

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

FINANCIAL STATEMENTS

**YEAR ENDED JUNE 30, 2008
(With Independent Auditors' Report Thereon)**

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CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

(Continued)

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Board of Directors
City of Moreno Valley, California
Community Services District

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, Community Services District ("District") as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparison information for the major special revenue funds of the District for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The District has not presented *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Board of Directors
City of Moreno Valley, California
Community Services District
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In accordance with *Government Auditing Standards*, we have also issued a report dated February 20, 2009 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman McCune P.C.

Irvine, California
February 20, 2009



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Board of Directors
City of Moreno Valley, California
Community Services District

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, Community Services District (“District”) as of and for the year ended June 30, 2008, which collectively comprise the District’s financial statements and have issued our report thereon dated February 20, 2009. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District’s financial statements that is more than inconsequential will not be prevented or detected by the District’s internal control.

Board of Directors
City of Moreno Valley, California
Community Services District
Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted other matters that were reported to the management of the City of Moreno Valley in a separate letter dated February 20, 2009.

This report is intended solely for the information and use of the Board of Directors and District's management and is not intended to be and should not be used by anyone other than these specified parties.

Mayor Hoffman McLean AC.

Irvine, California
February 20, 2009

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Governmental Activities</u>
Assets:	
Cash and investments (note 2)	\$ 44,368,879
Receivables:	
Accounts	202,059
Due from other governments	2,277,248
Capital assets not being depreciated (note 3)	101,457
Depreciable capital assets, net of accumulated depreciation: (note 3)	<u>25,191,714</u>
Total Assets	<u><u>\$ 72,141,357</u></u>
 Liabilities:	
Accounts payable	\$ 657,401
Accrued liabilities	814,411
Deposits payable	117,422
Unearned revenue	76,761
Due to the City of Moreno Valley	<u>36,700,776</u>
Total Liabilities	<u><u>38,366,771</u></u>
 Net Assets:	
Investment in capital assets	25,293,171
Restricted for special zones	<u>8,481,415</u>
Total Net Assets	<u><u>\$ 33,774,586</u></u>

See Notes to Financial Statements

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**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008**

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Total
Governmental activities:					
Community and cultural	\$ 19,173,581	\$ 10,795,568	\$ 72,324	\$ -	\$ (8,305,689)
Total governmental activities	\$ 19,173,581	\$ 10,795,568	\$ 72,324	\$ -	(8,305,689)
General Revenues and Transfers:					
Property taxes					4,588,768
Property taxes in lieu					839,028
Fines and forfeitures					55,150
Investment income					873,241
Gain on sale of capital assets					2,575
Miscellaneous					29,822
Transfers from the City of Moreno Valley					382,566
Total General Revenues and Transfers					6,771,150
Change in Net Assets					(1,534,539)
Net assets, beginning as restated (note 6)					35,309,125
Net assets, ending					\$ 33,774,586

See Notes to Financial Statements.

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008**

	Special Revenue Funds	
	Zone A Parks and Community Services	Zone B Residential Street Lights Administration
Assets:		
Cash and investments (note 2)	\$ 37,891,000	\$ 725,127
Receivables:		
Accounts	194,585	-
Due from other governments	1,099,439	164,896
Total Assets	\$ 39,185,024	\$ 890,023
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 284,832	\$ 88,464
Accrued liabilities	479,803	19,166
Deposits payable	117,422	-
Deferred revenue	222,234	-
Unearned revenues	76,761	-
Due to the City of Moreno Valley	36,672,969	-
Total Liabilities	37,854,021	107,630
Fund Balances:		
Reserved:		
Reserved for encumbrances	40,023	-
Unreserved:		
Designated for continuing appropriations	138,599	51,612
Designated for contingencies	1,152,381	-
Designated for capital improvement projects	-	-
Undesignated	-	730,781
Total Fund Balances	1,331,003	782,393
Total Liabilities and Fund Balances	\$ 39,185,024	\$ 890,023

See Notes to Financial Statements.

<u>Zone E Extensive Landscaping Administration</u>	<u>Zone L Library Service Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
\$ 3,935,047	\$ -	\$ 1,817,705	\$ 44,368,879
609	3,389	3,476	202,059
<u>366,879</u>	<u>308,489</u>	<u>337,545</u>	<u>2,277,248</u>
<u>\$ 4,302,535</u>	<u>\$ 311,878</u>	<u>\$ 2,158,726</u>	<u>\$ 46,848,186</u>
\$ 149,974	\$ 20,458	\$ 113,673	\$ 657,401
70,512	155,143	89,787	814,411
-	-	-	117,422
-	-	-	222,234
-	-	-	76,761
-	27,807	-	36,700,776
<u>220,486</u>	<u>203,408</u>	<u>203,460</u>	<u>38,589,005</u>
825	55,584	-	96,432
312,080	-	75,000	577,291
-	-	-	1,152,381
2,799,332	-	223,379	3,022,711
<u>969,812</u>	<u>52,886</u>	<u>1,656,887</u>	<u>3,410,366</u>
<u>4,082,049</u>	<u>108,470</u>	<u>1,955,266</u>	<u>8,259,181</u>
<u>\$ 4,302,535</u>	<u>\$ 311,878</u>	<u>\$ 2,158,726</u>	<u>\$ 46,848,186</u>

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**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

June 30, 2008

Fund balances of governmental funds \$ 8,259,181

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	50,851,892
Accumulated depreciation	(25,558,721)

Certain items are reported as revenues in the statement of activities, but do not meet the revenue recognition criteria in order to be reported as revenues in the statement of revenues, expenditures and changes in fund balances, and consequently, are reported as deferred revenue in the balance sheet of governmental funds. 222,234

Net assets of governmental activities **\$ 33,774,586**

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds	
	Zone A Parks and Community Services	Zone B Residential Street Lights Administration
Revenues:		
Property taxes	\$ 2,416,007	\$ 122,704
Other taxes	-	-
Intergovernmental	3,000	-
Charges for services	5,631,587	921,029
Use of money and property	413,212	40,043
Fines and forfeitures	-	-
Miscellaneous	20,645	-
	Total Revenues	1,083,776
Expenditures:		
Current:		
Community and cultural	8,646,195	1,271,201
Capital Outlay	174,352	-
	Total Expenditures	1,271,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	(336,096)	(187,425)
Other Financing Sources (Uses):		
Transfers in (note 4)	-	-
Transfers out (note 4)	-	-
Transfers from the City of Moreno Valley	333,710	-
Transfers to the City of Moreno Valley	(1,733)	(71,383)
Sale of capital assets	2,575	-
	Total Other Financing Sources (Uses)	(71,383)
Net Change in Fund Balances	(1,544)	(258,808)
Fund Balances, Beginning of Year, as restated (note 6)	1,332,547	1,041,201
Fund Balances, End of Year	\$ 1,331,003	\$ 782,393

See Notes to Financial Statements.

<u>Zone E Extensive Landscaping Administration</u>	<u>Zone L Library Service Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 1,900,685	\$ 149,372	\$ 4,588,768
-	-	839,028	839,028
-	69,324	-	72,324
2,367,302	57,096	1,773,785	10,750,799
183,937	-	58,584	695,776
-	55,150	-	55,150
4,220	907	4,050	29,822
<u>2,555,459</u>	<u>2,083,162</u>	<u>2,824,819</u>	<u>17,031,667</u>
2,330,233	2,239,469	2,694,828	17,181,926
-	-	-	174,352
<u>2,330,233</u>	<u>2,239,469</u>	<u>2,694,828</u>	<u>17,356,278</u>
<u>225,226</u>	<u>(156,307)</u>	<u>129,991</u>	<u>(324,611)</u>
-	-	52,375	52,375
(52,375)	-	-	(52,375)
-	156,307	103,400	593,417
(119,810)	-	(17,925)	(210,851)
-	-	-	2,575
<u>(172,185)</u>	<u>156,307</u>	<u>137,850</u>	<u>385,141</u>
53,041	-	267,841	60,530
<u>4,029,008</u>	<u>108,470</u>	<u>1,687,425</u>	<u>8,198,651</u>
<u>\$ 4,082,049</u>	<u>\$ 108,470</u>	<u>\$ 1,955,266</u>	<u>\$ 8,259,181</u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds	\$ 60,530
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 cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	174,352
Depreciation expense	(1,991,655)
Certain items are reported as revenues in the statement of activities, but do not meet the revenue recognition criteria in order to be reported as revenues in the statement of revenues, expenditures and changes in fund balance.	<u>222,234</u>
Changes in net assets of governmental activities	<u><u>\$ (1,534,539)</u></u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE A PARKS AND COMMUNITY SERVICES
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 2,541,000	\$ 2,541,000	\$ 2,416,007	\$ (124,993)
Intergovernmental	-	-	3,000	3,000
Charges for services	6,121,739	6,121,739	5,631,587	(490,152)
Use of money and property	347,384	347,384	413,212	65,828
Miscellaneous	<u>98,600</u>	<u>98,600</u>	<u>20,645</u>	<u>(77,955)</u>
Total Revenues	<u>9,108,723</u>	<u>9,108,723</u>	<u>8,484,451</u>	<u>(624,272)</u>
Expenditures:				
Current:				
Community and cultural	9,996,418	10,023,534	8,646,195	1,377,339
Capital Outlay	<u>530,050</u>	<u>710,327</u>	<u>174,352</u>	<u>535,975</u>
Total Expenditures	<u>10,526,468</u>	<u>10,733,861</u>	<u>8,820,547</u>	<u>1,913,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,417,745)</u>	<u>(1,625,138)</u>	<u>(336,096)</u>	<u>1,289,042</u>
Other Financing Sources (Uses):				
Transfers from the City of Moreno Valley	727,634	748,634	333,710	(414,924)
Transfers to the City of Moreno Valley	(16,500)	(16,500)	(1,733)	14,767
Sale of capital assets	<u>-</u>	<u>-</u>	<u>2,575</u>	<u>2,575</u>
Total Other Financing Sources (Uses)	<u>711,134</u>	<u>732,134</u>	<u>334,552</u>	<u>(397,582)</u>
Net Change in Fund Balances	(706,611)	(893,004)	(1,544)	891,460
Fund Balances, Beginning of Year, as restated (note 6)	<u>1,332,547</u>	<u>1,332,547</u>	<u>1,332,547</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 625,936</u>	<u>\$ 439,543</u>	<u>\$ 1,331,003</u>	<u>\$ 891,460</u>

See Notes to Financial Statements.

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE B RESIDENTIAL STREET LIGHTS ADMINISTRATION
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 75,450	\$ 75,450	\$ 122,704	\$ 47,254
Charges for services	944,000	944,000	921,029	(22,971)
Use of money and property	<u>40,000</u>	<u>40,000</u>	<u>40,043</u>	<u>43</u>
Total Revenues	<u>1,059,450</u>	<u>1,059,450</u>	<u>1,083,776</u>	<u>24,326</u>
Expenditures:				
Current:				
Community and cultural	1,183,807	1,294,782	1,271,201	23,581
Capital Outlay	<u>-</u>	<u>51,612</u>	<u>-</u>	<u>51,612</u>
Total Expenditures	<u>1,183,807</u>	<u>1,346,394</u>	<u>1,271,201</u>	<u>75,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(124,357)</u>	<u>(286,944)</u>	<u>(187,425)</u>	<u>99,519</u>
Other Financing Sources (Uses):				
Transfers to the City of Moreno Valley	<u>(71,383)</u>	<u>(71,383)</u>	<u>(71,383)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(71,383)</u>	<u>(71,383)</u>	<u>(71,383)</u>	<u>-</u>
Net Change in Fund Balances	(195,740)	(358,327)	(258,808)	99,519
Fund Balances, Beginning of Year	<u>1,041,201</u>	<u>1,041,201</u>	<u>1,041,201</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 845,461</u>	<u>\$ 682,874</u>	<u>\$ 782,393</u>	<u>\$ 99,519</u>

See Notes to Financial Statements.

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE E EXTENSIVE LANDSCAPING ADMINISTRATION
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ 2,309,405	\$ 2,309,405	\$ 2,367,302	\$ 57,897
Use of money and property	142,365	142,365	183,937	41,572
Miscellaneous	2,400	2,400	4,220	1,820
Total Revenues	<u>2,454,170</u>	<u>2,454,170</u>	<u>2,555,459</u>	<u>101,289</u>
Expenditures:				
Current:				
Community and cultural	2,871,615	2,871,615	2,330,233	541,382
Capital Outlay	-	403,317	-	403,317
Total Expenditures	<u>2,871,615</u>	<u>3,274,932</u>	<u>2,330,233</u>	<u>944,699</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(417,445)</u>	<u>(820,762)</u>	<u>225,226</u>	<u>1,045,988</u>
Other Financing Sources (Uses):				
Transfers out	(20,500)	(20,500)	(52,375)	(31,875)
Transfers to the City of Moreno Valley	(375)	(375)	(119,810)	(119,435)
Total Other Financing Sources (Uses)	<u>(20,875)</u>	<u>(20,875)</u>	<u>(172,185)</u>	<u>(151,310)</u>
Net Change in Fund Balances	<u>(438,320)</u>	<u>(841,637)</u>	<u>53,041</u>	<u>894,678</u>
Fund Balances, Beginning of Year	<u>4,029,008</u>	<u>4,029,008</u>	<u>4,029,008</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,590,688</u>	<u>\$ 3,187,371</u>	<u>\$ 4,082,049</u>	<u>\$ 894,678</u>

See Notes to Financial Statements.

CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE L LIBRARY SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,850,000	\$ 1,850,000	\$ 1,900,685	\$ 50,685
Intergovernmental	100,000	100,000	69,324	(30,676)
Charges for services	40,000	40,000	57,096	17,096
Fines and forfeitures	30,000	30,000	55,150	25,150
Miscellaneous	5,000	5,000	907	(4,093)
Total Revenues	<u>2,025,000</u>	<u>2,025,000</u>	<u>2,083,162</u>	<u>58,162</u>
Expenditures:				
Current:				
Community and cultural	<u>2,597,902</u>	<u>2,664,942</u>	<u>2,239,469</u>	<u>425,473</u>
Total Expenditures	<u>2,597,902</u>	<u>2,664,942</u>	<u>2,239,469</u>	<u>425,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(572,902)</u>	<u>(639,942)</u>	<u>(156,307)</u>	<u>483,635</u>
Other Financing Sources (Uses):				
Transfers in from the City of Moreno Valley	574,402	574,402	156,307	(418,095)
Transfers out to the City of Moreno Valley	<u>(1,500)</u>	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Total Other Financing Sources (Uses)	<u>572,902</u>	<u>572,902</u>	<u>156,307</u>	<u>(416,595)</u>
Net Change in Fund Balances	-	(67,040)	-	67,040
Fund Balances, Beginning of Year	<u>108,470</u>	<u>108,470</u>	<u>108,470</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 108,470</u>	<u>\$ 41,430</u>	<u>\$ 108,470</u>	<u>\$ 67,040</u>

See Notes to Financial Statements.

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008**

Note 1: Reporting Entity, Description of Funds and Significant Accounting Policies

a. Reporting Entity

The City of Moreno Valley, California Community Services District (the District), was created by a City Council ordinance adopted on December 3, 1984. Its purpose is to act as a legal entity, separate and distinct from the City of Moreno Valley (the City), even though the City Council is currently serving as the District's Governing Board. The District is broadly empowered to engage in the general maintenance and administration of the City's community programs.

Governmental Accounting Standard Board (GASB) Statement No. 14, *The Financial Reporting Entity*, defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either: a) the primary government has the ability to impose its will, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the primary government. Since the City Council of the City of Moreno Valley also serves as the Governing Board of the District, the City, in effect, has the ability to influence and control operations. Therefore, the City has oversight responsibility for the District. Accordingly, in applying the criteria of GASB Statement No. 14, the financial statements of the District are included in the City's Comprehensive Annual Financial Report. The District has the same fiscal year end as the City and its financial statements can be obtained from the City Clerk.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the component unit. For the most part, the effect of interfund activity has been removed from these statements.

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,

**City of Moreno Valley, California
Community Services District
Notes to Financial Statements (Continued)**

**Note 1: Reporting Entity, Description of Funds and Significant Accounting Policies
(Continued)**

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.

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

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

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

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers operating revenues to be available if they are collected within 60 days of the end of the current fiscal period, while grant revenues have an availability period of 150 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures 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 so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Note 1: Reporting Entity, Description of Funds and Significant Accounting Policies
(Continued)**

The District reports the following major governmental funds:

Zone A Parks and Community Services accounts for the administration and maintenance of the parks and community services facilities and programs.

Zone B Residential Street Lights Administration accounts for the operations necessary to process and administer the residential street lighting program.

Zone E Extensive Landscaping Administration accounts for the operations necessary to provide high-service level landscape maintenance in and around specific major residential developments.

Zone L Library Service Fund accounts for the operations necessary to process and administer the library service program.

d. Budgetary Reporting

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the governmental activities. Budgets presented in this report for comparison to actual amounts are presented in accordance with generally accepted accounting principles (GAAP). From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various District departments.

Reported budget amounts represent the original legally adopted budget as amended. The City Council may amend the budget only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund type, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for each department within the fund, but management control is exercised at budgetary line item levels within the departments. Management can transfer budgeted amounts between line items within each department provided that they do not increase or decrease total department appropriations. Expenditures may not legally exceed budgeted appropriations at the department and fund levels.

City of Moreno Valley, California
Community Services District
Notes to Financial Statements (Continued)

**Note 1: Reporting Entity, Description of Funds and Significant Accounting Policies
(Continued)**

e. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

f. Deferred Revenue

In the government-wide financial statements, deferred revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as deferred revenues in the government-wide financial statements are prepaid charges for services.

In the fund financial statements, deferred revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The District records deferred revenue for transactions for which revenues have not been earned, or for which funds are not available to meet current financial obligations. Typical transactions for which deferred revenue is recorded are grants received but not yet earned or available, long-term loans receivables, and prepaid charges for services.

g. Fund Balance

Reservations of fund balance indicate those portions of fund balance unavailable for appropriation or amounts legally segregated for a specific future use. Designations of fund balance indicate tentative management plans for future uses of financial resources.

h. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. Currently, the District does not have any debt attributed to capital assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

**City of Moreno Valley, California
 Community Services District
 Notes to Financial Statements (Continued)**

**Note 1: Reporting Entity, Description of Funds and Significant Accounting Policies
 (Continued)**

i. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Fund type. Unexpended and unencumbered appropriations of the Governmental Fund automatically lapse at the end of the fiscal year. Encumbrances at year-end are a portion of the reserved fund balance and are reappropriated the following year.

j. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 – 50
Furniture and Equipment	3 – 15
Vehicles	3 – 10
Infrastructure	25 – 50

k. Investments

The District records all investments at fair value. The current year's changes in fair value are recognized in the statement of revenues, expenditures and changes in fund balances as use of money and property. *Use of money and property* includes interest earnings, changes in fair value, rental income and any gains or losses.

**City of Moreno Valley, California
Community Services District
Notes to Financial Statements (Continued)**

**Note 1: Reporting Entity, Description of Funds and Significant Accounting Policies
(Continued)**

l. Salary Expenditures

The District does not employ any personnel and relies on the City for administrative services. The financial statements include expenditures for salary and other benefits, which were allocated to the District by the City.

m. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Secured property taxes are levied on August 10 and are payable in two installments on November 1 and February 1. Unsecured personal property taxes are due in a single installment on July 1. The County of Riverside bills and collects the property taxes and remits them to the District in installments during the year. Property taxes received within 60 days after the District's fiscal year-end are considered "measurable" and "available" and are accrued in the District's financial statements.

n. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

o. Use of Estimates

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

City of Moreno Valley, California
Community Services District
Notes to Financial Statements (Continued)

Note 2: Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City \$44,368,879

The District has no separate bank accounts or investments other than the District's equity in the cash and investment pool managed by the City. The District is a voluntary participant in the City's investment pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The District has not adopted an investment policy separate from that of the City. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

Note 3: Capital Assets

	Balances*			Balances
	<u>6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/08</u>
Non-depreciable Assets:				
Construction in progress	\$ <u>512,477</u>	-	(411,020)	<u>101,457</u>
Totals	<u>512,477</u>	-	(411,020)	<u>101,457</u>
Depreciable Assets:				
Buildings and improvements	\$ 48,490,693	506,021	-	48,996,714
Machinery and equipment	1,242,222	8,101	-	1,250,323
Vehicles	<u>501,380</u>	<u>71,250</u>	<u>(69,232)</u>	<u>503,398</u>
Totals	<u>50,234,295</u>	<u>585,372</u>	<u>(69,232)</u>	<u>50,750,435</u>
Less Accumulated				
Depreciation for:				
Building and Improvements	(22,490,005)	(1,848,942)	-	(24,338,947)
Machinery and equipment	(848,457)	(79,571)	-	(928,028)
Vehicles	<u>(297,836)</u>	<u>(63,142)</u>	<u>69,232</u>	<u>(291,746)</u>
Total Accumulated Depreciation	<u>(23,636,298)</u>	<u>(1,991,655)</u>	<u>69,232</u>	<u>(25,558,721)</u>
Total Net Capital Assets	<u>\$ 27,110,474</u>	<u>(1,406,283)</u>	<u>(411,020)</u>	<u>25,293,171</u>

* Beginning Capital Assets were restated, see explanation in note 6

**City of Moreno Valley, California
 Community Services District
 Notes to Financial Statements (Continued)**

Note 4: Interfund Transfers

Transfers in and out for the year ended June 30, 2008 were as follows:

<u>Payable Fund</u>	<u>Receiving Fund</u>	<u>Amount</u>
Zone E Extensive Landscaping Administration	Non-major Governmental Fund	<u>\$52,375</u>

CSD Zone E Extensive Landscaping Administration Fund transferred \$52,375 to the CFD #1 Fund for that fund's share of parcel fees collected and business unit charges.

Note 5: Commitments and Contingencies

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The City of Moreno Valley established two Self-Insurance Funds (internal service funds) to account for and finance its uninsured risks of loss. Under this program, the self-insurance funds provide coverage for up to a maximum of \$300,000 for each worker's compensation claim and \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. All funds of the District participate in the program and make payments to the Self-insurance Funds based on actuarial estimates of the amounts needed to pay prior and current year claims.

Note 6: Restatement of Beginning Net Assets

During the year ended June 30, 2008, the District discovered that sufficient funding of expenditures in excess of grant revenue in the Child Care Grant fund had not been made by the District. To fund these prior years' expenditures, an adjustment was made to transfer funds out of the Zone A Parks and Community Services fund to the Child Care Grant fund, which decreased the Community Service District's net assets at the beginning of the fiscal year. In addition, certain capital assets and depreciation were not properly reported in the prior year. Adjustments were made to increase capital assets and reduce depreciation.

**City of Moreno Valley, California
Community Services District
Notes to Financial Statements (Continued)**

Note 6: Restatement to Beginning Net Assets (Continued)

	<u>Government-Wide</u>	<u>Zone A Parks and Community Services</u>
Net assets at beginning of year, as previously reported	\$33,701,044	\$1,407,432
Adjustment to transfer funds out to Child Care Grant for prior years	(74,885)	(74,885)
Adjustment to record capital assets and reduce depreciation	<u>1,682,966</u>	<u>-</u>
Net assets at beginning of year, as restated	<u>\$35,309,125</u>	<u>\$ 1,332,547</u>

Note 7: Subsequent Events

Subsequent to June 30, 2008, there were certain activities related to the financial markets that had a direct impact on the City's investment portfolio. On September 25, 2008, Lehman Bros. Holding filed for Chapter 11 voluntary bankruptcy. On September 26, 2008, Washington Mutual Inc. filed for Chapter 11 voluntary bankruptcy after being placed into receivership by the Federal Deposit Insurance Corporation (FDIC). The City's portfolio contained bonds issued by both of these entities in the combined amount of \$4,000,000 or approximately 1.3% of the total portfolio. The City is pursuing recovery through various means, although at this time the amount of recovery that will be ultimately realized from these two cases is unknown.

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Special Revenue Funds	
	Zone C Arterial Street Lights Administration	Zone D Standard Landscaping Administration
Assets:		
Cash and investments (note 2)	\$ 694,994	\$ 302,251
Receivables:		
Accounts	-	3,476
Due from other governments	93,749	186,832
Total Assets	\$ 788,743	\$ 492,559
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 39,593	\$ 40,214
Accrued liabilities	5,178	51,319
Total Liabilities	44,771	91,533
Fund Balances:		
Unreserved:		
Designated for continuing appropriations	-	-
Designated for capital improvement projects	223,379	-
Undesignated	520,593	401,026
Total Fund Balances	743,972	401,026
Total Liabilities and Fund Balances	\$ 788,743	\$ 492,559

<u>Zone M Median Fund</u>	<u>CFD #1 Fund</u>	<u>Zone S Sunnymead Boulevard Maintenance</u>	<u>CFD #4M Fund</u>	<u>Total Non-major Funds</u>
\$ 147,624	\$ 578,191	\$ 48,148	\$ 46,497	\$ 1,817,705
-	-	-	-	3,476
5,993	46,823	4,148	-	337,545
<u>\$ 153,617</u>	<u>\$ 625,014</u>	<u>\$ 52,296</u>	<u>\$ 46,497</u>	<u>\$ 2,158,726</u>
\$ 13,712	\$ 20,154	\$ -	\$ -	\$ 113,673
5,470	27,820	-	-	89,787
<u>19,182</u>	<u>47,974</u>	<u>-</u>	<u>-</u>	<u>203,460</u>
-	75,000	-	-	75,000
-	-	-	-	223,379
134,435	502,040	52,296	46,497	1,656,887
<u>134,435</u>	<u>577,040</u>	<u>52,296</u>	<u>46,497</u>	<u>1,955,266</u>
<u>\$ 153,617</u>	<u>\$ 625,014</u>	<u>\$ 52,296</u>	<u>\$ 46,497</u>	<u>\$ 2,158,726</u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue Funds</u>	
	<u>Zone C</u>	<u>Zone D</u>
	<u>Arterial Street</u>	<u>Standard</u>
	<u>Lights</u>	<u>Landscaping</u>
	<u>Administration</u>	<u>Administration</u>
Revenues:		
Property taxes	\$ 149,372	\$ -
Other taxes	-	-
Charges for services	422,620	1,134,400
Use of money and property	31,704	10,833
Miscellaneous	-	1,713
	<u>603,696</u>	<u>1,146,946</u>
Total Revenues		
Expenditures:		
Current:		
Community and cultural	<u>587,925</u>	<u>1,171,404</u>
	<u>587,925</u>	<u>1,171,404</u>
Total Expenditures		
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>15,771</u>	<u>(24,458)</u>
Other Financing Sources (Uses):		
Transfers in	-	-
Transfers in from the City of Moreno Valley	-	-
Transfers out to the City of Moreno Valley	<u>(17,550)</u>	<u>(375)</u>
	<u>(17,550)</u>	<u>(375)</u>
Total Other Financing Sources (Uses)		
	<u>(17,550)</u>	<u>(375)</u>
Net Change in Fund Balances	(1,779)	(24,833)
Fund Balances, Beginning of Year	<u>745,751</u>	<u>425,859</u>
Fund Balances, End of Year	<u>\$ 743,972</u>	<u>\$ 401,026</u>

<u>Zone M Median Fund</u>	<u>CFD #1 Fund</u>	<u>Zone S Sunnymead Boulevard Maintenance</u>	<u>CFD #4M Fund</u>	<u>Total Non-major Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 149,372
-	839,028	-	-	839,028
111,922	-	52,343	52,500	1,773,785
-	16,047	-	-	58,584
2,337	-	-	-	4,050
<u>114,259</u>	<u>855,075</u>	<u>52,343</u>	<u>52,500</u>	<u>2,824,819</u>
<u>155,237</u>	<u>774,212</u>	<u>47</u>	<u>6,003</u>	<u>2,694,828</u>
<u>155,237</u>	<u>774,212</u>	<u>47</u>	<u>6,003</u>	<u>2,694,828</u>
<u>(40,978)</u>	<u>80,863</u>	<u>52,296</u>	<u>46,497</u>	<u>129,991</u>
-	52,375	-	-	52,375
103,400	-	-	-	103,400
-	-	-	-	(17,925)
<u>103,400</u>	<u>52,375</u>	<u>-</u>	<u>-</u>	<u>137,850</u>
62,422	133,238	52,296	46,497	267,841
72,013	443,802	-	-	1,687,425
<u>\$ 134,435</u>	<u>\$ 577,040</u>	<u>\$ 52,296</u>	<u>\$ 46,497</u>	<u>\$ 1,955,266</u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE C ARTERIAL STREET LIGHTS ADMINISTRATION
YEAR ENDED JUNE 30, 2008**

	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 91,460	\$ 149,372	\$ 57,912
Charges for services	430,300	422,620	(7,680)
Use of money and property	<u>20,000</u>	<u>31,704</u>	<u>11,704</u>
Total Revenues	<u>541,760</u>	<u>603,696</u>	<u>61,936</u>
Expenditures:			
Current:			
Community and cultural	625,791	587,925	37,866
Capital Outlay	<u>363,930</u>	<u>-</u>	<u>363,930</u>
Total Expenditures	<u>989,721</u>	<u>587,925</u>	<u>401,796</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(447,961)</u>	<u>15,771</u>	<u>463,732</u>
Other Financing Sources (Uses):			
Transfers out to the City of Moreno Valley	<u>(17,550)</u>	<u>(17,550)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(17,550)</u>	<u>(17,550)</u>	<u>-</u>
Net Change in Fund Balances	(465,511)	(1,779)	463,732
Fund Balances, Beginning of Year	<u>745,751</u>	<u>745,751</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 280,240</u>	<u>\$ 743,972</u>	<u>\$ 463,732</u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE D STANDARD LANDSCAPING ADMINISTRATION
YEAR ENDED JUNE 30, 2008**

	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 1,216,150	\$ 1,134,400	\$ (81,750)
Use of money and property	12,000	10,833	(1,167)
Miscellaneous	<u>-</u>	<u>1,713</u>	<u>1,713</u>
Total Revenues	<u>1,228,150</u>	<u>1,146,946</u>	<u>(81,204)</u>
Expenditures:			
Current:			
Community and cultural	<u>1,297,473</u>	<u>1,171,404</u>	<u>126,069</u>
Total Expenditures	<u>1,297,473</u>	<u>1,171,404</u>	<u>126,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,323)</u>	<u>(24,458)</u>	<u>44,865</u>
Other Financing Sources (Uses):			
Transfers out to the City of Moreno Valley	<u>(375)</u>	<u>(375)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(375)</u>	<u>(375)</u>	<u>-</u>
Net Change in Fund Balances	(69,698)	(24,833)	44,865
Fund Balances, Beginning of Year	<u>425,859</u>	<u>425,859</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 356,161</u>	<u>\$ 401,026</u>	<u>\$ 44,865</u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE M MEDIAN FUND
YEAR ENDED JUNE 30, 2008**

	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 156,765	\$ 111,922	\$ (44,843)
Miscellaneous	-	2,337	2,337
Total Revenues	156,765	114,259	(42,506)
Expenditures:			
Current:			
Community and cultural	181,540	155,237	26,303
Total Expenditures	181,540	155,237	26,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,775)	(40,978)	(16,203)
Other Financing Sources (Uses):			
Transfers in from the City of Moreno Valley	103,400	103,400	-
Total Other Financing Sources (Uses)	103,400	103,400	-
Net Change in Fund Balances	78,625	62,422	(16,203)
Fund Balances, Beginning of Year	72,013	72,013	-
Fund (Deficit) Balances, End of Year	\$ 150,638	\$ 134,435	\$ (16,203)

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CFD #1 FUND
YEAR ENDED JUNE 30, 2008**

	Final Budget Amounts	Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other taxes	\$ 913,563	\$ 839,028	\$ (74,535)
Use of money and property	5,000	16,047	11,047
Total Revenues	918,563	855,075	(63,488)
Expenditures:			
Current:			
Community and cultural	890,344	774,212	116,132
Capital Outlay	153,032	-	153,032
Total Expenditures	1,043,376	774,212	269,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,813)	80,863	205,676
Other Financing Sources (Uses):			
Transfers in	20,500	52,375	31,875
Transfers out to the City of Moreno Valley	(1,500)	-	1,500
Total Other Financing Sources (Uses)	19,000	52,375	33,375
Net Change in Fund Balances	(105,813)	133,238	239,051
Fund Balances, Beginning of Year	443,802	443,802	-
Fund Balances, End of Year	\$ 337,989	\$ 577,040	\$ 239,051

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ZONE S SUNNYMEAD BOULEVARD MAINTENANCE
YEAR ENDED JUNE 30, 2008**

	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 72,343	\$ 52,343	\$ (20,000)
Total Revenues	<u>72,343</u>	<u>52,343</u>	<u>(20,000)</u>
Expenditures:			
Current:			
Community and cultural	<u>26,000</u>	<u>47</u>	<u>25,953</u>
Total Expenditures	<u>26,000</u>	<u>47</u>	<u>25,953</u>
Net Change in Fund Balances	46,343	52,296	5,953
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund (Deficit) Balances, End of Year	<u>\$ 46,343</u>	<u>\$ 52,296</u>	<u>\$ 5,953</u>

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CFD #4M FUND
YEAR ENDED JUNE 30, 2008**

	<u>Final Budget Amounts</u>	<u>Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	35,000	52,500	17,500
Total Revenues	<u>35,000</u>	<u>52,500</u>	<u>17,500</u>
Expenditures:			
Current:			
Community and cultural	35,000	6,003	28,997
Total Expenditures	<u>35,000</u>	<u>6,003</u>	<u>28,997</u>
Net Change in Fund Balances	-	46,497	46,497
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 46,497</u>	<u>\$ 46,497</u>

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