</b>				
Public Works	30,000	30,000	31,073	(1,073)
Capital Outlay	15,000	15,000	29,265	(14,265)
Transfers Out	1,200	1,200	2,728	(1,528)
Total Charges to Appropriations	<u>46,200</u>	<u>46,200</u>	<u>63,066</u>	<u>(16,866)</u>
Budgetary Fund Balance, June 30	<u><u>\$ 82,282</u></u>	<u><u>\$ 82,282</u></u>	<u><u>\$ 79,976</u></u>	<u><u>\$ (2,306)</u></u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure A**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 275,786	\$ 275,786	\$ 275,786	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	604,000	604,000	616,835	12,835
Miscellaneous Revenues	-	2,500	-	(2,500)
Amounts Available for Appropriations	<u>879,786</u>	<u>882,286</u>	<u>892,621</u>	<u>10,335</u>
<b>Charges to Appropriations (Outflows):</b>				
Public Works	260,700	324,500	394,658	(70,158)
Capital Outlay	340,700	276,900	272,958	3,942
Transfers Out	20,000	20,000	240,091	(220,091)
Total Charges to Appropriations	<u>621,400</u>	<u>621,400</u>	<u>907,707</u>	<u>(286,307)</u>
Budgetary Fund Balance, June 30	<u>\$ 258,386</u>	<u>\$ 260,886</u>	<u>\$ (15,086)</u>	<u>\$ (275,972)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - SLESF**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	<u>100,000</u>	<u>100,000</u>	<u>116,667</u>	<u>16,667</u>
Amounts Available for Appropriations	<u>100,000</u>	<u>100,000</u>	<u>116,667</u>	<u>16,667</u>
<b>Charges to Appropriations (Outflows):</b>				
Transfers Out	<u>100,000</u>	<u>100,000</u>	<u>116,667</u>	<u>(16,667)</u>
Total Charges to Appropriations	<u>100,000</u>	<u>100,000</u>	<u>116,667</u>	<u>(16,667)</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - TDA**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (83,197)	\$ (83,197)	\$ (83,197)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	<u>192,400</u>	<u>192,400</u>	<u>158,400</u>	<u>(34,000)</u>
Amounts Available for Appropriations	<u>109,203</u>	<u>109,203</u>	<u>75,203</u>	<u>(34,000)</u>
<b>Charges to Appropriations (Outflows):</b>				
Public Works	83,400	83,400	567,111	(483,711)
Capital Outlay	<u>109,000</u>	<u>57,000</u>	<u>56,817</u>	<u>183</u>
Total Charges to Appropriations	<u>192,400</u>	<u>140,400</u>	<u>623,928</u>	<u>(483,528)</u>
Budgetary Fund Balance, June 30	<u>\$ (83,197)</u>	<u>\$ (31,197)</u>	<u>\$ (548,725)</u>	<u>\$ (517,528)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Block Grant**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ (14,955)	\$ (14,955)	\$ (14,955)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	<u>179,900</u>	<u>495,400</u>	<u>196,741</u>	<u>(298,659)</u>
Amounts Available for Appropriations	<u>164,945</u>	<u>480,445</u>	<u>181,786</u>	<u>(298,659)</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	-	-	11	(11)
Community Development	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	<u>110,500</u>	<u>441,000</u>	<u>280,123</u>	<u>160,877</u>
Total Charges to Appropriations	<u>125,500</u>	<u>441,000</u>	<u>280,134</u>	<u>160,866</u>
Budgetary Fund Balance, June 30	<u>\$ 39,445</u>	<u>\$ 39,445</u>	<u>\$ (98,348)</u>	<u>\$ (137,793)</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure Z Park**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 188,831	\$ 188,831	\$ 188,831	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	350,200	350,200	348,796	(1,404)
Charges for Services	33,100	36,100	27,786	(8,314)
Use of Money and Property	-	-	779	779
Miscellaneous	-	100	100	-
Amounts Available for Appropriations	<u>572,131</u>	<u>575,231</u>	<u>566,292</u>	<u>(8,939)</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	27,900	30,600	29,153	1,447
Community Development	364,500	384,300	324,022	60,278
Capital Outlay	<u>5,000</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total Charges to Appropriations	<u>397,400</u>	<u>422,400</u>	<u>353,175</u>	<u>69,225</u>
Budgetary Fund Balance, June 30	<u>\$ 174,731</u>	<u>\$ 152,831</u>	<u>\$ 213,117</u>	<u>\$ 60,286</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Assessment Districts**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 409,383	\$ 409,383	\$ 409,383	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	901,400	906,000	695,003	(210,997)
Transfers In	-	-	321,652	321,652
Amounts Available for Appropriations	<u>1,310,783</u>	<u>1,315,383</u>	<u>1,426,038</u>	<u>110,655</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	326,100	326,100	175,756	150,344
Public Works	480,200	480,200	255,014	225,186
Transfers Out	151,100	151,100	154,728	(3,628)
Total Charges to Appropriations	<u>957,400</u>	<u>957,400</u>	<u>585,498</u>	<u>371,902</u>
Budgetary Fund Balance, June 30	<u>\$ 353,383</u>	<u>\$ 357,983</u>	<u>\$ 840,540</u>	<u>\$ 482,557</u>

**City of Wildomar**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Reinvestment**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Transfers In	<u>-</u>	<u>397,700</u>	<u>397,700</u>	<u>-</u>
Amounts Available for Appropriations	<u>-</u>	<u>397,700</u>	<u>397,700</u>	<u>-</u>
<b>Charges to Appropriations (Outflows):</b>				
Public Works	<u>-</u>	<u>397,700</u>	<u>192,538</u>	<u>205,162</u>
Total Charges to Appropriations	<u>-</u>	<u>397,700</u>	<u>192,538</u>	<u>205,162</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,162</u>	<u>\$ 205,162</u>

## **STATISTICAL SECTION**



# Statistical Section

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

## Contents

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

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

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

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

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

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

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

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

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

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

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

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

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	<b>Fiscal Year</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 27,511,461	\$ 24,487,895	\$ 23,919,815	\$ 23,067,562
Restricted for:				
Community Development Projects	5,049,328	4,807,087	3,541,211	2,579,164
Public Safety	-	-	18,180	5,198
Public Works	79,976	367,868	249,576	714,148
Capital Projects	1,045,702	409,383	232,411	136,195
Cemetery	-	-	-	1,690,565
Nonexpendable	-	-	-	90,000
Unrestricted	652,571	134,019	457,120	(1,016,700)
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 34,339,038</u></b>	<b><u>\$ 30,206,252</u></b>	<b><u>\$ 28,418,313</u></b>	<b><u>\$ 27,266,132</u></b>

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

Source: City Finance Department

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Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 24,394,130	\$ 23,349,508	\$ 11,725,170	\$ 12,329,670	\$ 13,341,779	\$ 14,841,391
2,640,489	2,108,884	715,474	780,098	617,689	76,322
226	1,689,442	1,997,091	1,943,203	1,763,914	1,284,148
1,352,511	483,243	-	-	-	-
-	-	-	-	-	-
1,649,080	1,590,386	1,331,920	-	-	-
90,000	-	-	-	-	-
(921,235)	(1,420,547)	(628,995)	(537,891)	(818,416)	(494,416)
<b>\$ 29,205,201</b>	<b>\$ 27,800,916</b>	<b>\$ 15,140,660</b>	<b>\$ 14,515,080</b>	<b>\$ 14,904,966</b>	<b>\$ 15,707,445</b>

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

	<b>Fiscal Year</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>EXPENSES</b>				
Governmental Activities:				
General Government	\$ 2,469,147	\$ 2,494,133	\$ 2,465,875	\$ 2,320,203
Public Safety	5,957,516	5,517,602	5,109,023	4,834,799
Community Development	2,660,031	2,389,801	2,569,072	3,058,008
Parks and Recreation	219,647	219,647	219,647	425,006
Public Works	3,508,423	3,272,317	3,649,428	4,435,300
Interest on long-term debt	-	-	-	-
Total Governmental Activities Expenses	<b><u>\$ 14,814,764</u></b>	<b><u>\$ 13,893,500</u></b>	<b><u>\$ 14,013,045</u></b>	<b><u>\$ 15,073,316</u></b>
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 898,352	\$ 1,539,067	\$ 636,577	\$ 233,193
Public Safety	10,581	10,466	11,630	10,266
Community Development	2,054,708	2,397,374	2,773,440	2,491,406
Parks and Recreation	15,570	7,832	4,673	9,005
Public Works	239,777	230,197	299,806	332,187
Total Charges for Services	<b><u>\$ 3,218,988</u></b>	<b><u>\$ 4,184,936</u></b>	<b><u>\$ 3,726,126</u></b>	<b><u>\$ 3,076,057</u></b>
Operating Contributions and Grants:				
General Government	\$ 479,537	\$ 502,469	\$ 340,463	\$ 575,922
Public Safety	116,667	139,416	143,942	97,546
Community Development	545,537	387,589	339,399	343,060
Parks and Recreation	-	-	-	-
Public Works	3,230,361	3,398,998	2,497,709	1,351,679
Total Operating Contributions and Grants	<b><u>\$ 4,372,102</u></b>	<b><u>\$ 4,428,472</u></b>	<b><u>\$ 3,321,513</u></b>	<b><u>\$ 2,368,207</u></b>
Capital Contributions and Grants:				
Community Development	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	884,658	1,049,064
Interest on long-term debt	-	-	-	-
Total Capital Contributions and Grants	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 884,658</u></b>	<b><u>\$ 1,049,064</u></b>
Total Governmental Activities Program Revenues	<b><u>\$ 7,591,090</u></b>	<b><u>\$ 8,613,408</u></b>	<b><u>\$ 7,932,297</u></b>	<b><u>\$ 6,493,328</u></b>
<b>TOTAL NET REVENUES (EXPENSES)</b>	<b><u>\$ (7,223,674)</u></b>	<b><u>\$ (5,280,092)</u></b>	<b><u>\$ (6,080,748)</u></b>	<b><u>\$ (8,579,988)</u></b>

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

Source: City Finance Department

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 2,110,310	\$ 2,496,792	\$ 1,923,733	\$ 2,231,313	\$ 1,798,566	\$ 2,156,911
4,087,138	4,394,931	3,996,420	5,413,023	5,378,962	5,547,480
2,881,440	1,818,348	1,253,984	1,069,198	1,786,894	1,501,865
405,589	219,707	303,190	297,168	341,458	463,746
2,570,554	2,457,319	2,551,241	2,371,664	2,741,040	29,440,843
522,724	-	-	-	-	-
<b>\$ 12,577,755</b>	<b>\$ 11,387,097</b>	<b>\$ 10,028,568</b>	<b>\$ 11,382,366</b>	<b>\$ 12,046,920</b>	<b>\$ 39,110,845</b>
\$ 706,214	\$ 1,440,592	\$ 152,978	\$ 359,266	\$ 71,195	\$ 1,633
1,480	-	-	-	-	26,893
285,075	243,188	117,509	205,518	786,747	307,833
40	1,056	4,034	19,040	7,387	-
8,866	20,061	80,018	186,760	-	-
<b>\$ 1,001,675</b>	<b>\$ 1,704,897</b>	<b>\$ 354,539</b>	<b>\$ 770,584</b>	<b>\$ 865,329</b>	<b>\$ 336,359</b>
\$ 518,426	\$ 617,155	\$ 1,563,689	\$ 376,574	\$ 269,235	\$ 237,579
100,000	100,000	100,000	100,228	100,773	-
1,921,554	1,257,696	574,834	721,696	871,513	884,216
10,136	-	-	-	-	-
2,229,719	2,383,168	2,067,952	1,719,851	2,231,390	1,572,871
<b>\$ 4,779,835</b>	<b>\$ 4,358,019</b>	<b>\$ 4,306,475</b>	<b>\$ 2,918,349</b>	<b>\$ 3,472,911</b>	<b>\$ 2,694,666</b>
\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	43,653,393
-	-	-	-	-	-
<b>\$ 1,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,653,393</b>
<b>\$ 7,681,510</b>	<b>\$ 6,062,916</b>	<b>\$ 4,661,014</b>	<b>\$ 3,688,933</b>	<b>\$ 4,338,240</b>	<b>\$ 46,684,418</b>
<b>\$ (4,896,245)</b>	<b>\$ (5,324,181)</b>	<b>\$ (5,367,554)</b>	<b>\$ (7,693,433)</b>	<b>\$ (7,708,680)</b>	<b>\$ 7,573,573</b>

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

	<b>Fiscal Year</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>TOTAL NET REVENUES (EXPENSES) -</b>				
<b>Carry Forward</b>	<b>\$ (7,223,674)</b>	<b>\$ (5,280,092)</b>	<b>\$ (6,080,748)</b>	<b>\$ (8,579,988)</b>
<b>GENERAL REVENUES AND OTHER CHARGES IN NET POSITION</b>				
Governmental Activities:				
Taxes:				
Property Taxes, levied for general purpose	\$ 4,232,672	\$ 4,002,949	\$ 3,774,015	\$ 4,042,882
Sales Taxes	1,780,008	1,666,324	1,772,493	1,492,041
Franchise Taxes	1,057,586	1,015,225	1,056,712	1,061,333
Business Licenses Taxes	-	-	-	-
Motor Vehicle in Lieu Tax	2,392,884	15,755	13,778	-
Other Taxes	165,129	255,866	140,501	-
Investments Earnings	19,432	10,659	6,590	5,015
Other	1,897,363	101,253	71,073	114,382
Contributions from Other Entities	-	-	-	-
Special Item	-	-	1,185,337	-
Total Governmental Activities	<b>\$ 11,545,074</b>	<b>\$ 7,068,031</b>	<b>\$ 8,020,499</b>	<b>\$ 6,715,653</b>
<b>CHANGES IN NET POSITION</b>	<b>\$ 4,321,400</b>	<b>\$ 1,787,939</b>	<b>\$ 1,939,751</b>	<b>\$ (1,864,335)</b>

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

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

Source: City Finance Department

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Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ (4,896,245)	\$ (5,286,347)	\$ (5,419,990)	\$ (7,540,960)	\$ (7,779,785)	\$ 7,573,573
\$ 3,465,511	\$ 3,243,285	\$ 3,307,425	\$ 3,092,037	\$ 2,743,768	\$ 3,589,773
1,561,683	1,383,864	1,362,647	1,226,227	1,096,907	1,295,785
972,108	850,808	749,046	725,775	591,706	520,290
14,041	14,280	12,705	11,506	12,525	6,390
-	14,074	18,450	1,978,210	2,226,922	2,555,318
106,039	109,524	83,021	76,110	99,456	130,518
3,605	3,183	12,011	7,737	9,682	20,403
54,338	48,344	30,943	32,882	84,030	15,395
-	-	576,456	-	-	-
<b>\$ 6,177,325</b>	<b>\$ 5,667,362</b>	<b>\$ 6,152,704</b>	<b>\$ 7,150,484</b>	<b>\$ 6,864,996</b>	<b>\$ 8,133,872</b>
\$ 1,281,080	\$ 381,015	\$ 732,714	\$ (390,476)	\$ (914,789)	\$ 15,707,445

**CITY OF WILDOMAR**

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

	<b>Fiscal Year</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>GENERAL FUND</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	- -	- -	- -	- -
Nonspendable:				
Inventory	- -	- -	- -	- -
Prepaid Items	- -	- -	11,184	- -
Deposits	- -	- -	- -	- -
Restricted for: Debt Service	- -	- -	- -	- -
Unassigned	1,552,339	869,757	946,503	773,060
<b>Total General Fund</b>	<b>\$ 1,552,339</b>	<b>\$ 869,757</b>	<b>\$ 957,687</b>	<b>\$ 773,060</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved:				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Debt Service	- -	- -	- -	- -
Self Insurance	- -	- -	- -	- -
Unreserved:				
Unreserved, Reported in Nonmajor				
Special Revenue Funds	- -	- -	- -	- -
Capital Projects Funds	- -	- -	- -	- -
Undesignated	- -	- -	- -	- -
Nonspendable:				
Inventory	- -	- -	- -	2,167
Prepaid Items	- -	- -	1,107	- -
Cemetery Endowment	- -	- -	- -	90,000
Restricted for:				
Community development projects	5,049,328	4,807,087	3,541,211	2,579,164
Public safety	- -	- -	18,180	5,198
Public works	79,976	367,868	249,576	714,148
Capital projects	1,045,702	409,383	232,411	136,195
Cemetery	- -	- -	- -	1,688,398
Unassigned	(3,666,121)	(1,663,955)	(1,486,366)	(1,616,354)
<b>Total All Other Governmental Funds</b>	<b>\$ 2,508,885</b>	<b>\$ 3,920,383</b>	<b>\$ 2,556,119</b>	<b>\$ 3,598,916</b>

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

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

Source: City Finance Department

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ -	\$ -	\$ -	\$ -	\$ 1,044,414	\$ 1,276,268	
-	-	-	-	-	-	
-	1,686	2,133	-	-	-	
-	370,039	211,752	275,866	-	-	
-	483,243	-	-	-	-	
770,686	(46,320)	1,262,279	1,138,893	-	-	
<b>\$ 770,686</b>	<b>\$ 808,648</b>	<b>\$ 1,476,164</b>	<b>\$ 1,414,759</b>	<b>\$ 1,044,414</b>	<b>\$ 1,276,268</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	741,577	375,878	
-	-	-	-	342,663	(7,128)	
-	-	-	-	1,272,834	984,592	
3,509	2,640	4,838	-	-	-	
62	230	220	-	-	-	
90,000	90,000	90,000	-	-	-	
2,640,489	2,108,884	715,474	780,098	-	-	
226	-	-	-	-	-	
1,352,511	1,689,442	1,997,091	1,943,203	-	-	
-	-	-	-	-	-	
1,645,509	1,497,516	1,331,920	-	-	-	
(1,183,295)	(759,932)	(101,996)	(101,652)	-	-	
<b>\$ 4,549,011</b>	<b>\$ 4,628,780</b>	<b>\$ 4,037,547</b>	<b>\$ 2,621,649</b>	<b>\$ 2,357,074</b>	<b>\$ 1,353,342</b>	

**CITY OF WILDOMAR**

**Changes in Fund Balances of Governmental Funds\***

**(Modified Accrual Basis of Accounting)**

	<b>Fiscal Year</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>				
Taxes	\$ 7,229,816	\$ 6,940,365	\$ 6,743,720	\$ 6,596,256
Licenses and Permits	2,003,200	2,345,877	2,754,563	2,460,535
Intergovernmental	7,033,686	4,650,707	3,612,975	3,660,760
Charges for Services	38,769	18,614	14,895	27,077
Investment Earnings	19,431	10,659	6,590	5,015
Fines and Forfeitures	45,552	41,039	52,654	51,882
Contributions	-	-	-	-
Developer Participation	867,838	1,510,618	598,955	181,553
Miscellaneous	8,919	114,933	87,850	123,387
<b>Total Revenues</b>	<b><u>\$ 17,247,211</u></b>	<b><u>\$ 15,632,812</u></b>	<b><u>\$ 13,872,202</u></b>	<b><u>\$ 13,106,465</u></b>
<b>EXPENDITURES</b>				
Current:				
General Government	\$ 2,601,884	\$ 2,382,977	\$ 2,426,059	\$ 2,410,577
Public Safety	5,926,817	5,488,113	5,079,535	4,834,799
Community Development	2,660,031	2,389,801	2,569,072	3,100,691
Parks and Recreation	-	-	-	27,866
Public Works	3,375,478	1,953,548	1,982,458	2,460,664
Capital Outlay	3,411,917	2,142,039	1,399,541	1,008,509
Debt Service:				
Principal Retirement	-	-	-	109,040
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b><u>\$ 17,976,127</u></b>	<b><u>\$ 14,356,478</u></b>	<b><u>\$ 13,456,665</u></b>	<b><u>\$ 13,952,146</u></b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(728,916)</b>	1,276,334	415,537	(845,681)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 1,270,977	\$ 343,787	\$ 517,123	\$ 544,116
Transfers Out	(1,270,977)	(343,787)	(517,123)	(544,116)
Other Debts Issued	-	-	-	-
Contributions from Other Entities	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Net Change in Fund Balances</b>	<b><u>(728,916)</u></b>	<b><u>1,276,334</u></b>	<b><u>415,537</u></b>	<b><u>(845,681)</u></b>
Fund Balances, Beginning of Year	4,790,140	3,513,806	2,591,411	5,319,697
Restatements	-	-	506,858	(102,040)
Fund Balances, Beginning of Year, as Restated:	4,790,140	3,513,806	3,098,269	5,217,657
Fund Balances, End of Year	<b><u>4,061,224</u></b>	<b><u>4,790,140</u></b>	<b><u>3,513,806</u></b>	<b><u>4,371,976</u></b>
<b>DEBT SERVICE AS A PERCENTAGE OF NON CAPITAL EXPENDITURES</b>	0.00%	0.00%	0.00%	0.00%

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

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

Source: City Finance Department

<b>Fiscal Year</b>					
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 6,119,382	\$ 5,601,761	\$ 5,514,844	\$ 5,131,655	\$ 4,544,362	\$ 5,542,756
1,602,381	1,274,332	599,934	750,867	958,430	897,020
3,148,003	2,262,217	2,598,557	4,361,487	4,559,085	4,128,189
213,328	175,722	119,850	116,552	132,672	82,583
3,605	3,183	12,011	7,737	9,682	20,403
81,387	78,322	88,216	132,535	111,619	149,272
-	1,271	-	-	244,706	237,579
688,214	1,414,192	118,188	248,562	549,843	75,978
54,338	48,344	31,233	38,018	84,030	15,395
<b>\$ 11,910,638</b>	<b>\$ 10,859,344</b>	<b>\$ 9,082,833</b>	<b>\$ 10,787,413</b>	<b>\$ 11,194,429</b>	<b>\$ 11,149,175</b>
\$ 2,049,831	\$ 2,468,897	\$ 1,856,595	\$ 2,176,985	\$ 1,783,766	\$ 2,154,076
4,447,176	4,616,892	3,996,420	5,413,023	5,378,962	5,547,480
2,881,440	1,818,348	1,253,984	1,069,198	1,786,894	1,501,865
188,047	64	85,648	79,626	123,916	28,662
1,383,266	1,158,413	1,551,441	1,354,021	1,461,323	1,053,337
555,885	736,830	-	-	-	11,765
483,243	-	-	-	-	-
39,481	-	-	-	-	-
<b>\$ 12,028,369</b>	<b>\$ 10,799,444</b>	<b>\$ 8,744,088</b>	<b>\$ 10,092,853</b>	<b>\$ 10,534,861</b>	<b>\$ 10,297,185</b>
(117,731)	59,900	338,745	694,560	659,568	851,990
\$ 522,000	\$ 649,336	\$ 391,053	\$ 641,766	\$ 249,573	\$ -
(522,000)	(649,336)	(391,053)	(641,766)	(249,573)	-
-	-	-	-	-	1,777,620
-	-	1,186,052	-	-	-
<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,186,052</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,777,620</b>
<b>(117,731)</b>	<b>59,900</b>	<b>1,524,797</b>	<b>694,560</b>	<b>659,568</b>	<b>2,629,610</b>
5,437,428	5,513,711	4,096,048	3,401,488	2,629,610	-
-	(136,183)	(107,134)	-	112,310	-
5,437,428	5,377,528	3,988,914	3,401,488	2,741,920	-
5,319,697	<b>\$ 5,437,428</b>	<b>\$ 5,513,711</b>	<b>\$ 4,096,048</b>	<b>\$ 3,401,488</b>	<b>\$ 2,629,610</b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**CITY OF WILDOMAR**

**Assessed Value and Estimated Actual Value of Taxable Property**

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<b>Fiscal year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other Property</b>	<b>Less Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Rate</b>
2018	\$ 2,672,591,727	\$ 348,827,091	205,071,044	\$ (128,090,594)	\$ 3,152,766,645	0.06413
2017	\$ 2,457,768,510	\$ 206,868,526	333,066,581	\$ (6,827,758)	\$ 2,990,875,859	0.06642
2016	\$ 2,315,546,269	\$ 195,912,842	\$ 315,827,261	\$ (6,723,956)	\$ 2,820,562,416	0.06665
2015	\$ 2,128,221,360	\$ 186,564,353	\$ 301,703,479	\$ (6,592,208)	\$ 2,609,896,984	0.06742
2014	\$ 1,797,147,241	\$ 184,326,275	\$ 318,120,654	\$ (6,240,538)	\$ 2,293,353,632	0.0686
2013	\$ 1,680,133,457	\$ 188,066,878	\$ 342,293,939	\$ (5,922,179)	\$ 2,204,572,095	0.06624
2012	\$ 1,750,735,442	\$ 192,353,249	\$ 326,053,258	\$ (5,370,950)	\$ 2,263,770,999	0.06572
2011	\$ 1,768,880,175	\$ 187,418,307	\$ 361,130,486	\$ (5,106,890)	\$ 2,312,322,078	0.06522
2010	\$ 1,860,505,078	\$ 321,084,647	\$ 257,455,490	\$ (4,968,321)	\$ 2,434,076,894	0.06575
2009	\$ -	\$ -	\$ -	\$ -	\$ -	-

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

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

Source: MuniServices

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

Agency	Fiscal Year			
	2018	2017	2016	2015
Basic Levy*	1.00000	1.00000	1.00000	1.00000
Menifee School Debt Svc	0.06080	0.03269	0.03010	0.03275
Metropolitan Water Dist Original Area	0.00350	0.00350	0.00350	0.00350
Perris Union High School Debt Svc	0.05675	0.06092	0.06236	0.06303
Mt. San Jacinto Jr College	0.01320	0.01320	0.01394	-
<b>Total Direct &amp; Overlapping Tax Rates</b>	<b>1.13425</b>	<b>1.11031</b>	<b>1.10990</b>	<b>1.09928</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>
<b>Total Direct Rate</b>	<b>0.06413</b>	<b>0.06642</b>	<b>0.06665</b>	<b>0.06742</b>

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

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

Source: MuniServices

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Fiscal Year					
2014	2013	2012	2011	2010	2009
1.00000	1.00000	1.00000	1.00000	1.00000	-
0.03421	0.03543	0.03486	0.03436	0.03254	-
0.00350	0.00350	0.00370	0.00370	0.00430	-
0.06970	0.03429	0.03429	0.03126	0.02686	-
-	-	-	-	-	-
<b>1.10741</b>	<b>1.07322</b>	<b>1.07285</b>	<b>1.06932</b>	<b>1.06370</b>	-
<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>	<b>0.05800</b>	-
<b>0.06860</b>	<b>0.06624</b>	<b>0.65720</b>	<b>0.06522</b>	<b>0.06575</b>	-

**CITY OF WILDOMAR**  
**Principal Property Tax Payers**  
**Last Fiscal Year and Eight Years Ago**

Taxpayer	2017-18		2009-10	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Oak Springs Partners	\$ 77,144,000	2.45%	\$ 15,549,900	0.64%
Universal Health Realty Income	69,103,031	2.19%	32,576,448	1.35%
Wnra Wildomar	59,649,851	1.89%	46,638,000	1.93%
Lg Oak Creek	28,581,316	0.91%	31,295,023	1.30%
Wildomar Industrial Park	20,068,195	0.64%	19,591,813	0.81%
Cft Nv Dev	16,515,000	0.52%		
Mcw Rc Ca Bear Creek Village C	15,214,788	0.48%	13,712,235	0.57%
Inland Valley Medical Partners	15,071,967	0.48%	13,583,460	0.56%
Rainbow Mountain	13,255,104	0.42%		
Sovran Acquisition Ltd. Partne	13,219,200	0.42%		
Beazer Homes Holdings Corp	12,081,129	0.38%	11,871,993	0.49%
Richmond American Homes Of Mar	11,730,152	0.37%		
Tesoro Refining Marketing Co	9,974,583	0.32%		
Vshs	9,897,713	0.31%		
Wal Mart Real Estate Business	8,448,520	0.27%		
Abs Ca O	8,111,614	0.26%		
Wildomar Renaissance Plaza	7,480,324	0.24%		
Spring Meadow Ranch	7,389,109	0.23%		
Baxter Central Ltd. Partnershi	7,149,191	0.23%		
Jlo San Bernardino	7,000,000	0.22%		
Yim Sung T	6,834,660	0.22%		
Ck Hs Partners	6,595,460	0.21%	9,194,338	0.38%
Wildomar Springs	5,689,860	0.18%		
Rs Wildomar	5,627,755	0.18%		
Lennar Homes Of California Inc	5,189,578	0.16%		
North Ranch Ventures			26,077,831	1.08%
Naples Plaza Ltd			16,433,894	0.68%
Rancho Vista li Ventures			15,975,277	0.66%
Carmel Oakmont 222			15,527,412	0.64%
Stonebridge Medical Center			12,413,863	0.51%
Spvh			11,322,000	0.47%
Ck Commercial Ltd Partnership			10,612,074	0.44%
New Albertsons Inc			10,551,166	0.44%
Prichard Ronald D			10,286,745	0.43%
Highlands Rancor			9,612,129	0.40%
Wildomar Venture			9,500,000	0.39%
Kb Home Coastal Inc			9,019,730	0.37%
Ck Self Storage			8,331,643	0.35%
Beg Homes			7,994,801	0.33%
Wildomar Riverside			7,879,681	0.33%
Golden Triangle Inv			7,739,389	0.32%
Total Top 25 Taxpayers	447,022,100	14.18%	383,290,845	15.90%
Total Taxable Value	3,152,766,645	100.00%	2,411,073,163	100.00%

Source: Riverside County Assessor data, MuniServices, LLC

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

Total Taxable Value includes state unitary of \$129,600

**CITY OF WILDOMAR**

**Property Tax Levies and Collections**

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Fiscal Year	Collected within the Fiscal Year of the Levy			Collection in Subsequent Years	Total Collections to Date	
	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 3,973,916	\$ 3,848,479	96.84%	\$ -	\$ 3,848,479	96.84%
2017	3,825,844	3,732,682	97.56%	75,891	3,808,573	99.55%
2016	3,625,979	3,515,561	96.95%	107,546	3,623,107	99.92%
2015	3,394,851	3,241,573	95.48%	125,930	3,367,503	99.19%
2014	3,045,734	2,830,033	92.92%	148,755	2,978,788	97.80%
2013	2,949,607	2,761,748	93.63%	166,385	2,928,133	99.27%
2012	2,925,079	2,718,131	92.93%	119,967	2,838,098	97.03%
2011	3,053,563	2,758,449	90.34%	232,114	2,990,563	97.94%
2010	3,062,836	2,743,768	89.58%	283,126	3,026,894	98.83%

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

Source: County of Riverside, City Finance Department

**CITY OF WILDOMAR**

**Ratios of Outstanding Debt by Type**

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Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation	County Repayment <sup>(1)</sup>	Total Governmental Activities	% of Actual Assessed Value of Property <sup>(2)</sup>	Per Capita
2018	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2017	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2016	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2015	\$ -	\$ -	\$ -	\$ 1,185,337	\$ 1,185,337	0.00%	\$ 35
2014	\$ -	\$ -	\$ -	\$ 1,294,377	\$ 1,294,377	0.00%	\$ 39
2013	\$ -	\$ -	\$ -	\$ 1,777,620	\$ 1,777,620	0.00%	\$ 54
2012	\$ -	\$ -	\$ -	\$ 1,999,581	\$ 1,999,581	0.00%	\$ 61
2011	\$ -	\$ -	\$ -	\$ 1,922,674	\$ 1,922,674	0.00%	\$ 60
2010	\$ -	\$ -	\$ -	\$ 1,848,725	\$ 1,848,725	0.00%	\$ 59

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

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

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

Source: City Finance Department

**CITY OF WILDOMAR**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2018**

**2017-2018 Assessed Valuation**

**Incremental Valuation**

**Adjusted Assessed Valuation**

\$ 3,187,439,532

\$ 3,187,439,532

**Overlapping Tax and Assessment Debt**

	Total Debt	Percent Applicable to City (1)	City's Share of Debt
Metropolitan Water District	\$ 60,600,000	0.116%	\$ 70,296
Mount San Jacinto Community College District General Funds Obligations	177,765,000	3.738%	6,644,856
Perris Union High School District	106,662,301	0.210%	223,991
Menifee Union School District	65,979,720	0.346%	228,290
Lake Elsinore Unified School District	32,415,000	26.670%	8,645,081
Lake Elsinore Unified School District Community Facilities District No. 89-1,90-1 & 99-1	4,545,000	100.000%	4,545,000
Lake Elsinore Unified School District Community Facilities District No. 2002-1	3,586,000	44.393%	1,591,933
Lake Elsinore Unified School District Community Facilities District No. 2003-1 A	3,603,113	100.000%	3,603,113
Lake Elsinore Unified School District Community Facilities District No. 2004-2,3 & 4	18,810,100	42.689-100.0%	17,291,359
Lake Elsinore Unified School District Community Facilities District No. 2005-3 & 7	11,877,800	100.000%	11,877,800
Lake Elsinore Unified School District Community Facilities District No. 2006-3A & 4	10,975,000	100.000%	10,975,000
Lake Elsinore Unified School District Community Facilities District No. 2013-2	13,295,000	100.000%	13,295,000
Perris Union High School District Community Facilities District No. 92-1	34,620,000	0.260%	90,012
Riverside County Flood Control, Zone 4	16,750,000	0.414%	69,345
Elsinore Valley Municipal Water District Community Facilities Districts	7,176,000	100.000%	7,176,000
<b>Total Overlapping Tax and Assessment Debt</b>			\$ 86,327,076

**Overlapping General Fund Debt**

Riverside County General Funds Obligation	\$ 812,829,106	1.209%	\$ 9,827,104
Riverside County Pension Obligations	266,365,000	1.209%	3,220,353
Western Municipal Water District Certificates of Participation	10,197,212	1.163%	118,594
Lake Elsinore Unified School District Certificates of Participation	32,269,521	26.670%	8,606,281
Perris Union High School District General Fund Obligation	7,411,654	0.210%	15,564
Menifee Union School District Certificates of Participation	28,273,007	0.346%	97,825
<b>Total Gross Overlapping General Fund Debt</b>			\$ 21,885,721
Less: Riverside County Supported Obligations			40,541
<b>Total Net Overlapping General Fund Debt</b>			\$ 21,845,180

**Direct Debt**

<b>City Of Wildomar</b>	<b>\$0</b>	<b>100%</b>	<b>\$0</b>
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
<b>Total Direct Debt</b>	\$ 208,603,028	2.216-19.230%	\$ 14,239,807
<b>Total Gross Overlapping Debt</b>			\$ 0
<b>Total Net Overlapping Debt</b>			\$ 122,452,604
<b>Gross Combined Total Debt</b>			\$ 122,412,063
<b>Net Combined Total Debt</b>			\$ 122,452,604 (2)
			\$ 122,412,063

<sup>(1)</sup> 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.

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

**Ratios to 2017-18 Assessed Valuation:**

Overlapping Tax and Assessment Debt .....	2.71%
<b>Direct Debt (\$0) .....</b>	<b>0.00%</b>
Gross Combined Total Debt.....	3.84%
Net Combined Total Debt.....	3.84%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$153,334,035):**

<b>Total Overlapping Tax Increment Debt .....</b>	<b>9.29%</b>
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Source: California Municipal Statistics

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

	<b>Fiscal Year</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Assessed Valuation	\$ 3,152,766,645	\$ 2,990,875,859	\$ 2,820,562,416	\$ 2,609,896,984
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	\$ 472,914,997	\$ 448,631,379	\$ 423,084,362	\$ 391,484,548
Total Net Debt Applicable to Limit General Obligation Bonds:	-	-	-	-
Legal Debt Margin	<u>\$ 472,914,997</u>	<u>\$ 448,631,379</u>	<u>\$ 423,084,362</u>	<u>\$ 391,484,548</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

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

The City of Wildomar has no general obligation bond indebtedness.

Source: City Finance Department, MuniServices

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 2,293,353,635	\$ 2,204,512,095	\$ 2,263,770,999	\$ 2,312,322,078	\$ 2,434,076,894	\$ -
15%	15%	15%	15%	15%	15%
\$ 344,003,045	\$ 330,676,814	\$ 339,565,650	\$ 346,848,312	\$ 365,111,534	\$ -
-	-	-	-	-	-
<u>\$ 344,003,045</u>	<u>\$ 330,676,814</u>	<u>\$ 339,565,650</u>	<u>\$ 346,848,312</u>	<u>\$ 365,111,534</u>	<u>\$ -</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**CITY OF WILDOMAR**  
**Demographic and Economic Statistics**  
**Last Nine Years**

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Fiscal Year	Population (1)	Personal Income (In Thousands) (2)	Per Capita Personal Income (2)	City Unemployment Rate (%) (3)	Median Age (4)	%High School Diploma	% Bachelors Degree
2017-18	36,287	837,603	23,083	3.9%	35	83%	17%
2016-17	35,782	776,541	21,702	6.1%	34	84%	16%
2015-16	35,168	812,908	23,115	6.8%	34	88%	14%
2014-15	33,696	764,899	22,700	4.0%	34	84%	16%
2013-14	33,718	761,555	22,586	7.0%	34	83%	17%
2012-13	33,174	762,836	22,995	9.0%	32	85%	17%
2011-12	32,719	744,226	22,746	11.0%	33	83%	18%
2010-11	31,907	700,199	21,945	13.0%	32	84%	17%
2009-10	31,374	673,725	21,474	12.0%	38	80%	13%

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

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

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

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

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

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

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

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

<b>Business Name</b>	<b>Number of Employees</b>	<b>2017-18</b>	<b>2008-09</b>
		<b>Percent of Total Employment (%)</b>	<b>Number of Employees</b>
Lake Elsinore Unified School District*	2,497	14.43%	430
Inland Valley Medical Center	780	4.51%	600
Stater Bros Markets**	105	0.61%	100
Cornerstone Community Church***	102	0.59%	45
Albertsons	94	0.54%	80
Wildomar Senior leisure Community****	88	0.51%	
Canyon Lake Animal Control	77	0.45%	
Jack in the Box - (2 locations)	70	0.40%	60
FCP Inc	55	0.32%	150
Sycamore Academy-Sci-Cultural Arts	51	0.29%	
P K Mechanical Systems			85
Coldwell Banker			55
McDonalds			50
<b>Total Top 10 Employers</b>	<b>3,919</b>	<b>22.65%</b>	<b>1,655</b>
 Total City Labor Force (1)	 17,300		

Source: MuniServices, LLC

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

\*Count is districtwide

\*\*Includes both FT & PT

\*\*\*Includes the Cornerstone Christian School

\*\*\*\*Includes both Independent and Assisted living.

(1) Total City Labor Force provided by EDD Labor Force Data. 2008-09 Labor Force was not available.

**CITY OF WILDOMAR****Full-Time Equivalent City Government Employees by Function/Program****As of June 30, 2018**

Function	2018	2017	2016	2015	2014
City Manager					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
City Clerk					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
City Manager Administration					
Full- Time Equiv	2.0	2.0	2.0	1.0	2.0
Asst. City Manager/ Public Works					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
Planning Director					
Full- Time Equiv	1.0	1.0	1.0	1.0	1.0
Building/Safety					
Full- Time Equiv	-	-	1.0	1.0	1.0
Cemetery					
Full- Time Equiv	2.0	3.0	2.0	2.0	2.0
Community Services					
Full- Time Equiv	-	-	-	-	-
Finance					
Full- Time Equiv	3.0	2.0	1.0	1.0	-
Public Works					
Full- Time Equiv	-	-	-	1.0	1.0
Associate Planner					
Full- Time Equiv	1.0	1.0	1.0	1.0	-
<b>TOTAL</b>	<b>12.0</b>	<b>12.0</b>	<b>11.0</b>	<b>11.0</b>	<b>10.0</b>

Source: City Finance Department

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<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
1.0	1.0	1.0	1.0	-
1.0	1.0	1.0	1.0	1.0
2.0	2.0	1.0	1.0	-
-	-	-	-	-
1.0	-	-	-	-
1.0	1.0	1.0	-	-
2.0	2.0	2.0	-	-
1.0	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>9.0</b>	<b>7.0</b>	<b>6.0</b>	<b>3.0</b>	<b>1.0</b>

**CITY OF WILDOMAR**

**Operating Indicators by Function/ Program**

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<b>Function</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Police Services				
Calls for Service	17,628	17,374	15,916	8,782
DUI Arrests	44	32	38	2
Traffic Citations	573	334	246	287
Fire Services				
Responses to Calls for Service	3,266	3,173	3,075	2,962
Average Response Time-Minutes	5.2	4.7	4.7	4.9
% of Calls - Medical	76.00%	75.26%	77.66%	75.19%
% of Calls - All Other	24.00%	24.74%	22.34%	24.81%
Building & Safety				
Building Permits Issued	1,158	1,235	1,685	1,321
Community Development/ Planning				
Zoning Inquiries/ Counter Assistance	4,656	4,400	4,300	3,800
Developer Applications/ Projects	71	43	40	48
Building Plan Check Permits	1,674	1,650	1,650	1,000
Planning Director Hearings	1	3	2	5
Planning Commission Meetings	16	7	10	11
Cemetery				
Burial Services	35	12	25	31

Source: City Finance Department, City Community Development Department, City Building Department, Riverside County Sheriff's Department, Riverside County Fire/CAL-Fire, Cemetery

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2014	2013	2012	2011	2010	2009
4,353	3,954	12,451	14,797	8,740	8,684
8	2	40	80	53	78
375	N/A	474	1052	233	1267
2,696	2,854	2,664	2619	2582	N/A
4.7	4.6	4.5	4.5	4.5	N/A
76.71%	78.87%	75.86%	76.40%	75.14%	N/A
23.29%	21.13%	24.14%	23.60%	24.86%	N/A
789	120	130	132	151	232
3,600	3,500	3,400	3,200	N/A	N/A
40	40	38	45	60	83
1,000	N/A	N/A	N/A	N/A	N/A
5	5	3	8	3	N/A
10	6	8	8	18	9
34	30	30	N/A	N/A	N/A

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

Function	2018	2017	2016	2015	2014
<b>Public Works</b>					
Streets (miles)					
Paved - Public	123.36	119	119	119	119
Paved - Private	9.1	9.1	9.1	9.1	9.1
Unpaved - Public	3.87	3.4	3.4	3.4	3.4
Unpaved - Private	47.1	47.1	47.1	47.1	47.1
Traffic Signals	24.3	23.3	23.3	23.3	23.3
<b>Community Services</b>					
Parks	4	3	3	3	3
Park Acreage	14.85	14.4	14.4	14.4	14.4
Cemetery	1	1	1	1	1

Source: City Public Works Department, Community Services Department

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<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
119	119	119	119	N/A
9.1	9.1	9.1	9.1	N/A
3.4	6.4	6.4	6	N/A
47.1	47.1	47.1	47.1	N/A
23.3	23.3	23.3	19	N/A
3	3	3	3	3
14.4	14.4	14.4	14.4	14.4
1	1	0	0	0

**CITY OF WILDOMAR**  
**Miscellaneous Statistics**  
**As of June 30, 2018**

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Geographic Location	Wildomar is located along Interstate 15 in Riverside County.
Population	36,287
Area in Square Miles	24
Form of Government	Council-Manager
Date of Incorporation	July 1, 2008
Number of Full Time Employees	12
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:	4 Parks owned by the City
Schools:	
Elementary	4
Middle Schools	1
High Schools	1

Source: City Finance Department and California Department of Finance