



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008

PREPARED BY:

THE FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

CITY OF MORENO VALLEY, CALIFORNIA

**CITY OF MORENO VALLEY
COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008**

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
Municipal Officials	v
Organization Chart	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Major Governmental Fund Financial Statements	16
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Budgetary Comparison Statements	
1. General Fund	23
2. Fire Services Special Revenue Fund	24
3. CSD Zones Special Revenue Fund	25
4. Development Impact Fees Special Revenue Fund	26
Enterprise Funds	27
Statement of Fund Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	29

**CITY OF MORENO VALLEY
COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008**

TABLE OF CONTENTS, (Continued)

	<u>Page Number</u>
BASIC FINANCIAL STATEMENTS, (Continued)	
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Fund Assets and Liabilities - Fiduciary Funds	31
Notes to Basic Financial Statements	32
SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – Major Governmental Funds	70
Lease Revenue Bonds 2005 Capital Projects	71
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Non-Major Governmental Funds	72
Combining Balance Sheet - Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	90
Budgetary Comparison Schedules - Special Revenue Funds	
State Gasoline Tax	102
Article 3 Transportation	103
Measure A	104
Law Enforcement	105
Public Education/Government Access Program	106
Air Quality Management	107
Community Development Block Grant	108
Special Districts Administration	109
NPDES CSA	110
Housing Assistance Program	111
Child Care Grant	112
Parks and Community Services PAL Grant	113
Used Oil Recycling	114
Storm Water Maintenance	115
Traffic Congestion Relief	116
Disaster	117
Beverage Container Recycling	118
Emergency Management Preparedness Grant	119
ASES Program Grant	120
Box Springs Water EPA Grant	121
TCA2-06-22 Local Gov't Waste TI	122
Prop 1B	123

**CITY OF MORENO VALLEY
 COMPREHENSIVE FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2008**

TABLE OF CONTENTS, (Continued)

	<u>Page Number</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES, (Continued)	
Budgetary Comparison Schedules - Capital Projects Funds	
City Hall Capital/Administration	124
Capital Improvements	125
PW	126
Traffic Signal Mitigation	127
Fire Services	128
Park Acquisition and Development	129
Towngate Capital/Administration	130
Centerpointe Capital/Administration	131
Warner Ranch Capital/Development	132
Auto Mall Capital/Administration	133
Parks and Community Services	134
TUMF	135
DIF	136
Stoneridge Capital Administration	137
Budgetary Comparison Schedules - Debt Service Funds	
OPA Sales Tax Agreements	138
City Hall COPs Series 1997	139
Auto Mall Special Tax Bonds	140
CFD #5 Stoneridge	141
Certificates of Participation Series 1993	142
Public Safety Lease Revenue Bonds 1997	143
Lease Revenue Bonds 2005	144
2007 Towngate Improvement Refunding	145
2007 Towngate Refunding	146
CFD #41 Infrastructure	147
Internal Service Funds	148
Combining Statement of Net Assets - Internal Service Funds	149
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	151
Combining Statement of Cash Flows - Internal Service Funds	153
Fiduciary Funds	155
Combining Balance Sheet - All Agency Funds	156
Combining Schedule of Changes in Assets and Liabilities - All Agency Funds	158
Schedule of General Capital Assets by Function and Activity	161

CITY OF MORENO VALLEY
COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008

TABLE OF CONTENTS, (Continued)

	<u>Page Number</u>
STATISTICAL SECTION	
Net Assets by Component	164
Change in Net Assets	165
Fund Balances, Governmental Funds	167
Changes in Fund Balances, Governmental Funds	168
Tax Revenues by Source, Governmental Funds	169
Key Revenues	170
Assessed Value and Estimated Actual Value of Taxable Property	171
Property Tax Rates	172
Principal Property Tax Payers	173
Property Tax Levies and Collections	174
Direct and Overlapping Debt	175
Legal Debt Margin	176
Ratios of Outstanding Debt by Type	177
Ratio of Bonded Debt	178
Pledged Revenue Coverage	179
Demographic and Economic Statistics	180
Principal Employers	181
Full-time and Part-time City Employees by Function	182
Capital Asset Statistics	183
Operating Indicators by Function	184



February 25, 2009

To the Honorable Mayor, Members of the City Council and Citizens of the City of Moreno Valley:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Moreno Valley (the City) for the fiscal year ended June 30, 2008.

The report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been 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.

The City's financial statements have been audited by Mayer Hoffman McCann, P.C., a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion on the City's financial statements for the fiscal year ended June 30, 2008. The independent auditor's report is presented as the first component of the financial section of this report.

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

Management has provided an overall analysis of the 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's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Moreno Valley

The City of Moreno Valley was incorporated on December 3, 1984. It is centrally located in Southern California, 66 miles east of Los Angeles and 100 miles north of San Diego. The City encompasses approximately 50 square miles of land area in western Riverside County and with a population of 183,860 as reported in May, 2008 by the California State Department of Finance, is the second largest city in Riverside County. Moreno Valley's population is expected to grow by 2,000 residents each year for the next five years, and within 30 years, the City's population is expected to reach its build out number of 300,000.

The City operates under the council-manager form of government with a five-member council elected by district for four-year overlapping terms. Each year the council elects the mayor for a one-year term. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a wide range of services, which include general government, public safety (police, fire, code enforcement, animal control services, disaster preparedness, and school crossing guards), construction and maintenance of highways and streets, economic development, library, an electric utility which primarily serves the newly developed areas of the City, and recreation including senior programs. In addition to general City activities, the Council is financially accountable for the Community Redevelopment Agency of the City of Moreno Valley, the Moreno Valley Community Services District, the Moreno Valley Public Financing Authority, and the Moreno Valley Public Facilities Financing Corporation. These entities are included as an integral part of the City's financial statements. Additional information on these legally separate entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager presents the proposed budget to the City Council for review in early May of each year. The Council holds a series of public meetings on the proposed budget, and generally adopts a final budget no later than June 30th. The City's fiscal year is July 1st through June 30th. The appropriated budget is prepared by fund, department and program and controlled at the department level. The City Manager can approve transfers between programs, departments or funds, provided that such transfers do not increase the overall budget. Appropriations that increase the budget require City Council approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 23 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund with appropriated annual budgets, this comparison is presented for the major funds on pages 24 to 26 and on page 71, and for the non-major funds this comparison is presented beginning on page 102.

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 Moreno Valley operates.

Local economy. The City of Moreno Valley is located in the Inland Empire, which consists of Riverside and San Bernardino Counties. The Inland Empire has experienced a vibrant economic environment and for the past five years the City has sustained strong residential and commercial growth. With the current economic situation the growth rate has slowed considerably.

Over the past five years the City has experienced double-digit growth in many of the key factors that generate revenue for the City. During this period assessed valuations of property increased by 134% while taxable sales increased by 61%. However, during fiscal year 2008 the City began to see the developing weakness in the economy that is now evident on a national basis. Assessed valuations of property showed modest growth of approximately 2% over the prior year while taxable sales actually declined by 11% as consumer spending showed dramatic slowing.

Long-term financial planning. Each year as part of the budget process, the City prepares a five-year financial plan for the general fund and updates the five-year capital improvement plan (CIP). The five-year financial plan includes the adopted budget plus four years of projections, which provides Council with the expected results of operations based on their budget policy decisions and assumptions about future revenues and expenditures. The five-year capital improvement plan includes all capital projects of \$25,000 or more, and identifies the timing of the project as well as the funding source. The first year of the CIP represents the capital expenditure budget for the City.

Cash management policies and practices. Cash temporarily idle during the year was invested principally in U.S. government agency securities and the State of California Local Agency Investment Fund (LAIF), and to a lesser extent in corporate bonds and notes. As required by state law and the City's Investment Policy, the maturities of the investments may not exceed five years, and at June 30, 2008 the average weighted maturity was 1.57 years. All securities were held in third-party safekeeping by Union Bank of California as agent for the City. All transactions originated and authorized by the City are transacted on a delivery versus payment (DVP) basis in order to perfect delivery. For FY 2007-08, the average yield on the investments was 4.57%.

Risk management. Risk exposures to the assets of the City are managed through a combination of self-insured retention and insurance coverage. The City believes that its current assets are adequate to cover the actuarially-determined liability for general liability and workers' compensation claims, including estimated claims incurred but not reported. The City maintains excess liability insurance to provide coverage beyond self-insured retentions of \$250,000 and \$300,000 per occurrence for general liability and workers' compensation, respectively.

Pension benefits. The City provides a defined benefit pension plan for all employees through a statewide plan managed by the California Public Employees Retirement System (CalPERS). The plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The City has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to CalPERS. Additional information on the plan can be found in Note 8 in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moreno Valley for its comprehensive annual financial report (CAFR) for the year ended June 30, 2007. This was the tenth consecutive year that the City has received this prestigious award. The City received the award for publishing an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Operations and Treasury Operations Divisions of the Financial & Administrative Services Department. We would like to express our appreciation to all members of these divisions who assisted and contributed to its preparation. Credit also must be given to other City departments for their assistance and the City Council for their continuous support for maintaining the highest standards of professionalism in the management of the City of Moreno Valley's finances.

Lastly, we would like to thank the City's independent auditors, Mayer Hoffman McCann, for their assistance in preparing this important financial document.

Respectfully submitted,



Steve Elam
Financial & Administrative Services Director

CITY OF MORENO VALLEY

MUNICIPAL OFFICIALS

June 30, 2008

CITY COUNCIL

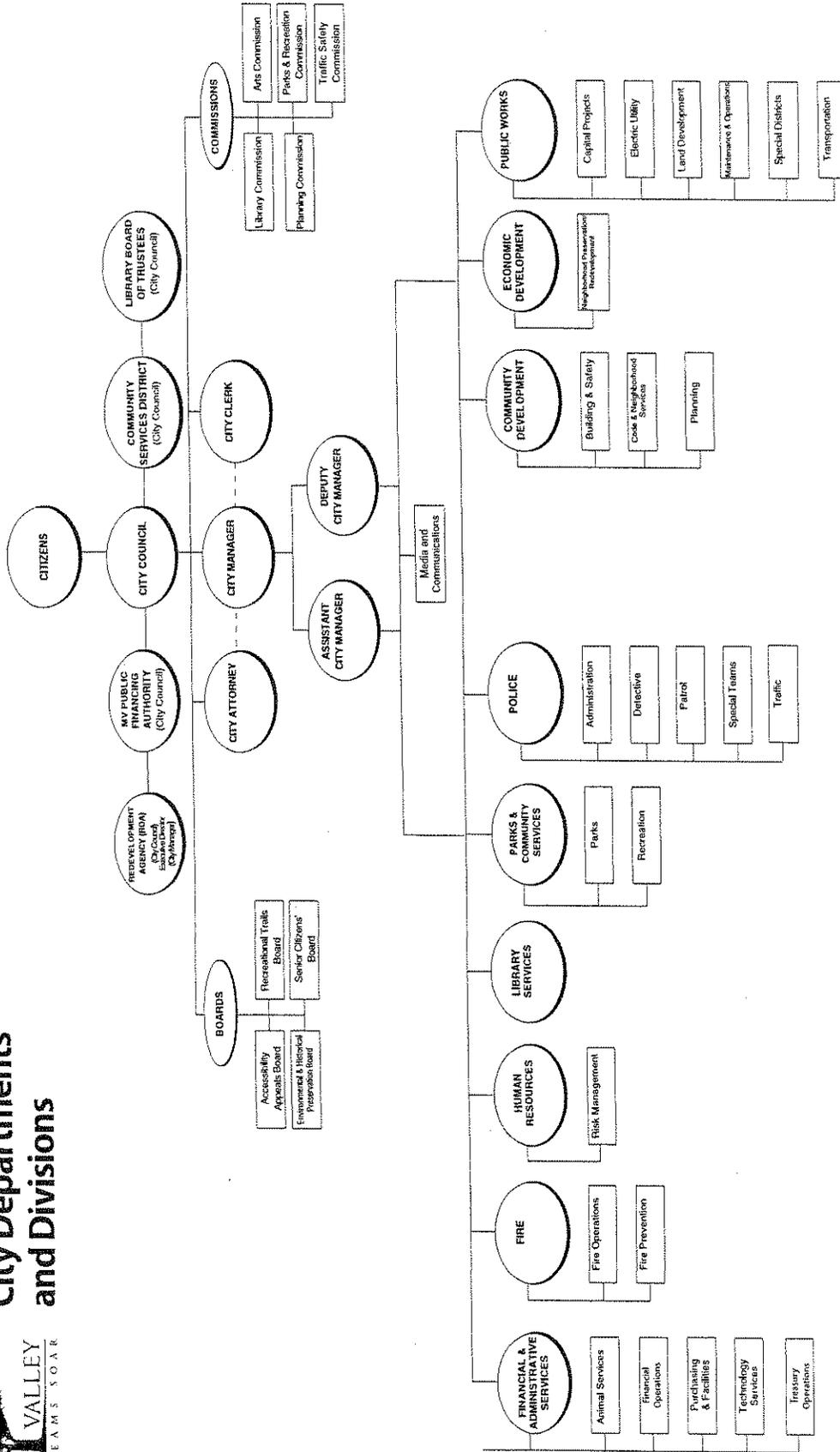
William H. Batey II, Mayor
Frank West, Mayor Pro Tem
Bonnie Flickinger, Councilmember
Richard A. Stewart, Councilmember
Charles R. White, Councilmember

EXECUTIVE OFFICERS

Robert G. Gutierrez, City Manager
Betsy Adams, Assistant City Manager
Rick Hartmann, Deputy City Manager
Angela Rushen, Assistant to the City Manager
Robert Herrick, City Attorney
Jane Halstead, City Clerk
Kyle Kollar, Community Development Director
Barry Foster, Economic Development Director
Steven M. Chapman, Finance Director
Steve Elam, Financial & Administrative Services Director
John Clark, Fire Chief
Chris Paxton, Human Resources Director
Becky Guillan, Acting Library Services Division Manager
Michael McCarty, Parks and Community Services Director
Rick Hall, Police Chief
Chris A. Vogt, Public Works Director/City Engineer



City Departments and Divisions



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moreno Valley
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emmer

Executive Director

(This page intentionally left blank)



Mayer Hoffman McCann P.C.

An Independent CPA Firm

2301 Dupont Drive, Suite 200
Irvine, California 92612
949-474-2020 ph
949-263-5520 fx
www.mhm-pc.com

Honorable Mayor and City Council
City of Moreno Valley
Moreno Valley, California

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Moreno Valley. 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 the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison information for the general fund and major special revenue funds of the City of Moreno Valley, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Mayor and City Council
City of Moreno Valley
Moreno Valley, California

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moreno Valley's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2009 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, 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.

Mayor Hoffman M. Carr P.C.

Irvine, California
February 20, 2009

Management's Discussion and Analysis

As management of the City of Moreno Valley (the City), we offer this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i through iv of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Moreno Valley exceeded its liabilities at June 30, 2008 by \$881 million (*net assets*). Of this amount, \$102.3 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net assets have increased by \$1.0 million from FY 2006-07, or 1.0%. This increase is primarily due to a reclassification of restricted net assets to unrestricted based on new information.
- The City's governmental activities' net assets increased by \$76.4 million, which is largely attributable to the issuance of the Community Redevelopment Agency 2007 Series A Tax Allocation Bonds and to the increase to capital assets, in particular infrastructure, constructed in large part with the proceeds of the 2005 Lease Revenue Bonds.
- During the year, the City (which includes the Community Redevelopment Agency of the City of Moreno Valley and the Moreno Valley Community Services District) had revenues that were \$76.2 million more than the \$167.1 million expenses recorded by the City in its governmental and business-type activities.
- The General Fund had a year-end fund balance of \$57.7 million, after a prior period adjustment to transfer sales tax from the General Fund to the appropriate fund. This was an increase of \$4.6 million and an 8.7% increase over FY 2006-07.
- In November 2007, the General Fund purchased Community Redevelopment Agency 2007 Series B, Subordinate Taxable Tax Allocation Bonds in the original issue amount of \$22,500,000. This amount is reflected on the General Fund Balance Sheet as a reserve to fund balance for advances to other funds. The amount of \$22,500,000 was reassigned as follows from several fund balance designations as equity for the bonds:

○ Development services	\$ 5,300,000
○ Emergencies and contingencies	\$14,482,720
○ Capital improvement projects	\$ 2,717,280
- A \$1.4 million designation of the General Fund unreserved fund balance was maintained to provide initial funding of the City's Other Post Employment Benefits (OPEB) liability (GASB 45), which will be actuarially determined and booked prior to June 30, 2009.
- The \$5.6 million reserve for revolving line of credit established in FY 2005-06 remained intact and provides an immediate source of funding for the Electric Utility's strategic energy purchases, capital needs and cash flow assistance.
- A \$1 million reserve established in FY 2006-07 for future debt service remained intact.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains certain supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in the net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in

this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements display functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, community and cultural, public works, and interest on long-term debt. The business-type activities of the City include the Electric Utility.

The government-wide financial statements include the City and its component units. The City's component units are the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Community Services District, Moreno Valley Public Financing Authority, and the Moreno Valley Public Facilities Financing Corporation. Although legally separate, for all practical purposes these entities function as departments of the City and therefore have been blended as part of the primary government.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. *Governmental funds* are used to account for the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information regarding governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund; Fire Services, CSD Zones, and Development Impact Fees Special Revenue Funds; and the Lease Revenue Bonds 2005 and Redevelopment Agency Capital Projects Funds. All of these are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the supplementary section of the report in the form of *combining statements*.

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

Proprietary funds. The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Electric Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for self-insured insurance programs, central stores, technology services, graphics, facilities, equipment maintenance, and equipment replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Electric Utility, the City's only enterprise fund, is included in the Basic Financial Statements. All internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary section of the report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as *trustee*. The *Statement of Fiduciary Fund Assets and Liabilities*, included in the Basic Financial Statements, separately reports all of the City's fiduciary activities. Detailed information of the fiduciary funds is included in the Agency Funds section. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Government-wide Financial Analysis

The following table presents a summarization of the City's assets, liabilities and net assets for its governmental and business-type activities as of June 30, 2008.

Table 1
Net Assets
(in \$000's)

	Governmental Activities		Business-type Activities		Totals	
	2007	2008	2007	2008	2007	2008
Current and other assets	\$ 280,076	\$ 319,431	\$ 20,821	\$ 13,659	\$ 300,897	\$ 333,090
Capital assets	629,908	708,022	33,529	35,179	663,437	743,201
Total assets	909,984	1,027,453	54,350	48,838	964,334	1,076,291
Current Liabilities	38,659	40,335	8,011	4,921	46,670	45,256
Long-term liabilities	79,581	118,939	31,239	31,111	110,820	150,050
Total liabilities	118,240	159,274	39,250	36,032	157,490	195,306
Net assets:						
Invested in capital assets, net of related debt	594,871	622,102	14,131	14,110	609,002	636,212
Restricted for						
Community development projects	-	41,908	-	-	-	41,908
Community & cultural	-	8,259	-	-	-	8,259
Public safety	974	664	-	-	974	664
Public works	66,493	79,746	-	-	66,493	79,746
Debt service	12,539	7,291	-	-	12,539	7,291
Other programs	14,863	3,598	-	-	14,863	3,598
Permanent funds - nonexpendable	62	65	-	-	62	65
Regulatory contingencies	-	-	1,604	948	1,604	948
Unrestricted	101,942	104,546	(634)	(2,252)	101,308	102,294
Total net assets	\$ 791,744	\$ 868,179	\$ 15,101	\$ 12,806	\$ 806,845	\$ 880,985

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Moreno Valley, assets exceeded liabilities by \$881 million at June 30, 2008.

By far the largest portion of the City's net assets (72%) is its investment in capital assets (e.g., land, buildings, machinery, and equipment) net of related debt. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summarization of the changes in net assets of the City's governmental and business-type activities, as of June 30, 2008.

Table 2
Changes in Net Assets
(in \$000's)

	Governmental		Business-type		Total	
	2007	2008	2007	2008	2007	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 38,730	\$ 44,539	\$ 8,712	\$ 10,311	\$ 47,442	\$ 54,850
Operating contributions and grants	6,138	11,121	-	-	6,138	11,121
Capital contributions and grants	74,753	74,004	1,605	-	76,358	74,004
General Revenues:						
Property tax	23,380	30,351	-	-	23,380	30,351
Property tax in lieu	14,150	16,728	-	-	14,150	16,728
Transient occupancy tax	586	593	-	-	586	593
Sales tax	15,701	13,624	-	-	15,701	13,624
Franchise tax	4,350	4,382	-	-	4,350	4,382
Business license tax	1,315	1,111	-	-	1,315	1,111
Utility user's tax	15,463	15,187	-	-	15,463	15,187
Franchise in lieu tax	79	97	-	-	79	97
Documentary transfer tax	973	575	-	-	973	575
Other taxes	6,321	2,620	-	-	6,321	2,620
Intergovernmental	16,054	801	-	-	16,054	801
Use of money and property	13,468	16,380	-	-	13,468	16,380
Other	406	889	-	-	406	889
Total Revenues	<u>231,867</u>	<u>233,002</u>	<u>10,317</u>	<u>10,311</u>	<u>242,184</u>	<u>243,313</u>
Expenses:						
General government	10,797	14,417	-	-	10,797	14,417
Public safety	43,416	54,412	-	-	43,416	54,412
Community development	9,643	10,965	-	-	9,643	10,965
Community and cultural	21,181	33,717	-	-	21,181	33,717
Public works	30,750	29,248	-	-	30,750	29,248
Interest on long-term debt	8,724	12,082	-	-	8,724	12,082
Electric	-	-	8,299	12,282	8,299	12,282
Total Expenses	<u>124,511</u>	<u>154,841</u>	<u>8,299</u>	<u>12,282</u>	<u>132,810</u>	<u>167,123</u>
Change in net assets before transfers	107,356	78,161	2,018	(1,971)	109,374	76,190
Transfers	(76)	62	76	(62)	-	-
Change in Net Assets	107,280	78,223	2,094	(2,033)	109,374	76,190
Restatement of Net Assets	2,069	(1,788)	(1,431)	(262)	638	(2,050)
Net Assets Beginning	682,395	791,744	14,438	15,101	696,833	806,845
Net Assets Ending	<u>\$ 791,744</u>	<u>\$ 868,179</u>	<u>\$ 15,101</u>	<u>\$ 12,806</u>	<u>\$ 806,845</u>	<u>\$ 880,985</u>

Operating contributions and grants increased \$5.0 million over FY 2006-07. This increase is because FY 2007-08 was the first full year of the After School Education and Safety (ASES) Program Grant.

Community and cultural expenditures increased \$12.5 million over FY 2006-07. The reasons for this increase are twofold. First, FY 2007-08 was the first full year of activity for the ASES Grant; second, expenses increased as a result of enhanced operations at the Community Park for upgraded soccer fields.

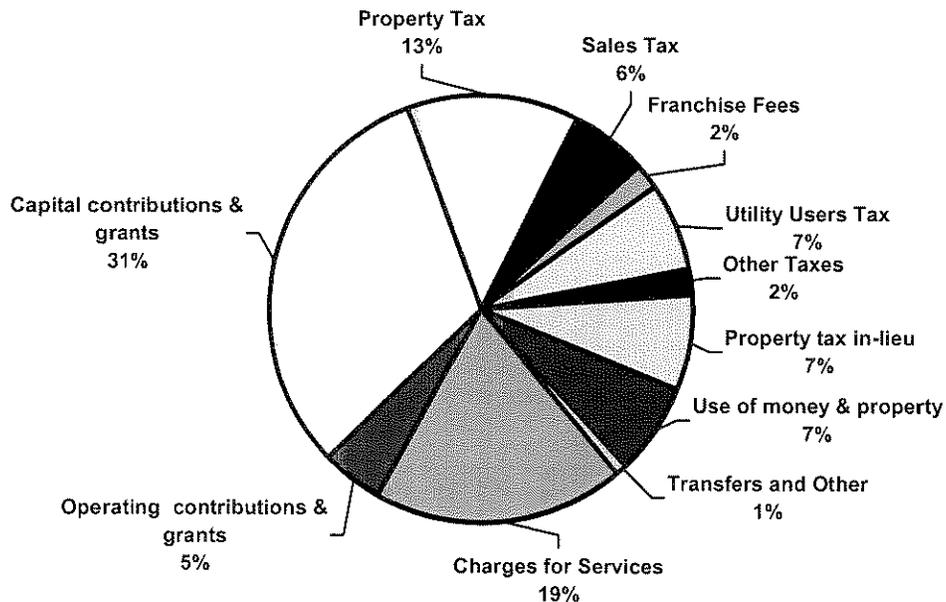
Public Safety expenditures increased \$11.0 million over FY 2006-07. This increase was caused by increased operating expenses associated with an added fire station and the addition of 14 sworn positions to the police force.

The Electric Utility increased its customer base by 504 customers during the fiscal year, an 11% increase for the relatively new utility. As a result revenues increased \$1.6 million. Electric Utility expenses increased by \$4.0 million primarily due to increased operations associated with infrastructure projects funded by the Lease Revenue Bonds.

Governmental Activities

The government’s net assets increased by \$76.4 million, with total revenues of \$233.0 million, total expenses of \$154.8 million, and a restatement of previously over-reported net assets of \$1.8 million, largely attributed to adjustments to correct the reporting of certain capital assets and accumulated depreciation. Program revenues were \$129.7 million and general revenues were \$103.3 million, funding the net difference between program revenues and expenses. The largest single revenue category was capital contributions and grants, at \$74 million. This program revenue is primarily related to developer contributed infrastructure. This revenue category decreased by \$0.7 million from FY 2006-07. The second largest single category of revenue was charges for services at \$44.5 million, which is also program revenue. This revenue is applied directly against expenses in recovering the costs of providing those services. This revenue category increased by \$5.8 million over FY 2006-07 primarily due to Proposition 1B revenue and Transportation Uniform Mitigation Fee (TUMF) revenue, both new this fiscal year. The third largest single revenue category was property tax at \$30.4 million, and is general revenue. Property tax in-lieu of vehicle license fees (VLF) was the fourth largest single revenue source at \$16.7 million; use of money and property was the fifth largest revenue source at \$16.4 million; and utility user’s tax was the sixth largest at \$15.2 million. Graph 1 presents the revenues by source for governmental activities for the fiscal year ended June 30, 2008.

Graph 1
Revenues by Source – Governmental Activities



The single largest expense category was public safety at \$54.4 million, accounting for 35% of total expenses. Community and cultural was the second largest expense category at \$33.7 million and 21.7% of total expenses. Public works was the third largest expense category at \$29.2 million. General government was the fourth largest expense category at \$14.4 million, followed by interest on long-term debt at \$12.1 million, the fifth largest expense category, and community development at \$11.0 million, the sixth largest expense category.

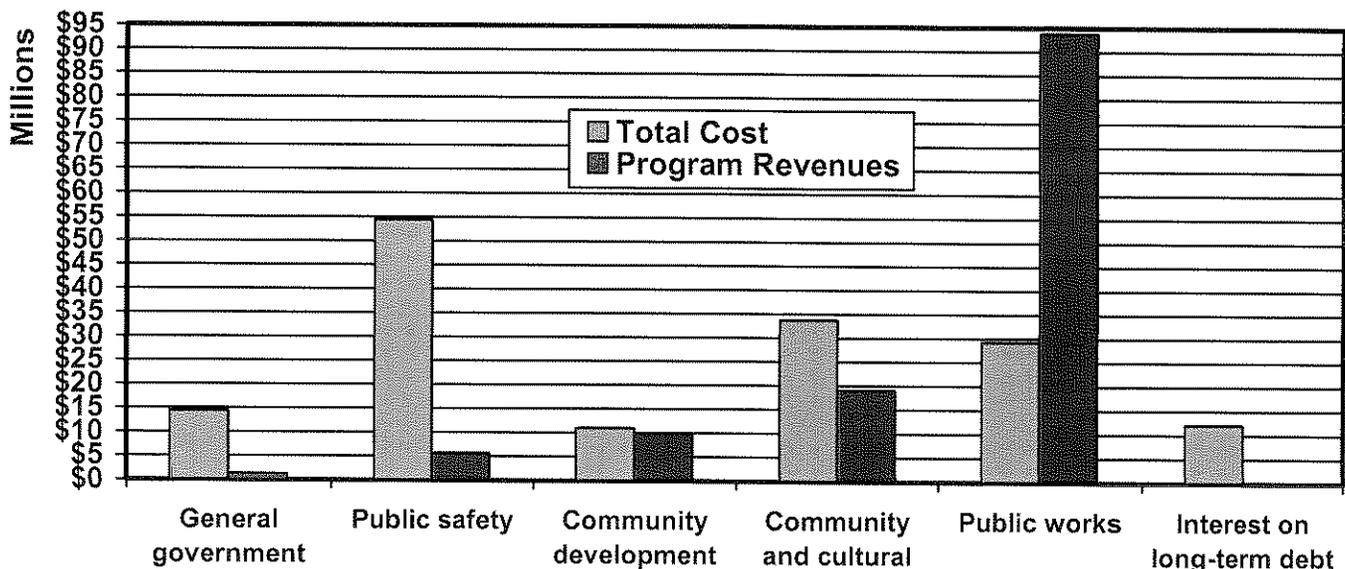
Table 3 presents the cost of each of the six major program categories, and identifies each program's *net cost* (total cost less revenues generated by the activities). The net cost is the financial burden that was placed on the City's taxpayers by each of the activities.

Table 3
Governmental Activities - Net Cost of Services
For the year ended June 30, 2008

	Total Cost of Services	Net Cost of Services
General government	\$ 14,416,941	\$ (13,087,080)
Public safety	54,412,284	(48,759,037)
Community development	10,964,507	(1,128,366)
Community and cultural	33,717,135	(14,642,374)
Public works	29,247,892	64,522,249
Interest on long-term debt	12,081,884	(12,081,884)
TOTAL	\$ 154,840,643	\$ (25,176,492)

As illustrated in the above table, program revenues recovered \$129.7 million of the cost of providing these services. The City paid for the remaining public benefit portion of these governmental activities with \$25.2 million in taxes (some of which were restricted for certain programs) and with other revenues. This governmental activity cost/revenue relationship is further illustrated in the following graph.

Graph 2
Governmental Activities - Net Cost of Services
For the year ended June 30, 2008



Business-Type Activities

The City's business-type activities include the activities of the Electric Utility. The net assets of the City's business-type activities decreased \$2.3 million primarily due to lower-than-expected revenues. The Electric Utility had total revenues of \$10.3 million, total expenses of \$12.3 million, transfers out of \$62,000, and a restatement of previously overstated net assets of \$0.3 million. The restatement of net assets corrects the amount of accumulated depreciation previously reported.

THE CITY'S FUNDS

Total fund balances presented in the governmental funds balance sheet are \$227.7 million with the General Fund representing \$57.7 million, or 25% of the total. The City's General Fund fund balance has reserved \$35.8 million for advances to other funds, revolving line of credit to the Electric Utility fund, future debt service, encumbrances, and prepaid and other assets.

General Fund Financial Results

The General Fund fund balance increased by \$5.4 million over FY 2006-07, after a prior period adjustment to transfer sales tax from the General Fund to the appropriate fund. The original budget anticipated a \$9 million increase. However, by mid-year the City realized revenues were not performing as anticipated. Departments received direction to take aggressive action to reduce expenditures in the last half of the fiscal year.

At fiscal year end, only two General Fund revenues met or exceeded the amended budget: Property taxes in lieu of VLF exceeded expectations by \$0.8 million and use of money and property exceeded expectations by \$2.6 million. Total revenues fell short of expectations by \$7.6 million.

General Fund actual expenditures were \$9.3 million less than the final amended budget. Major contributors to this result were:

- Public safety expenditures were \$3.5 million less than budget. These savings were due, in large part, to Animal Services deferring some projects and delaying hiring for open positions. Also, each of the eight police program budgets reduced spending for training and various operating items.
- Public works expenditures were \$2.5 million less than budget due primarily to savings in the Land Development and Inspections program budgets by reducing the use of consultants.
- Community development expenditures were \$1.6 million less than budget due primarily to savings in the Building and Safety Division and the Planning Division. Each division delayed hiring for open positions and Building and Safety reduced the use of consultants.

Other Major Fund Financial Results

The fund balance of the Fire Services Special Revenue Fund decreased by \$253,299 from FY 2006-07, and is the intended result of not allowing any further accumulation of fund balance as the fund is subsidized by the General Fund.

The fund balance of the CSD Zones Special Revenue Fund, after a prior period adjustment transferring monies from CSD Zone A to its dependent grant fund, increased by \$60,530 over FY 2006-07. This is primarily the result of transfers from other funds for services rendered on their behalf.

The fund balance of the Development Impact Fees Special Revenue Fund decreased by \$1.6 million from FY 2006-07. This is the result of less-than-expected revenues combined with transfers to capital projects funds for projects that are either partially or totally funded by these restricted revenues.

The fund balance of the Lease Revenue Bonds 2005 Capital Projects Fund, after an adjustment for prior year expenditures that were incorrectly charged to this fund, decreased by \$11.5 million. This is directly attributed to the spending of the 2005 bond proceeds on capital projects.

The fund balance of the Community Redevelopment Agency Capital Projects Fund, after adjustments for prior year revenue that should have been posted to the Agency and for land held for redevelopment that should have been reported as an asset of the Agency, increased \$41.0 million over FY 2006-07. This is attributed to the Agency's issuing 2007 Lease Revenue Bonds.

The net assets of the Electric Utility, after an adjustment to correct prior year accumulated depreciation, decreased by \$2.0 million from FY 2006-07. This is primarily the result of lower-than-expected operating revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the City's governmental activities had \$941.2 million (\$708 million net of depreciation) invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, vehicles, park facilities, roads, highways and bridges. The increase of \$98.6 million over FY 2006-07 is primarily attributed to the increased costs of infrastructure. Additionally, adjustments to certain capital assets and depreciation were made to correct prior year reporting.

At June 30, 2008, the City's business-type activities had \$36.7 million (\$35.2 million net of depreciation) invested in capital assets, primarily utility infrastructure. The increase of \$2.0 over FY 2006-07 is due to additions to the Electric Utility infrastructure.

Table 4 presents the City's capital assets by asset type.

Table 4
Capital Assets at Year End
(Net of Depreciation)
For the Year Ended June 30, 2008

	Governmental Activities	Business-type Activities
Land	\$ 303,283,370	\$ 1,237,459
Buildings and improvements	62,810,303	-
Machinery and equipment	2,517,321	-
Vehicles	4,542,317	-
Construction in progress	39,826,727	16,524,860
Infrastructure	295,041,683	17,416,750
TOTAL	<u>\$ 708,021,721</u>	<u>\$ 35,179,069</u>

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

Long-Term Debt

At year-end, the City's governmental activities had \$118.9 million in bonds, certificates of participation, notes and accrued interest, leases and compensated absences, versus \$79.6 million last year, an increase of \$39.3 million, or 49.4%. The increase is primarily the result of the Community Redevelopment Agency's issuance of \$43.5 million in 2007 Tax Allocation Bonds.

At June 30, 2008, the City's business-type activities had \$31.1 million in bonds and capital leases versus \$31.2 million last year. The decrease is the result of principal payments on the capital leases.

The City was able to meet its current debt obligations in a timely manner. The City has a Debt Management Committee and a City Council-approved Debt Management Policy. Table 5 provides the total long-term debt by category.

**Table 5
Outstanding Debt at Year End
For the Year Ended June 30, 2008**

	Governmental Activities	Business-type Activities
Special Tax Bonds	\$ 18,925,000	\$ -
Certificates of Participation	6,040,000	-
Lease Revenue Bonds	46,160,000	30,870,000
Tax Allocation Bonds	43,495,000	-
Notes (plus accrued interest)	2,433,744	-
Capital Leases	65,756	240,930
Compensated Absences	1,819,013	-
TOTAL	<u>\$ 118,938,513</u>	<u>\$ 31,110,930</u>

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Although the focus of this Annual Report is on the economic condition of the City in the fiscal year that ended June 30, 2008, it is incumbent upon the City's financial management to provide in this report some discussion of current issues and their economic impact on FY 2008-09 and future years.

With a January 1, 2008 population of 183,860, Moreno Valley remains the 2nd largest city in Riverside County. In 2005, the City was named by the U.S. Census Bureau as the nation's 6th fastest growing city of cities over 100,000 population. In subsequent years, Moreno Valley has remained in the top 25 for fastest growing cities. Moreno Valley is now the 4th largest city in the Inland Empire. Though it has slowed somewhat with the economic downturn, population growth continues because of Moreno Valley's ideal location at the junction of Interstate 215 and State Route 60, great housing options from homes that are affordable to young growing families to executive homes that reflect accomplishment, a family oriented lifestyle, good schools, and quality-of-life amenities.

According to the Riverside County Assessor's FY 2008-09 Annual Report issued in August 2008, the City of Moreno Valley assessed valuation grew by \$59 million, or 45% over 2007. In 2002, the City's assessed valuation was \$5.8 billion. In just six years it has grown to \$13.7 billion, a 136% increase. It is anticipated that assessed valuations will begin to decline in FY 2009-10 and continue through FY 2010-11 at levels slightly higher than the national norm.

At June 30, 2008 nearly 4,000 new homes had been completed in recent years or were being marketed. Another 3,300 had been approved, although construction had not yet started. More than 3,700 multi-family units (townhouses, condominiums and apartments) were approved or under construction. With the economic downturn, single-family building permit issuance declined significantly and housing resale prices have fallen.

In March 2007, and in conjunction with the City's 2007 lease revenue bond issue for financing the Electric Utility substation project, the City received notice from Standard and Poor's that the underlying credit rating on its lease revenue debt had been raised one category from 'A-' to 'A' with a stable future outlook. According to S&P, the rating is supported by "the City's strong economic growth and strong fiscal management policies and practices that have helped the City maintain a sound financial position." The enhanced underlying credit rating by S&P will have the potential of saving the City – and therefore City taxpayers – hundreds of thousands of dollars in future interest expense and bond insurance premiums. There is an inverse relationship between bond ratings and the interest rates at which bonds are issued: the higher the bond rating, the lower the interest rate for the bond due to the decreasing risk of default.

Moreno Valley experienced substantial non-residential growth in FY 2007-08. A number of projects were processed that will have a significant and positive impact on the City's ability to attract new development, as well as retain existing businesses. Construction of the \$12 million Sunnymead Boulevard improvement project is proceeding. General Growth Properties, the owners of the Moreno Valley Mall, completed renovations in a multi-phase project that included the opening of many new desirable retailers. Surrounding commercial centers enjoyed growth as well: Costco expanded, a new SportsAuthority and a hotel are under construction, and several new restaurants have opened or are seeking their entitlements.

With so many new rooftops in Moreno Valley, particularly in the fast developing eastern portion of the City, a number of new neighborhood shopping centers are being pursued. Moreno Valley's retail sales position illustrates a well-planned community experiencing significant growth with exciting opportunities for retailers and restaurants. A new Wal-Mart Super Center, adjacent to the Moreno Valley Auto Mall and Highway 60, opened in the spring of 2006 and the shopping center's second phase is under construction. Nearby, the new Stoneridge Towne Centre, which opened in the summer of 2007, added additional retailers and several financial institutions. Moreno Marketplace (a new 93,788 square foot retail center) and Iris Plaza (an 87,120 square foot retail center) are under construction and the 175,000 square foot Moreno Beach Marketplace (to be anchored by the City's second Lowe's Home Improvement Warehouse) was approved.

In terms of job growth, Moreno Valley has nearly 23 million square feet of industrial buildings under development and the City welcomed new major employers to the community, including Ecolite Concrete, Harman Kardon, Philips Consumer Electronics, ResMed, Ross Dress For Less (expansion project to double in size), and United Natural Foods.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial & Administrative Services Director, City of Moreno Valley, 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552-0805.

CITY OF MORENO VALLEY
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments (note 3)	\$ 280,103,460	\$ 13,701,153	\$ 293,804,613
Receivables:			
Accounts	4,648,671	1,569,111	6,217,782
Notes and loans	14,503,046	-	14,503,046
Accrued interest	2,994,479	-	2,994,479
Prepaid costs	77,044	-	77,044
Inventories	21,207	-	21,207
Due from other governments	11,547,776	-	11,547,776
Land held for redevelopment	3,916,126	-	3,916,126
Due from agency funds	8,203	-	8,203
Advances to/from other funds (note 7)	1,611,198	(1,611,198)	-
Capital assets not being depreciated (note 5)	343,110,097	17,762,319	360,872,416
Capital assets, net of accumulated depreciation (note 5)	<u>364,911,624</u>	<u>17,416,750</u>	<u>382,328,374</u>
Total assets	<u>1,027,452,931</u>	<u>48,838,135</u>	<u>1,076,291,066</u>
Liabilities:			
Accounts payable	10,962,610	1,122,882	12,085,492
Accrued liabilities	5,270,968	1,829,704	7,100,672
Accrued interest	1,434,753	278,530	1,713,283
Unearned revenue	1,966,805	-	1,966,805
Deposits payable	125,217	911,906	1,037,123
Due to other governments	16,764,044	-	16,764,044
Advances from developers	-	241,005	241,005
Advances from operator	-	537,137	537,137
Accrued claims and judgments	3,811,000	-	3,811,000
Noncurrent liabilities (note 6):			
Due within one year	4,074,658	213,023	4,287,681
Due in more than one year	<u>114,863,855</u>	<u>30,897,907</u>	<u>145,761,762</u>
Total liabilities	<u>159,273,910</u>	<u>36,032,094</u>	<u>195,306,004</u>
Net Assets:			
Invested in capital assets, net of related debt	622,102,140	14,110,399	636,212,539
Restricted for:			
Community development projects	41,908,201	-	41,908,201
Community & cultural	8,259,181	-	8,259,181
Public safety	663,854	-	663,854
Public works	79,745,801	-	79,745,801
Debt service	7,291,425	-	7,291,425
Other programs	3,598,110	-	3,598,110
Permanent funds-nonexpendable	64,692	-	64,692
Restricted for regulatory contingencies	-	948,207	948,207
Unrestricted	<u>104,545,617</u>	<u>(2,252,565)</u>	<u>102,293,052</u>
Total net assets	<u>\$ 868,179,021</u>	<u>\$ 12,806,041</u>	<u>\$ 880,985,062</u>

See Notes to Basic Financial Statements.

CITY OF MORENO VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	
Primary Government:				
Governmental Activities:				
General government	\$ 14,416,941	\$ 1,329,861	\$ -	\$ -
Public safety	54,412,284	4,948,923	704,324	-
Community development	10,964,507	6,962,389	2,873,752	-
Community and cultural	33,717,135	12,163,575	6,911,186	-
Public works	29,247,892	19,134,172	631,830	74,004,139
Interest on long-term debt	12,081,884	-	-	-
Total Governmental Activities	\$ 154,840,643	\$ 44,538,920	\$ 11,121,092	\$ 74,004,139
Business-Type Activities:				
Electric	12,282,161	10,311,654	-	-
Total Business-Type Activities	12,282,161	10,311,654	-	-
Total Primary Government	\$ 167,122,804	\$ 54,850,574	\$ 11,121,092	\$ 74,004,139

General Revenues:

Taxes:

- Property taxes
- Property taxes in lieu
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users' tax
- Other taxes
- Franchise in lieu taxes
- Documentary transfer tax
- Intergovernmental - motor vehicle in lieu, unrestricted
- Use of money and property
- Gain on sale of capital assets
- Miscellaneous

Transfers (note 7)

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year, As Restated (note 10)

Net Assets at End of Year

See Notes to Basic Financial Statements.

**Net (Expenses) Revenues and
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (13,087,080)	\$ -	\$ (13,087,080)
(48,759,037)	-	(48,759,037)
(1,128,366)	-	(1,128,366)
(14,642,374)	-	(14,642,374)
64,522,249	-	64,522,249
(12,081,884)	-	(12,081,884)
<u>\$ (25,176,492)</u>	<u>\$ -</u>	<u>\$ (25,176,492)</u>
-	(1,970,507)	(1,970,507)
-	(1,970,507)	(1,970,507)
<u>\$ (25,176,492)</u>	<u>\$ (1,970,507)</u>	<u>\$ (27,146,999)</u>
30,351,211	-	30,351,211
16,728,600	-	16,728,600
593,009	-	593,009
13,623,654	-	13,623,654
4,381,882	-	4,381,882
1,111,021	-	1,111,021
15,186,616	-	15,186,616
2,620,059	-	2,620,059
96,816	-	96,816
575,003	-	575,003
800,667	-	800,667
16,380,462	-	16,380,462
2,575	-	2,575
885,602	-	885,602
61,817	(61,817)	-
<u>103,398,994</u>	<u>(61,817)</u>	<u>103,337,177</u>
78,222,502	(2,032,324)	76,190,178
<u>789,956,519</u>	<u>14,838,365</u>	<u>804,794,884</u>
<u>\$ 868,179,021</u>	<u>\$ 12,806,041</u>	<u>\$ 880,985,062</u>

(This page intentionally left blank)

MAJOR GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

This fund is used to account for all financial resources of the city traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Fire Services Special Revenue Fund

This fund is used to account for the fire operations and fire prevention functions.

CSD Zones Special Revenue Fund

This group of funds is used to account for the revenues expended on the various Community Services District programs. There are eight Zones within the Community Services District providing services. Zone A-Parks and Community Services provides citywide park maintenance and recreation programming. Zone B-Residential Street Lighting provides residential subdivision street lighting. Zone C-Arterial Street Lighting provides citywide street lighting on major arterial streets. Zone D-Standard Landscaping provides landscaping for residential developments throughout the City. Zone E-Extensive Landscaping provides landscaping in major developments within the City. Zone L-Library Services provides library services to City residents. Zone M-Medians provides development and maintenance of median within the City. Community Facilities District (CFD) #1 provides maintenance of new neighborhood parks, trails and class 1 bikeways.

Development Impact Fees Special Revenue Fund

This group of funds is used to account for the restricted fees collected to provide funding for capital improvements related to the impact of development on various City services. The City collects fees for the following: arterial streets, traffic signals, fire facilities, police facilities, parkland facilities, Quimby in-lieu of parks, recreation facilities, library facilities, city hall facilities, corporate yard facilities, interchange improvements, maintenance equipment, and animal shelter facilities.

Lease Revenue Bonds 2005 Capital Projects Fund

This fund is used to account for the acquisition and construction of various capital improvements financed by the issuance of the Lease Revenue Bonds in July 2005.

Community Redevelopment Agency Capital Projects Fund

This fund is used to account for the tax increment revenues collected by the Community Redevelopment Agency and used for administrative expenditures, agency debt service, capital projects within the redevelopment project area, and low and moderate income housing programs as required by law.

Other Governmental Funds

These funds constitute all other governmental funds that do not meet the criteria to be a major fund, which is 10% or more of assets, liabilities, revenues or expenditures for the governmental funds and 5% or more of total assets, liabilities, revenues or expenditures for the total governmental and enterprise funds combined. These funds include other Special Revenue Funds, other Capital Projects Funds, all Debt Service Funds and all Permanent Funds of the City.

CITY OF MORENO VALLEY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds			
	General	Fire Services	CSD Zones	Development Impact Fees
Assets:				
Pooled cash and investments	\$ 593,277	\$ 2,609,980	\$ 44,368,879	\$ 21,122,212
Receivables:				
Accounts	2,660,771	54,400	202,059	-
Notes and loans	-	-	-	-
Accrued interest	2,741,689	-	-	-
Prepaid costs	8,397	-	-	-
Due from other governments	3,795,093	1,111,498	2,277,248	-
Due from other funds (note 7)	38,777,422	-	-	2,094,848
Land held for redevelopment	-	-	-	-
Advances to other funds (note 7)	55,379,744	-	-	-
Total Assets	\$ 103,956,393	\$ 3,775,878	\$ 46,848,186	\$ 23,217,060
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,680,307	\$ 13,536	\$ 657,401	\$ 5,144
Accrued liabilities	2,801,797	49,310	814,411	-
Due to other funds (note 7)	2,566,717	-	36,700,776	538,493
Deferred revenue	27,197,538	-	222,234	-
Unearned revenues	1,657,581	-	76,761	-
Advances from other funds (note 7)	-	-	-	-
Deposits payable	7,795	-	117,422	-
Due to other governments	10,354,649	3,432,963	-	-
Total Liabilities	46,266,384	3,495,809	38,589,005	543,637
Fund Balances:				
Reserved:				
Reserved for encumbrances	244,478	-	96,432	-
Reserved for prepaid and other assets	8,397	-	-	-
Reserved for debt service	1,000,000	-	-	-
Reserved for long-term receivables	-	-	-	-
Reserved for land held for redevelopment	-	-	-	-
Reserved for advances to other funds	28,899,289	-	-	-
Reserved for future projects	-	-	-	-
Reserved for endowments	-	-	-	-
Reserved for revolving line of credit	5,600,000	-	-	-
Unreserved:				
Unreserved, reported in nonmajor:				
Designated for continuing appropriations	438,339	26,551	577,291	-
Designated for emergency equipment	-	253,518	-	-
Designated for capital improvement projects	19,204,334	-	3,022,711	-
Designated for development services	-	-	-	-
Designated for contingencies	-	-	1,152,381	-
Designated for net unrealized investment gain	796,046	-	-	-
Designated for equipment for building and safety	99,126	-	-	-
Designated for debt service contribution	-	-	-	-
Designated for post-employment retirement benefits	1,400,000	-	-	-
Designated for developer credits and reimbursements	-	-	-	126,185
Undesignated, reported in:				
Special revenue funds	-	-	3,410,366	22,547,238
Capital projects funds	-	-	-	-
Total Fund Balances	57,690,009	280,069	8,259,181	22,673,423
Total Liabilities and Fund Balances	\$ 103,956,393	\$ 3,775,878	\$ 46,848,186	\$ 23,217,060

See Notes to Basic Financial Statements.

Capital Projects Funds			
Lease Revenue Bonds 2005	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ 23,959,591	\$ 80,897,437	\$ 76,824,303	250,375,679
163	1,535	1,727,618	4,646,546
-	11,813,830	2,689,216	14,503,046
-	114,826	137,964	2,994,479
-	629	31,819	40,845
-	789,402	3,574,535	11,547,776
-	2,571,217	10,028	43,453,515
-	3,916,126	-	3,916,126
-	292,499	580,657	56,252,900
\$ 23,959,754	\$ 100,397,501	\$ 85,576,140	\$ 387,730,912
\$ 2,565,452	\$ 1,065,315	\$ 4,590,538	\$ 10,577,693
39,309	183,485	946,147	4,834,459
-	585,757	3,012,846	43,404,589
-	157,980	187,597	27,765,349
-	-	232,463	1,966,805
-	54,632,703	8,999	54,641,702
-	-	-	125,217
-	2,739,436	236,996	16,764,044
2,604,761	59,364,676	9,215,586	160,079,858
9,383,603	7,024,448	14,160,217	30,909,178
-	629	31,819	40,845
-	22,500,223	17,068,660	40,568,883
-	11,813,830	2,689,216	14,503,046
-	3,916,126	-	3,916,126
-	292,499	580,657	29,772,445
-	-	520,769	520,769
-	-	64,692	64,692
-	-	-	5,600,000
2,481,113	39,503,216	-	43,026,510
-	-	-	253,518
-	-	-	22,227,045
-	-	-	-
-	-	-	1,152,381
-	-	-	796,046
-	-	-	99,126
-	-	-	-
-	-	-	1,400,000
-	-	-	126,185
-	-	19,400,722	45,358,326
9,490,277	(44,018,146)	21,843,802	(12,684,067)
21,354,993	41,032,825	76,360,554	227,651,054
\$ 23,959,754	\$ 100,397,501	\$ 85,576,140	\$ 387,730,912

(This page intentionally left blank)

CITY OF MORENO VALLEY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2008

Fund balances of governmental funds \$ 227,651,054

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

Capital assets net of depreciation have not been included as financial resources in governmental fund activity (excludes internal service capital assets).

Capital Assets	921,842,891
Accumulated Depreciation	(223,873,270)

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Long-term debt payable	(117,119,500)
Compensated absences (excludes internal service compensated absences)	(1,639,547)

Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds. (1,434,753)

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 change in fund balances, and consequently, are reported as deferred revenue in the balance sheet of governmental funds. 27,765,349

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets. 34,986,797

Net assets of governmental activities \$ 868,179,021

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

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Fire Services</u>	<u>CSD Zones</u>	<u>Development Impact Fees</u>
Revenues:				
Taxes:				
Property taxes	\$ 7,502,631	\$ 6,858,622	\$ 4,588,768	\$ -
Property taxes in lieu	16,728,600	-	-	-
Utility taxes	15,186,616	-	-	-
Sales taxes	11,694,525	-	-	-
Other taxes	6,757,732	-	839,028	-
Licenses and permits	2,330,640	-	-	-
Intergovernmental	1,504,699	44,830	72,324	-
Charges for services	10,864,742	14,881	10,750,799	1,679,703
Use of money and property	8,618,444	52,377	695,776	1,168,896
Fines and forfeitures	1,237,906	-	55,150	-
Miscellaneous	401,752	-	29,822	-
Total Revenues	<u>82,828,287</u>	<u>6,970,710</u>	<u>17,031,667</u>	<u>2,848,599</u>
Expenditures:				
Current:				
General government	11,685,340	-	-	-
Public safety	40,632,368	14,299,521	-	-
Community development	8,627,855	-	-	-
Community and cultural	-	-	17,356,278	-
Public works	6,989,974	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	<u>67,935,537</u>	<u>14,299,521</u>	<u>17,356,278</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,892,750</u>	<u>(7,328,811)</u>	<u>(324,611)</u>	<u>2,848,599</u>
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Transfers in (note 7)	972,980	7,075,512	593,417	7,728,301
Transfers out (note 7)	(10,426,073)	-	(210,851)	(12,210,613)
Sale of capital assets	-	-	2,575	-
Loss on sale of land held for redevelopment	-	-	-	-
Total Other Financing Sources (Uses)	<u>(9,453,093)</u>	<u>7,075,512</u>	<u>385,141</u>	<u>(4,482,312)</u>
Net Change in Fund Balances	5,439,657	(253,299)	60,530	(1,633,713)
Fund Balances, Beginning of Year, As Restated As Restated (note 10)	<u>52,250,352</u>	<u>533,368</u>	<u>8,198,651</u>	<u>24,307,136</u>
Fund Balances, End of Year	<u>\$ 57,690,009</u>	<u>\$ 280,069</u>	<u>\$ 8,259,181</u>	<u>\$ 22,673,423</u>

See Notes to Basic Financial Statements.

Capital Projects Funds			
Lease Revenue Bonds 2005	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 11,392,775	\$ 8,415	\$ 30,351,211
-	-	-	16,728,600
-	-	-	15,186,616
-	918,271	1,010,858	13,623,654
-	-	1,781,030	9,377,790
-	-	319,890	2,650,530
-	-	29,876,045	31,497,898
-	-	1,434,948	24,745,073
1,374,223	2,471,263	1,999,483	16,380,462
-	-	-	1,293,056
2,447	4,695	446,886	885,602
<u>1,376,670</u>	<u>14,787,004</u>	<u>36,877,555</u>	<u>162,720,492</u>
-	2,153,097	843,561	14,681,998
-	-	1,430,084	56,361,973
-	6,617,941	2,458,809	17,704,605
-	-	15,326,941	32,683,219
11,684,331	-	15,942,312	34,616,617
-	28,387	18,510,000	18,538,387
-	3,663,058	5,550,568	9,213,626
-	1,857,157	556,307	2,413,464
<u>11,684,331</u>	<u>14,319,640</u>	<u>60,618,582</u>	<u>186,213,889</u>
<u>(10,307,661)</u>	<u>467,364</u>	<u>(23,741,027)</u>	<u>(23,493,397)</u>
-	43,495,000	14,917,429	58,412,429
164,000	-	21,482,646	38,016,856
(1,374,223)	(3,010,413)	(9,455,942)	(36,688,115)
-	-	-	2,575
-	-	-	-
<u>(1,210,223)</u>	<u>40,484,587</u>	<u>26,944,133</u>	<u>59,743,745</u>
(11,517,884)	40,951,951	3,203,106	36,250,348
<u>32,872,877</u>	<u>80,874</u>	<u>73,157,448</u>	<u>191,400,706</u>
<u>\$ 21,354,993</u>	<u>\$ 41,032,825</u>	<u>\$ 76,360,554</u>	<u>\$ 227,651,054</u>

CITY OF MORENO VALLEY

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 \$ 36,250,348

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. 84,017,828

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Proceeds of debt issued is an other financing source in the governmental funds, but the proceeds increase long-term liabilities in the statement of net assets. (39,523,280)

Accrued interest for general long-term liabilities. This is the net change in accrued interest for the current period. (780,899)

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. 345,662

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. (3,725,878)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 1,638,721

Change in net assets of governmental activities \$ 78,222,502

CITY OF MORENO VALLEY
 BUDGETARY COMPARISON STATEMENT
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 8,100,000	\$ 8,100,000	\$ 7,502,631	\$ (597,369)
Property taxes in lieu	15,900,000	15,900,000	16,728,600	828,600
Utility taxes	18,150,000	18,150,000	15,186,616	(2,963,384)
Sales taxes	15,100,000	15,100,000	11,694,525	(3,405,475)
Other taxes	7,347,000	7,347,000	6,757,732	(589,268)
Licenses and permits	3,171,150	3,171,150	2,330,640	(840,510)
Intergovernmental	2,169,742	2,169,742	1,504,699	(665,043)
Charges for services	12,092,858	12,727,858	10,864,742	(1,863,116)
Use of money and property	5,733,728	6,006,910	8,618,444	2,611,534
Fines and forfeitures	1,216,000	1,277,059	1,237,906	(39,153)
Miscellaneous	435,000	485,000	401,752	(83,248)
Total Revenues	89,415,478	90,434,719	82,828,287	(7,606,432)
Expenditures:				
Current:				
General government:				
City Council	792,011	796,315	656,239	140,076
Administrative and Policy	1,737,779	1,737,779	1,678,586	59,193
City Clerk	1,005,499	1,162,447	839,321	323,126
Economic Development	1,050,211	1,050,211	691,145	359,066
City Attorney	1,408,928	1,408,928	1,089,573	319,355
Communications	900,380	920,831	814,245	106,586
Human Resources	1,512,535	1,512,535	1,218,615	293,920
Finance	4,336,874	4,343,874	3,991,003	352,871
Nondepartmental	168,260	480,684	706,613	(225,929)
Total general government	12,912,477	13,413,604	11,685,340	1,728,264
Public safety:				
Police	36,899,564	37,173,829	35,581,734	1,592,095
Fire Inspection	1,388,755	1,414,111	988,250	425,861
Animal Control	3,058,662	3,884,891	2,715,919	1,168,972
Volunteer/disaster services	837,988	886,988	690,088	196,900
Crossing Guards	726,029	726,029	656,377	69,652
Total public safety	42,910,998	44,085,848	40,632,368	3,453,480
Community development	10,010,369	10,189,147	8,627,855	1,561,292
Public works	8,637,221	9,524,276	6,989,974	2,534,302
Total Expenditures	74,471,065	77,212,875	67,935,537	9,277,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,944,413	13,221,844	14,892,750	1,670,906
Other Financing Sources (Uses):				
Transfers in	851,907	770,643	972,980	202,337
Transfers out	(6,783,571)	(6,947,571)	(10,426,073)	(3,478,502)
Total Other Financing Sources (Uses)	(5,931,664)	(6,176,928)	(9,453,093)	(3,276,165)
Net Change in Fund Balances	9,012,749	7,044,916	5,439,657	(1,605,259)
Fund Balances, Beginning of Year, as restated	52,250,352	52,250,352	52,250,352	-
Fund Balances, End of Year	\$ 61,263,101	\$ 59,295,268	\$ 57,690,009	\$ (1,605,259)

CITY OF MORENO VALLEY
 BUDGETARY COMPARISON STATEMENT
 FIRE SERVICES SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 7,400,000	\$ 7,400,000	\$ 6,858,622	\$ (541,378)
Licenses and permits	7,000	7,000	-	(7,000)
Intergovernmental	38,000	38,000	44,830	6,830
Charges for services	16,200	16,200	14,881	(1,319)
Use of money and property	50,000	50,000	52,377	2,377
Total Revenues	<u>7,511,200</u>	<u>7,511,200</u>	<u>6,970,710</u>	<u>(540,490)</u>
Expenditures:				
Current:				
Public safety	16,319,412	16,706,977	14,299,521	2,407,456
Total Expenditures	<u>16,319,412</u>	<u>16,706,977</u>	<u>14,299,521</u>	<u>2,407,456</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,808,212)</u>	<u>(9,195,777)</u>	<u>(7,328,811)</u>	<u>1,866,966</u>
Other Financing Sources (Uses):				
Transfers in	17,500	26,115	7,075,512	7,049,397
Total Other Financing Sources (Uses)	<u>17,500</u>	<u>26,115</u>	<u>7,075,512</u>	<u>7,049,397</u>
Net Change in Fund Balances	(8,790,712)	(9,169,662)	(253,299)	8,916,363
Fund Balances, Beginning of Year	533,368	533,368	533,368	-
Fund Balances, End of Year	<u>\$ (8,257,344)</u>	<u>\$ (8,636,294)</u>	<u>\$ 280,069</u>	<u>\$ 8,916,363</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON STATEMENT
CSD ZONES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Property taxes	\$ 4,557,910	\$ 4,557,910	\$ 4,588,768	\$ 30,858
Other taxes	913,563	913,563	839,028	(74,535)
Intergovernmental	100,000	100,000	72,324	(27,676)
Charges for services	11,325,702	11,325,702	10,750,799	(574,903)
Use of money and property	230,365	566,749	695,776	129,027
Fines and forfeitures	30,000	30,000	55,150	25,150
Miscellaneous	442,384	106,000	29,822	(76,178)
Total Revenues	<u>17,599,924</u>	<u>17,599,924</u>	<u>17,031,667</u>	<u>(568,257)</u>
Expenditures:				
Current:				
Community and cultural	20,320,824	21,593,239	17,356,278	4,236,961
Total Expenditures	<u>20,320,824</u>	<u>21,593,239</u>	<u>17,356,278</u>	<u>4,236,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,720,900)	(3,993,315)	(324,611)	3,668,704
Other Financing Sources (Uses):				
Transfers in	1,425,936	1,426,436	593,417	(833,019)
Transfers out	(129,683)	(109,183)	(210,851)	(101,668)
Sale of capital assets	-	-	2,575	2,575
Total Other Financing Sources (Uses)	<u>1,296,253</u>	<u>1,317,253</u>	<u>385,141</u>	<u>(932,112)</u>
Net Change in Fund Balances	(1,424,647)	(2,676,062)	60,530	2,736,592
Fund Balances, Beginning of Year as Restated	8,198,651	8,198,651	8,198,651	-
Fund Balances, End of Year	<u>\$ 6,774,004</u>	<u>\$ 5,522,589</u>	<u>\$ 8,259,181</u>	<u>\$ 2,736,592</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON STATEMENT
DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 17,193,338	\$ 17,193,338	\$ 1,679,703	\$ (15,513,635)
Use of money and property	1,288,000	1,288,000	1,168,896	(119,104)
Total Revenues	<u>18,481,338</u>	<u>18,481,338</u>	<u>2,848,599</u>	<u>(15,632,739)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	7,728,301	7,728,301
Transfers out	(7,720,965)	(8,454,613)	(12,210,613)	(3,756,000)
Total Other Financing Sources (Uses)	<u>(7,720,965)</u>	<u>(8,454,613)</u>	<u>(4,482,312)</u>	<u>3,972,301</u>
Net Change in Fund Balances	10,760,373	10,026,725	(1,633,713)	(11,660,438)
Fund Balances, Beginning of Year	24,307,136	24,307,136	24,307,136	-
Fund Balances, End of Year	<u>\$ 35,067,509</u>	<u>\$ 34,333,861</u>	<u>\$ 22,673,423</u>	<u>\$ (11,660,438)</u>

ENTERPRISE FUNDS

Electric Fund

This fund is used to account for the operations of the City electric utility, with its basic purpose to purchase and distribute electricity to customers in the City's newly developed areas under the "Greenfield" concept. The City began serving its first customers in February 2004.

CITY OF MORENO VALLEY

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2008

	<u>Enterprise Fund - Electric</u>	<u>Governmental Activities - Internal Service Funds</u>
Assets:		
Current:		
Cash and investments	\$ 13,701,153	\$ 29,727,781
Receivables:		
Accounts	1,569,111	2,125
Prepaid expenses	-	36,199
Inventories	-	21,207
	<u>15,270,264</u>	<u>29,787,312</u>
Total Current Assets		
	<u>15,270,264</u>	<u>29,787,312</u>
Noncurrent:		
Capital assets, net of accumulated depreciation (note 5)	<u>35,179,069</u>	<u>10,052,100</u>
Total Noncurrent Assets	<u>35,179,069</u>	<u>10,052,100</u>
	<u>35,179,069</u>	<u>10,052,100</u>
Total Assets	<u>\$ 50,449,333</u>	<u>\$ 39,839,412</u>
Liabilities and Net Assets:		
Liabilities:		
Current:		
Accounts payable	\$ 1,122,882	\$ 384,917
Accrued liabilities	1,829,704	436,509
Interest payable	278,530	-
Deposits payable	911,906	-
Due to the other funds (Note 7)	-	40,723
Bonds, notes, and loans payable - current (Note 6)	<u>213,023</u>	<u>-</u>
Total Current Liabilities	<u>4,356,045</u>	<u>862,149</u>
	<u>4,356,045</u>	<u>862,149</u>
Noncurrent:		
Advances from other funds (Note 7)	1,611,198	-
Advances from developers	241,005	-
Advances from operator	537,137	-
Self-insurance payable	-	3,811,000
Compensated Absences	-	179,466
Bonds, notes and loans payable - noncurrent (Note 6)	<u>30,897,907</u>	<u>-</u>
Total Noncurrent Liabilities	<u>33,287,247</u>	<u>3,990,466</u>
	<u>33,287,247</u>	<u>3,990,466</u>
Total Liabilities	<u>37,643,292</u>	<u>4,852,615</u>
	<u>37,643,292</u>	<u>4,852,615</u>
Net Assets:		
Invested in capital assets, net of related debt	14,110,399	10,052,100
Restricted for regulatory contingencies	948,207	-
Unrestricted	<u>(2,252,565)</u>	<u>24,934,697</u>
Total Net Assets	<u>12,806,041</u>	<u>34,986,797</u>
	<u>12,806,041</u>	<u>34,986,797</u>
Total Liabilities and Net Assets	<u>\$ 50,449,333</u>	<u>\$ 39,839,412</u>
	<u>\$ 50,449,333</u>	<u>\$ 39,839,412</u>

See Notes to Basic Financial Statements.

CITY OF MORENO VALLEY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2008

	<u>Enterprise Fund - Electric</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues:		
Sales and service charges	\$ 9,491,112	\$ 14,225,190
Miscellaneous	281,010	77,330
Total Operating Revenues	<u>9,772,122</u>	<u>14,302,520</u>
Operating Expenses:		
Electricity purchased	5,800,839	-
Services and supplies	3,515,335	-
Distribution Share	920,298	-
Cost of services	-	8,336,854
Self-insurance claims and charges	-	2,075,466
Depreciation	542,574	984,555
Total Operation Expenses	<u>10,779,046</u>	<u>11,396,875</u>
Operating Income (Loss)	<u>(1,006,924)</u>	<u>2,905,645</u>
Nonoperating Revenues (Expenses):		
Investment earnings	425,194	-
Interest expense	(1,500,210)	-
Engineering plan check fees	114,338	-
Bond issuance costs	(2,905)	-
Total Nonoperating Revenues (Expenses)	<u>(963,583)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>(1,970,507)</u>	<u>2,905,645</u>
Transfers in (note 7)	88,183	915,000
Transfers out (note 7)	(150,000)	(2,181,924)
Changes in Net Assets	<u>(2,032,324)</u>	<u>1,638,721</u>
Net Assets:		
Beginning of Fiscal Year, As Restated	<u>14,838,365</u>	<u>33,348,076</u>
Net assets at end of year	<u>\$ 12,806,041</u>	<u>\$ 34,986,797</u>

See Notes to Basic Financial Statements.

CITY OF MORENO VALLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Enterprise Fund - Electric	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ 9,229,600	\$ 14,309,011
Cash payments to suppliers for goods and services	(13,817,938)	(4,393,276)
Cash payments for claims	-	(1,439,466)
Cash payments to employees for services	1,116,368	(3,741,013)
Other operating revenues (expenses)	281,010	77,330
	(3,190,960)	4,812,586
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Noncapital Financing Activities:		
Cash received from other funds	71,683	945,000
Cash paid to other funds	(150,000)	(2,181,924)
Advances received from operator	227,203	-
	148,886	(1,236,924)
Net Cash Provided (Used) by Noncapital Financing Activities		
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(2,454,793)	(706,326)
Proceeds from disposal of capital assets	-	20,451
Engineering plan check fees	114,338	-
Advances repaid to developers	(902,647)	-
Capital contributions	-	-
Proceeds from capital-related debt	-	-
Principal paid on capital-related debt	(117,425)	-
Interest and fiscal charges on capital-related debt	(1,475,676)	-
	(4,836,203)	(685,875)
Net Cash Provided (Used) by Capital and Related Financing Activities		
Cash Flows from Investing Activities:		
Interest received	425,194	-
	425,194	-
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash and Investments	(7,453,083)	2,889,787
Cash and Cash Equivalents at Beginning of Year, as Restated	21,154,236	26,837,994
Cash and Cash Equivalents at End of Year	\$ 13,701,153	\$ 29,727,781
Reconciliation of Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (1,006,924)	\$ 2,905,645
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	542,574	984,555
Decrease (increase) in accounts receivable	(274,636)	83,821
Decrease (increase) in prepaid expenses	50	(8,406)
Decrease (increase) in inventories	-	3,490
Increase (decrease) in accounts payable	(3,246,770)	(132,188)
Increase (decrease) in accrued liabilities	1,801,000	119,480
Increase (decrease) in due to the City of Moreno Valley	-	40,723
Increase (decrease) in deposits payable	13,124	-
Increase (decrease) in liability payable from restricted assets	(1,009,118)	-
Increase (decrease) in compensated absences	(10,260)	179,466
Increase (decrease) in self-insurance payable	-	636,000
	(2,184,036)	1,906,941
Total Adjustments	(2,184,036)	1,906,941
Net Cash Provided (Used) by Operating Activities	\$ (3,190,960)	\$ 4,812,586

Schedule of Noncash Investing, Capital and Noncapital Financing Activities:

There were no significant noncash investing, capital and noncapital financing activities for the year ended June 30, 2008.

See Notes to Basic Financial Statements.

CITY OF MORENO VALLEY

STATEMENT OF FIDUCIARY FUND ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2008

Assets:

Cash and investments (note 3)	\$ 11,526,334
Receivables (net of allowance for uncollectibles):	
Accounts	14,142
Interest	800
Due from other governments	40,525
Restricted assets:	
Cash and investments with fiscal agents	<u>533,134</u>
Total Assets	<u>\$ 12,114,935</u>

Liabilities:

Accounts payable	\$ 15,492
Other accrued liabilities	1,770
Due to the City of Moreno Valley	8,203
Deposits payable	11,343,451
Payable to trustee	<u>746,019</u>
Total Liabilities	<u>\$ 12,114,935</u>

See Notes to Basic Financial Statements.

(This page intentionally left blank)

**City of Moreno Valley
Notes to Basic Financial Statements
Year ended June 30, 2008**

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Moreno Valley, California (the City), is located in the County of Riverside and was incorporated on December 3, 1984 under the general laws of the State of California. The City operates under an elected Council/City Manager form of government. The City's major operations include police and fire protection, public works, parks, recreation and certain social services and general administration services.

Reporting Entity

Accounting principles generally accepted in the United States of America require that these financial statements represent the City of Moreno Valley and its component units. A component unit is included in the primary government's financial statements if the governing body is substantively the same as that of the City or if the component unit provides services or other benefits almost entirely to the primary government. The component units discussed below are included in the City's reporting entity because of their operational significance or financial relationships with the City. These component units are controlled by common governing boards, which are substantively the same as the City's and are presented as blended component units for financial reporting purposes. The component units have the same fiscal year end as the City. For those that publish separate financial statements, those statements can be obtained from the City Clerk.

- The Community Redevelopment Agency of the City of Moreno Valley (the Agency) was established pursuant to the State of California Health and Safety Code, Section 53601, entitled Community Redevelopment Law. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the City of Moreno Valley.
- The Community Services District of the City of Moreno Valley (the District) was established pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982. Its purpose is to finance the acquisition and construction of certain major public capital infrastructure and improvements within the boundaries of the Community Facilities Districts.
- Community Facilities Districts No. 2 and No. 3 (Moreno Valley Auto Mall) and Towngate Community Facilities District No. 87-1 (Community Facilities Districts) were established pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982. Their purpose is to finance the acquisition and construction of certain major public capital infrastructure and improvements within the boundaries of the Community Facilities Districts and they are governed by City Council.
- Moreno Valley Public Facilities Financing Corporation (MVPFFC) and the Moreno Valley Public Financing Authority (MVPFA) are nonprofit public benefit corporations, formed for the purpose of providing public facility financing to the City. The Corporations' Boards of Directors are each composed of the five elected City Council members. Both Corporations may acquire, construct, rehabilitate, remodel, improve, install and finance or lease various facilities, land and equipment for the benefit of the City.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

a. Description of the Reporting Entity (continued)

- Industrial Development Authority (the Authority) was established pursuant to the "California Industrial Development Financing Act" of the California Government Code. The Authority was established for the purpose of financing the construction, acquisition and equipment of certain land and facilities within the City of Moreno Valley and is governed by the City Council. The Authority did not report any activity for the current year.

The accounting policies of the City of Moreno Valley conform with generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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. Certain indirect costs are included in the program expense reported for individual functions and activities. 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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, as are the proprietary fund financial statements. 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.

Agency funds use the accrual basis of accounting. Agency funds are not considered to have a measurement focus for financial reporting purposes.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal 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, 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 so have been recognized as revenue 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.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Services Special Revenue Fund accounts for the City's portion of the structural fire tax revenue to be used for providing fire services.

The CSD Zones Special Revenue Fund accounts for the following:

- CSD Zone A - administration and maintenance of the parks and community service facilities and programs.
- CSD Zone B - operations necessary to process and administer the residential street lighting program.
- CSD Zone C - operations necessary to process and administer the arterial street lighting program.
- CSD Zone D - operations necessary to provide landscaping in and around residential developments.
- CSD Zone E - operations necessary to provide high-service level landscape maintenance in and around specific major residential developments.
- CSD Zone L - operations necessary to process and administer the library service program.
- CSD Zone M - operations necessary to provide orderly development and maintenance of medians within the City of Moreno Valley designated as Zone M.
- CFD #1 - provides funding for maintenance of new neighborhood parks, trails and Class-I bikeways.
- CSD Zone S – provides orderly development and maintenance of extensive landscape services for commercial sites on Sunnymead Boulevard.
- CFD #4M – provides for the maintenance and administration costs of the detention basins within Centerpointe Business Park.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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

The Development Impact Fees Special Revenue Fund accounts for the following developer impact fees:

- Arterial Street development impact fees
- Traffic Signal development impact fees
- Fire Facility development impact fees
- Police Facility development impact fees
- Park Land Facility development impact fees
- Quimby In-Lieu Park Fees
- Recreation Center development impact fees
- Libraries development impact fees
- City Hall development impact fees
- Corporate Yard development impact fees
- Interchange Improvements development impact fees
- Maintenance Equipment development impact fees
- Animal Shelter development impact fees

The Lease Revenue Bonds 2005 Capital Projects Fund accounts for the activities associated with the debt issued for the expansion of the City's public safety building, electric utility infrastructure, construction of a fire station and various public work projects.

The Community Redevelopment Agency Capital Projects Fund accounts for the revenues received and expenditures made for redevelopment operations.

The City elected to report its enterprise fund as a major business-type fund.

- The Electric Fund accounts for the operations of the City's electric utility.

Additionally the government reports the following fund types:

Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Internal Service Funds account for financial transactions related to repair, replacement and maintenance of City-owned equipment, the City's self-insurance programs and the City's general information systems and telecommunications hardware and software. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which includes assets held on behalf of customers and trustees for the Assessment Districts, TUMF and MSHCP Trust funds.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

d. Assets, Liabilities and Net Assets or Equity

Deposits and Investments and Cash and Cash Equivalents

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.

Investments for the City, as well as for its component units, are reported at fair value except for investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. The City's policy is generally 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.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Assets or Equity (Continued)

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". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "advances to/from from other funds".

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

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

Inventory and Prepaid Items

Inventories in the Central Services Internal Service Fund and the Equipment Maintenance Internal Service Fund are valued at cost using the first-in/first-out (FIFO) method. Inventory consists of expendable supplies held for consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

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 City 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.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Assets or Equity (Continued)

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

Deferred Revenue and Unearned Revenue

The City reports deferred revenue in the fund-level statements. Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

The City reports unearned revenue in the fund-level statements and in the Statement of Net Assets. Unearned revenue arises when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused annual leave benefits. The City records the annual leave liability using benefits earned by employees at the balance sheet date that will result in termination payments rather than compensated absences. The City records the annual leave liability using the dollar value of employees' rights to receive compensation attributable to services already rendered.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 debt service expenditures.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Assets or Equity (Continued)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Secured property taxes are payable in two installments with December 10 the last day to pay the first installment of secured property taxes without penalty, and April 10 the last day to pay the second installment of secured property taxes without penalty. Unsecured personal property taxes are due in a single installment on August 31. The County of Riverside bills and collects the property taxes and remits them to the City in installments during the year. Property taxes received within 60 days after the City's fiscal year end are considered "measurable" and "available" and are accrued in the City's financial statements.

e. 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 funds statement of revenues, expenditures and changes in fund balances net change in fund balances differs from the government-wide statement of activities change in net assets. One element of the reconciliation between these two amounts explains that "governmental funds report capital outlay 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."

The details of this \$84,017,828 difference are as follows:

Capital outlay	\$ 30,695,511
Depreciation expense	(20,681,822)
Contributed assets	<u>74,004,139</u>
Net adjustment to increase changes in net assets of governmental activities	<u>\$ 84,017,828</u>

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Information

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all Governmental Fund types. The budget is prepared on a GAAP basis. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 2: Stewardship, Compliance and Accountability (Continued)

a. Budgetary Information (Continued)

The City Council may amend the budget only 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.

The City's formal budgetary process begins at the operating program level. Departmental budgets are comprised of the various operating program budgets. Operating programs do not cross departmental lines. Individual fund budgets consist of the departmental budgets; departmental budgets may cross fund lines.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund types, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control (legal level) for most funds is established by the amount of expenditures budgeted at the departmental and fund levels. Accordingly, the General Fund expenditures are displayed in the supplementary schedules at the department level and the Special Revenue, Debt Service and Capital Projects Funds expenditures are displayed at the function level. Management control is exercised at the line item level in each operating program. Management can transfer budgeted amounts between operating programs, departments or funds, provided that such transfers do not increase the overall budget. Appropriations that increase the budget require City Council approval.

A budgetary comparison schedule was not presented for the Community Redevelopment Agency, PW Capital Projects, Park Acquisition and Development Capital Projects, Celebration Park Endowment and Equestrian Trail Endowment Funds because an annual budget was not legally adopted for these funds.

Note 3: Cash and Investments

As of June 30, 2008, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 280,103,460
Business-Type Activities	13,701,153
Fiduciary funds	<u>12,059,468</u>
Total Cash and Investments	<u>\$ 305,864,081</u>

Cash and investments as of June 30, 2008 consist of the following:

Petty cash and change boxes	\$ 5,920
Investments	<u>305,858,161</u>
Total Cash and Investments	<u>\$ 305,864,081</u>

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

Deposits

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$100,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by the California Agents of Depository are considered to be held for, and in the name of, the local government agency.

Investments

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

- U.S. Treasury Bills
- Government Agency Securities
- California State Local Agency Investment Fund (LAIF)
- Bonds, notes or other indebtedness of the State of California
- Bonds, notes or other indebtedness of local agencies in California
- Bankers Acceptances
- Commercial Paper
- Time Deposits (Non-Negotiable Certificates of Deposit)
- Repurchase Agreements
- Corporate Obligations
- Negotiable Certificates of Deposit
- Mortgage Backed Securities, Mortgage Pass-through Securities
- Asset Backed Securities
- Mutual Funds and Money Market Accounts
- Other Government Sponsored Investment Pools

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 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.

Credit Risk

The City's investment policy limits investments in medium term notes (MTN's) to those rated in the top three categories by two of the three largest nationally recognized rating services at the time of purchase. As of June 30, 2008, the City's investment in medium term notes consisted of investments with Abbott Labs, American General Finance Corp., American Express Corp., Bear Stearns Co., Berkshire Hathaway, Citigroup, CIT Group, Credit Suisse, General Electric Capital Corp., Goldman Sachs, HSBC Finance Corp., JP Morgan, Lehman Bros, Marshall Ilsley Bank, MBNA (Bank of America), Merrill Lynch, Morgan Stanley, Suntrust Bank, Unilever Capital, Wai-Mart Stores, Wachovia Corp, World Savings Bank and Washington Mutual Bank. At June 30, 2008, all MTN's were rated "A" or higher by Moody's with the exception of American General Finance Corp, CIT Group and Washington Mutual Bank that have been downgraded to a level below "A" since the date of purchase. All securities were investment grade and legal under State and City law at their time of purchase. Federal agency securities are rated AAA. Investments in U.S. Treasury securities are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2008, the City's investments in external investment pools and investment agreements are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2008, none of the City's deposits or investments were exposed to disclosable custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions on the maximum percentage it can invest in medium term notes and government agency securities with any one issuer. The limitation is 30% of the City's total investment portfolio for medium term notes and 70% for government agency securities. The City's investment policy does not impose restrictions on the maximum percentage it can invest in any other investment. As of June 30, 2008, the City is in compliance with the investment policy restriction.

The City has invested more than 5% of the total investment value with the following issuers:

Federal Farm Credit Banks	5.59%
Federal Home Loan Bank	11.16%
Federal Home Loan Mortgage Corp.	9.53%

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment portfolio will not directly invest in securities maturing in more than five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2008, the City had the following investments and original maturities:

Investment Type	6 months to 1				More than 5 years	Fair Value
	6 months or less	year	1 to 3 years	3 to 5 years		
Local Agency Investment Fund	\$ 116,674,695	\$ -	\$ -	\$ -	\$ -	\$116,674,695
Money Market Funds	1,063,623	-	-	-	-	1,063,623
Negotiable Certificates of Deposit	-	1,002,430	-	-	-	1,002,430
Medium Term Notes	4,409,526	4,972,250	33,082,273	10,907,990	-	53,372,039
Federal Agricultural Mortgage Corp	-	-	975,932	-	-	975,932
Federal Farm Credit Banks	1,003,750	-	7,065,640	9,035,330	-	17,104,720
Federal Home Loan Bank	2,007,500	-	14,052,520	18,074,300	-	34,134,320
Federal Home Loan Mortgage Corp	1,000,090	1,005,940	8,078,750	19,069,390	-	29,154,170
Federal National Mortgage Assn.	-	1,639,526	1,995,310	10,967,840	-	14,602,676
Held by Bond Trustee:						
Money Market Funds	19,428,018	-	-	-	-	19,428,018
Investment Agreements:						
ISIS Funding Corp	15,352,835	-	-	-	-	15,352,835
MBIA	2,992,703	-	-	-	-	2,992,703
	<u>\$ 163,932,740</u>	<u>\$ 8,620,146</u>	<u>\$ 65,250,425</u>	<u>\$68,054,850</u>	<u>\$ -</u>	<u>\$305,858,161</u>

Note 4: Notes and Loans Receivables

Notes and loans receivables consist primarily of revolving home improvement loans and are due beyond one year.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 5: Capital Assets

General government capital asset activity for the year ended June 30, 2008 follows:

	Balance July 1, 2007	Adjustments	Balance July 1, 2007 as Adjusted	Additions	Deletions	Balance June 30, 2008
Non-Depreciable Assets:						
Land	\$ 305,281,061	\$ (2,436,717)	\$ 302,844,344	\$ 439,026	\$ -	\$ 303,283,370
Construction-in-progress	20,394,730	-	20,394,730	31,404,337	(11,972,340)	39,826,727
Subtotal - Non-Depreciable Assets	325,675,791	(2,436,717)	323,239,074	31,843,363	(11,972,340)	343,110,097
Depreciable Assets:						
Buildings & Improvements	92,749,655	10	92,749,665	1,698,398	(52,763)	94,395,300
Machinery and equipment	9,772,748	-	9,772,748	913,716	(23,225)	10,663,239
Vehicles	8,963,465	38,291	9,001,756	1,091,534	(337,958)	9,755,332
Infrastructure	405,377,520	(3,013,490)	402,364,030	80,896,366	-	483,260,396
Subtotal - Depreciable Assets	516,863,388	(2,975,189)	513,888,199	84,600,014	(413,946)	598,074,267
Total Capital Assets	842,539,179	(5,411,906)	837,127,273	116,443,377	(12,386,286)	941,184,364
Less Accumulated Depreciation for:						
Buildings & Improvements	30,254,353	(1,578,655)	28,675,698	2,912,465	(3,166)	31,584,997
Machinery & equipment	7,189,519	(62,020)	7,127,499	1,021,193	(2,774)	8,145,918
Vehicles	4,618,758	(40)	4,618,718	932,255	(337,958)	5,213,015
Infrastructure	170,641,469	1,761,335	172,402,804	15,815,909	-	188,218,713
Total Accumulated Depreciation	212,704,099	120,620	212,824,719	20,681,822	(343,898)	233,162,643
Total Net Capital Assets	\$ 629,835,080	\$ (5,532,526)	\$ 624,302,554	\$ 95,761,555	\$ (12,042,388)	\$ 708,021,721

The adjustments are due to certain capital assets and depreciation not being properly reported in the prior year.

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

Governmental Activities:	
General government	\$ 202,340
Public safety	828,980
Community development	712,311
Community and cultural	1,991,653
Public works	15,961,984
Internal service funds	984,554
Total	\$20,681,822

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 5: Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2008 follows:

	<u>Balance July 1, 2007</u>	<u>Adjustments</u>	<u>Balance July 1, 2007 as Adjusted</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Non- Depreciable Assets:						
Land	\$ 1,287,459	\$ (50,000)	\$ 1,237,459	\$ -	\$ -	\$ 1,237,459
Construction-in-progress	<u>14,203,759</u>	<u>-</u>	<u>14,203,759</u>	<u>2,321,101</u>	<u>-</u>	<u>16,524,860</u>
Subtotal - Non- Depreciable Assets	15,491,218	(50,000)	15,441,218	2,321,101	-	17,762,319
Depreciable Assets:						
Infrastructure	<u>18,715,164</u>	<u>-</u>	<u>18,715,164</u>	<u>183,692</u>	<u>-</u>	<u>18,898,856</u>
Subtotal - Depreciable Assets	18,715,164	-	18,715,164	183,692	-	18,898,856
Total Capital Assets	34,206,382	(50,000)	34,156,382	2,504,793	-	36,661,175
Less Accumulated Depreciation for:						
Infrastructure	<u>677,200</u>	<u>262,332</u>	<u>939,532</u>	<u>542,574</u>	<u>-</u>	<u>1,482,106</u>
Total Accumulated Depreciation	677,200	262,332	939,532	542,574	-	1,482,106
Total Net Capital Assets	<u>\$ 33,529,182</u>	<u>\$ (312,332)</u>	<u>\$ 33,216,850</u>	<u>\$ 1,962,219</u>	<u>\$ -</u>	<u>\$ 35,179,069</u>

Depreciation expense for business-type activities was charged as follows:

Electric Utility \$ 542,574

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 6: Long-Term Debt

Changes in Long-Term Debt - Governmental Activities

The following is a schedule of changes in long-term debt of the entity for the fiscal year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Towngate Community Facilities District No. 87-1:					
Special Tax Refunding Bonds, Series A	\$ 10,170,000	\$ -	\$ 10,170,000	\$ -	\$ -
Special Tax Refunding Bonds, Series B	2,340,000	-	2,340,000	-	-
Special Tax Bonds, Improvement Area No. 1	3,935,000	-	3,935,000	-	-
2007 Towngate Special Tax Refunding Bonds	-	10,665,000	-	10,665,000	575,000
2007 Towngate Improvement Tax Refunding Bonds	-	4,075,000	-	4,075,000	220,000
Community Facilities District No. 3:					
Auto Mall Special Tax Bonds	4,970,000	-	785,000	4,185,000	865,000
Moreno Valley Public Facilities Financing Corporation:					
Refunding Certificates of Participation, Series 1997	6,590,000	-	550,000	6,040,000	570,000
Moreno Valley Public Financing Authority:					
Lease Revenue Bonds, 1997	4,260,000	-	175,000	4,085,000	185,000
Lease Revenue Bonds, 2005	42,630,000	-	555,000	42,075,000	865,000
City:					
Compensated Absences	1,995,469	2,831,231	3,007,686	1,819,013	1,065,992
Child Development Portable Classrooms	90,414	-	24,658	65,756	24,658
Community Redevelopment Agency:					
Notes Payable, Price Company	2,462,131	-	28,387	2,433,744	-
Price Company Accrued Interest	148,675	208,864	357,539	-	-
RDA - 2007 Tax Allocation Bonds Series A	-	43,495,000	-	43,495,000	770,000
	<u>\$ 79,591,689</u>	<u>\$ 61,275,095</u>	<u>\$ 21,928,270</u>	<u>\$ 118,938,513</u>	<u>\$ 5,140,650</u>

Special Tax Refunding Bonds, Series A and Series B

Towngate Community Facilities District No. 87-1, Special Tax Refunding Bonds in the original issue amount of \$14,170,000 for Series A and \$8,530,000 for Series B were issued to refund certain outstanding bonds issued by Towngate Community Facilities District No. 87-1. The bonds mature in both serial and term fashion through December 1, 2021 and bear interest, payable semi-annually, at rates ranging from 3.00% to 6.50%. The bonds are subject to mandatory redemption at any time prior to maturity and subject to optional redemption beginning on December 1, 2002. The bonds are payable from and secured by a special tax levy against certain affected parcels within the District. Under an arrangement (Participation Agreement) involving the District, the City and the City's Redevelopment Agency, the required tax levy may be reduced in part by the reimbursable tax increment and utility reimbursements from the Agency.

Special Tax Bonds, Improvement Area No. 1

Towngate Community Facilities District No. 87-1, Improvement Area No. 1 Special Tax Bonds in the original issue amount of \$5,000,000 were issued to finance the acquisition and construction of certain major infrastructure facilities to serve property within Improvement Area No. 1. The bonds mature in both serial and term fashion through October 1, 2023 and bear interest, payable semiannually, at rates ranging from 4.250% to 7.125%. The bonds are subject to mandatory redemption at any time prior to maturity and subject to optional

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

redemption beginning on October 1, 2001. The bonds are payable from and secured by a special tax levy against certain affected parcels within the District. Under an arrangement (a Cooperation and Reimbursement Agreement) involving the District, the City and the City's Redevelopment Agency, the required tax levy may be reduced in part by a reimbursable tax increment from the Agency to a maximum of 70.300% of required debt service.

2007 Towngate Special Tax Refunding Bonds

Towngate CFD 87-1 2007 Special Tax Refunding Bonds in the original issue of \$10,665,000 were issued in November 2007 to refund prior bonds currently outstanding, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial fashion through December 1, 2021 and bear interest ranging from 3.50% to 5.00%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on December 1, 2017. The bonds are payable from and secured by a special tax levy against certain affected parcels within the District. Under an arrangement (Participation Agreement) involving the District, the City and the City's Redevelopment Agency, the required tax levy may be reduced in part by the reimbursable tax increment and utility reimbursements from the Agency. This refunding resulted in an economic gain of approximately \$1,061,603.

2007 Towngate Improvement Tax Refunding Bonds

CFD 87-1 Improvement Area No. 1 Special Tax Refunding Bonds in the original issue of \$4,075,000 were issued in November 2007 to refund prior bonds currently outstanding, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial fashion through October 1, 2023 and bear interest ranging from 3.75% to 4.875%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on April 1, 2008. The bonds are payable from and secured by a special tax levy against certain affected parcels within the District. Under an arrangement (a Cooperation and Reimbursement Agreement) involving the District, the City and the City's Redevelopment Agency, the required tax levy may be reduced in part by a reimbursable tax increment from the Agency to a maximum of 70.3% of required debt service. This refunding resulted in an economic gain of approximately \$465,301.

Auto Mall Special Tax Bonds

Community Facilities District No. 3, Auto Mall Special Tax Bonds 2000, Refinancing in March 2000, the Community Facilities District No. 3 of the City of Moreno Valley issued Special Tax Bonds 2000 (Refinancing Bonds) in the amount of \$8,075,000 to refund on June 1, 2000 \$7,828,258 of outstanding Auto Mall Special Tax Bonds (Refunded Bonds). The Refinancing Bonds mature in serial and term fashion through September 2030 and bear interest payable semi-annually at rates ranging from 5.25% to 7.50%. The bonds are subject to optional and mandatory redemption prior to maturity beginning September 1, 2010. The bonds are payable from and secured by a special tax levy against parcels within the District. Under an arrangement (Owner Participation Agreement) involving the parcel owners, the District, the City and the City's Redevelopment Agency, the required tax levy is to be offset by available property tax increment from the Agency. Should available increment be insufficient to offset the levy, available project sales tax collected by the City will be used. This refinancing increased the aggregate debt service payments that were required on the Refunded Bonds by approximately \$3,100,000 and produced an economic loss (the excess of the present value of the new over old debt service payments) of approximately \$418,000. The refinancing was undertaken to cure a debt service payment default that had occurred on the now refunded bonds. Special tax delinquencies were the primary cause of the default.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

Refunding Certificates of Participation, Series 1997

Refunding Certificates of Participation (City Hall) Series 1997 in the original issue of \$10,955,000, with a variable interest rate due through 2016, were issued to advance refund \$10,180,000 of outstanding 1995 Certificates of Participation. The source of repayment for the Certificates is lease payments to be made by the Moreno Valley Public Facilities Financing Corporation whereby scheduled lease payments equal the amount of principal and interest due on the Certificates. The City has the option to convert the variable rate certificates at any time. The Refunding Certificates are subject to purchase on the demand of the holder while they are outstanding at a variable rate upon seven days notice. Payment of these demand certificates shall be made from the proceeds of the resale of such certificates by the City's remarketing agent. Should there be insufficient funds from this source, funds will be made available from an irrevocable bank letter of credit. The letter of credit is valid through the date the Certificates bear interest at a fixed rate or May 1, 2007. Repayment of the letter of credit shall occur from any available funds with the trustee of the issue, including the scheduled lease payments of the City.

Lease Revenue Bonds, 1997

Lease Revenue Bonds 1997 in the original issue amount of \$5,300,000 were issued for the purpose of financing a portion of the cost of acquiring and constructing a public safety building for City use, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial and term fashion through November 1, 2022 and bear interest ranging from 4.15% to 5.50%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on November 1, 2007. The bonds are payable from lease payments made by the City under a project lease dated November 1, 1997 between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City for the rental use of the public safety building financed by this bond issue. This issue is fully insured in the event of nonpayment by the City.

Lease Revenue Bonds, 2005

Lease Revenue Bonds 2005 in the original issue amount of \$48,205,000 were issued for the purpose of financing a portion of the cost of the expansion of the public safety building, electric utility infrastructure, construction of a fire station, various public works and redevelopment projects, to fund a reserve for the bonds and to pay issuance costs. Of the \$48,205,000 originally issued, the portion for the electric utility infrastructure (\$5,105,000) has been separated and is shown as long-term debt for business-type activities. The bonds mature in serial and term fashion through November 1, 2035 and bear interest ranging from 3% to 4.375%. The bonds are subject to both optional and mandatory redemption beginning November 1, 2006. The bonds are payable from lease payments made by the City under a project lease dated May 1, 1997, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the Public Safety Building and the City Hall. This issue is fully insured in the event of nonpayment by the City.

Compensated Absences

At June 30, 2008, the amount of compensated absences liability which is not expected to be paid from available resources was \$1,819,013. This amount consists of \$1,639,547 for governmental funds, principally paid by the general fund, and \$179,466 for internal service funds.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

Portable Classroom Loans

In January 1999, the City entered into two agreements with the California Department of Education to finance the purchase and construction of two portable classrooms. Under the terms of the agreements, the City was granted two non-interest bearing loans totaling \$246,585. The loans are payable in monthly installments of \$2,055 beginning February 2002, for 10 years. The amount outstanding as of June 30, 2008 was \$65,756.

Note Payable - Price Company

The Redevelopment Agency has recorded a long-term payable in the amount of \$2,462,131 under a development and disposition agreement and promissory note with Price Company for the reimbursement of costs of construction of a 130,000-square-foot retail store. The note bears interest at 8% per annum and is payable solely from 50% of site-generated sales tax. Any remainder payable after September 2015 will be forgiven. The amount outstanding as of June 30, 2008 was \$2,433,744.

RDA 2007 Tax Allocation Bonds Series A

Redevelopment Agency 2007 Tax Allocation Bonds, Series A, in the original issue amount of \$43,495,000 were issued in November 2007 for the purpose of financing various redevelopment activities and other undertakings permitted under the Redevelopment Law, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial and term fashion through August 1, 2038 and bear interest ranging from 3.5% to 4.625%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on August 1, 2017. The bonds are payable solely from Tax Increment Revenues and other funds and amounts pledged therefore pursuant to the Indenture. This issue is fully insured in the event of nonpayment by the Agency.

Conduit Debt

The Moreno Valley Public Financing Authority issued \$5,548,000 Assisted Living Housing Revenue Bonds, Series 2000A. The bonds and interest thereon are limited obligations of the issuer, payable solely from the revenues and the trust estate, which are assigned and pledged to such purposes. Consequently, no liability is reported in these accompanying financial statements. The outstanding balance at June 30, 2008 was \$5,368,000.

No-Commitment Debt

Assessment District No. 87-4, Limited Obligation Improvement Bonds, in the original issue amount of \$6,858,539, were issued for the purpose of acquiring infrastructure improvements and financing landscaping for one of the City's districts. The bonds mature in serial fashion through September 2, 2009 and bear interest, payable semi-annually, at rates ranging from 6.4% to 7.8%. The bonds are subject to optional redemption prior to maturity for denominations greater than \$5,000. The amount outstanding as of June 30, 2008 was \$605,000. The City is no way liable for repayment but is only acting as an agent for the property owners in collecting the assessments and forwarding the collections to bondholders. Approximately 33% of taxes levied on the 589-acre Centerpointe development within Assessment District No. 87-4 are delinquent and foreclosure proceedings were conducted as required under the bond covenants.

The Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds were issued to finance various public improvements needed to develop property located within the Community Facilities District No. 5 ("District"). The original issue amount was \$5,870,000. The Bonds are special limited obligations of the District and are payable solely from revenues derived from certain annual Special Taxes to be levied on and collected from the

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

owners of the taxable land within the District and from certain other funds pledged under the Fiscal Agent Agreement dated May 1, 2007 by and between the City for and on behalf of the District and Wells Fargo Bank, National Association, as fiscal agent. The Special Taxes are to be levied according to the rates and method of apportionment approved by the City Council, the legislative body of the District, and the qualified electors within the District. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The City is in no way liable for repayment but is acting as an agent for the property owners in collecting the assessments and forwarding the collections to bondholders. Interest on the Bonds will be payable on September 1, 2007 and semiannually thereafter on each March 1 and September 1 thru 2037. Interest rates range from 4.00% to 5.00%. Principal on the Bonds is due each September 1 beginning 2009 and ending 2037. The outstanding balance at June 30, 2008 was \$5,870,000.

Pledged Revenue

As indicated above, the City and its component units have issued a number of debt issuances that involve the pledging of redevelopment agency tax increment revenues and certain special taxes associated with community facility districts established by the City. The term of the commitment of pledged revenues and the purposes for which the proceeds of these debt issuances were utilized are disclosed in the debt descriptions provided herein. Generally, the annual debt service required by these debt issuances involves approximately 10% of the tax increment revenue of the Redevelopment Agency of the City of Moreno Valley and 75% of the special tax revenues of Community Facilities Districts Nos. 87-1 and 3, respectively. For the year ended June 30, 2008, the required principal and interest payments of the City that involved the use of these pledged revenues represented 2% of the tax increment revenue of the Redevelopment Agency of the City of Moreno Valley and 57% of the special tax revenues of Community Facilities Districts Nos. 87-1 and 3, respectively. The amount of the remaining commitment of the pledge is equal to the amount of the remaining debt service to maturity of the related debt issuances as disclosed below.

The annual maturities and the annual debt service requirements to amortize the outstanding debt as of June 30, 2008 are as follows:

Year Ending June 30,	Moreno Valley Public Financing Authority		Community Facilities Districts	
	Principal	Interest	Principal	Interest
	2009	\$ 955,000	\$ 2,091,386	\$ 1,660,000
2010	1,000,000	2,044,434	1,740,000	783,187
2011	1,045,000	1,995,207	1,870,000	678,895
2012	1,100,000	1,943,313	875,000	610,279
2013	1,145,000	1,888,992	905,000	577,338
2014-2018	6,635,000	8,552,276	5,150,000	2,281,273
2019-2023	8,340,000	6,805,502	5,490,000	970,967
2024-2028	8,285,000	4,842,638	820,000	260,599
2029-2033	10,315,000	2,778,293	415,000	48,543
2034-2036	7,340,000	491,087	-	-
	<u>\$ 46,160,000</u>	<u>\$ 33,433,128</u>	<u>\$ 18,925,000</u>	<u>\$ 7,092,123</u>

Year Ending June 30,	Moreno Valley Public Facilities Financing Corporation		City of Moreno Valley	
	Principal	Interest	Principal	Interest
2009	\$ 570,000	\$ 172,650	\$ 24,658	\$ -
2010	595,000	155,175	24,659	-
2011	615,000	137,025	16,439	-
2012	645,000	118,125	-	-
2013	665,000	98,475	-	-
2014-2017	2,950,000	181,200	-	-
	<u>\$ 6,040,000</u>	<u>\$ 862,650</u>	<u>\$ 65,756</u>	<u>\$ -</u>

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

Year Ending June 30,	Community Redevelopment Agency	
	Principal	Interest
2009	\$ 770,000	\$ 2,073,084
2010	120,000	2,055,284
2011	130,000	2,050,284
2012	210,000	2,043,484
2013	220,000	2,034,884
2014-2018	1,190,000	10,042,581
2019-2023	2,400,000	9,767,751
2024-2028	8,555,000	8,510,189
2029-2033	11,360,000	6,133,250
2034-2038	15,060,000	2,826,250
2039	3,480,000	87,000
	<u>\$ 43,495,000</u>	<u>\$ 47,624,041</u>

The above schedules do not include the long-term debt for compensated absences nor maturities for the Community Redevelopment Agency Price Company Notes Payable, as fixed maturities have not been established.

Changes in Long-Term Debt - Business-Type Activities

The following is a schedule of changes in business-type activities long-term debt of the entity for the fiscal year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Electrical Cabinets Capital Leases	\$ 358,297	\$ -	\$ 117,367	\$ 240,930	\$ 118,023
Lease Revenue Bonds, 2005	5,105,000	-	-	5,105,000	95,000
Lease Revenue Bonds, 2007	25,765,000	-	-	25,765,000	-
Compensated Absences	10,260	21,645	31,905	-	-
	<u>\$ 31,238,557</u>	<u>\$ 21,645</u>	<u>\$ 149,272</u>	<u>\$ 31,110,930</u>	<u>\$ 213,023</u>

Electrical Cabinets Capital Lease

Between January 2004 and August 2006, the City entered into nine separate lease purchase agreements to lease electrical cabinets in the amount of \$65,000 each. The term of each lease is for 60 months. The outstanding balance as of June 30, 2008 was \$240,930.

Lease Revenue Bonds, 2005

Lease Revenue Bonds 2005 in the original issue amount of \$48,205,000 were issued for the purpose of financing a portion of the cost of the expansion of the public safety building, electric utility infrastructure, construction of a fire station, various public works and redevelopment projects, to fund a reserve for the bonds and to pay issuance costs. Of the \$48,205,000 originally issued, the portion for the electric utility infrastructure (\$5,105,000) has been separated and is shown as long-term debt for business-type activities. The bonds

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 6: Long-Term Debt (Continued)

mature in serial and term fashion through November 1, 2035 and bear interest ranging from 3% to 4.375%. The bonds are subject to both optional and mandatory redemption beginning November 1, 2006. The bonds are payable from lease payments made by the City under a project lease dated May 1, 1997, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the Public Safety Building and the City Hall. This issue is fully insured in the event of nonpayment by the City.

Lease Revenue Bonds, 2007

Lease Revenue Bonds 2007 (Taxable) in the original issue amount of \$25,765,000 were issued for the purpose of financing a City-owned 115kV to 12kV substation, a 115kV to 12kV switchyard adjacent to the substation, and other infrastructure improvements to support planned growth of the City-owned electrical distribution system. The bonds mature in serial and term fashion through May 1, 2038 and bear interest ranging from 5.084% to 5.75%. The bonds are subject to both optional and mandatory redemption beginning May 1, 2017. The bonds are payable from lease payments made by the City under a project lease dated May 1, 2007, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the 115kV to 12kV substation. This issue is fully insured in the event of nonpayment by the City.

The annual maturities and the annual debt service requirements to amortize the outstanding debt as of June 30, 2008 were as follows:

Year Ending June 30,	Electrical Cabinets Capital Lease	
	Principal	Interest
2009	\$ 118,023	\$ 10,727
2010	80,343	4,657
2011	40,082	1,168
2012	2,482	18
	<u>\$ 240,930</u>	<u>\$ 16,570</u>

Year Ending June 30,	Lease Revenue Bonds, 2005		Lease Revenue Bonds, 2007	
	Principal	Interest	Principal	Interest
2009	\$ 95,000	\$ 227,600	\$ -	\$ 1,441,802
2010	100,000	222,962	390,000	1,441,802
2011	100,000	218,212	405,000	1,421,974
2012	105,000	213,337	430,000	1,401,384
2013	110,000	208,237	450,000	1,379,522
2014-2018	650,000	956,460	2,615,000	6,530,292
2019-2023	800,000	794,760	3,400,000	5,748,042
2024-2028	1,005,000	587,295	4,450,000	4,694,842
2029-2033	1,250,000	336,375	5,865,000	3,280,664
2034-2038	890,000	59,510	7,760,000	1,388,045
	<u>\$ 5,105,000</u>	<u>\$ 3,824,748</u>	<u>\$ 25,765,000</u>	<u>\$ 28,728,369</u>

The above schedules do not include the long-term debt for compensated absences, as fixed maturities have not been established.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers

a. Due To/From Other Funds

Funds	Interfund Receivables	Interfund Payables
Major Governmental Funds:		
General	\$ 38,777,422	\$ 2,566,717
Special Revenue Funds:		
CSD Zones	-	36,700,776
Development Impact Fees	2,094,848	538,493
Capital Projects Funds:		
Community Redevelopment Agency	2,571,217	585,757
Nonmajor Governmental Funds	10,028	3,012,846
Internal Service Funds	-	40,723
Agency Funds	-	8,203
Total	<u>\$ 43,453,515</u>	<u>\$ 43,453,515</u>

The City of Moreno Valley utilizes the State of California Local Agency Investment Fund (LAIF) as a short-term investment tool. In June 2006, the General Fund LAIF account reached the LAIF threshold and as an alternative for investing, the remaining funds were loaned to CSD Zone A, in the CSD Zones Fund, and the Community Redevelopment Agency Capital Projects Fund for investment into LAIF. The amounts of the loans outstanding at June 30, 2008 were \$36,672,969 and \$585,757, respectively.

The General Fund has made short-term loans to the following funds to eliminate negative cash balances:

CSD Zone L	27,807
Recreation Center Development Impact Fees	336,358
Animal Shelter Development Impact Fees	202,135
State Gasoline Tax	65,630
Used Oil Recycling	81,423
Storm Water Maintenance	149,493
Emergency Management Preparedness Grant	45,979
TCA2-06-22 Local Gov't Waste TI	8,115
Towngate Capital/Administration	387,456
Auto Mall Special Tax Bonds Debt Service Fund	130,101
2007 Towngate Refunding Debt Service Fund	43,301
Central Services Internal Service Fund	40,723
Assessment District 98-1 Agency Fund	175
	<u>\$1,518,696</u>

Arterial Street Development Impact Fees, in the Development Impact Fees Fund, made a short-term loan of \$2,094,848 to the TUMF Capital Projects Fund to eliminate the negative cash balance.

The Community Redevelopment Agency Capital Projects Fund made a loan to the Warner Ranch Capital/Development Projects Fund to finance Warner Ranch alleyway improvements. The total outstanding loan is \$13,499 of which the current portion is \$4,500 and the long-term portion is \$8,999. The loan was made in 1995-1996. Repayments are made annually and will be complete in 2010-2011.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

a. Due To/From Other Funds (Continued)

The Community Redevelopment Agency Capital Projects Fund had funds in excess of what is able to be invested in the State of California Local Agency Investment Fund. These funds totaling \$2,566,717 were placed with the General Fund in the general investment pool and will participate in the allocation of interest earned by the pool.

The Special Districts Administration Fund made a short-term loan of \$2,000 to the CFD # 5 Stoneridge Debt Service Fund for administration charges due.

The Stoneridge Capital/Administration Fund made a short-term loan of \$8,028 to the Deposits Liability Agency Fund for project costs.

b. Advances To/From Other Funds

Funds	Interfund Receivables	Interfund Payables
Major Governmental Funds:		
General	\$ 55,379,744	\$ -
Capital Projects Funds:		
Community Redevelopment Agency	292,499	54,632,703
Nonmajor Governmental Funds	580,657	8,999
Proprietary Funds:		
Electric	-	1,611,198
Total	<u>\$ 56,252,900</u>	<u>\$ 56,252,900</u>

The long-term payable to the General Fund from the Community Redevelopment Agency Capital Projects Fund includes \$714,470 representing monies borrowed in prior fiscal years by the Agency to finance redevelopment activities. The monies loaned to the Agency bear an interest rate of 12%. Repayment of the long-term payable will be made when funds becomes available.

The City purchased the Towngate Regional Mall - Department Store Parcel Acquisition Notes for \$5,000,000. The notes, totaling \$13,000,000, originate from a participation agreement (as amended) whereby the Community Redevelopment Agency acquired certain parcels within the mall for subsequent transfer to major tenants. The notes bear interest at 7.25% and are payable solely from available site-generated property tax increment and up to 50% of site-generated sales tax. Furthermore, the Community Redevelopment Agency has covenanted to use reasonable best efforts to refinance these notes with Tax Allocation Bonds, provided such financing is determined to be fiscally feasible. At June 30, 2008, accrued interest amounts to \$3,608,381.

The Community Redevelopment Agency purchased improved property from the City – the Conference and Recreation Center. The purchase price was \$14,203,946. The loan note is \$11,474,822 after the initial payments of \$2,700,000 and \$29,124. The term is 20 years with 12% simple interest. The Agency will make interest only annual payments with a balloon payment due at the end of the term. At June 30, 2008, accrued interest amounts to \$3,335,030.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

b. Advances To/From Other Funds (Continued)

Community Redevelopment Agency 2007 Series B, Subordinate Taxable Tax Allocation Bonds in the original issue amount of \$22,500,000 were issued in November 2007. All of the bonds were purchased by the General Fund. The General Fund will make a reservation of fund balance for these bonds. The proceeds of the bonds will remain unspent pending the outcome of litigation between the Agency and the County of Riverside concerning the interpretation of a pass-through agreement between the Agency and the County. The Agency will pay interest only debt service payments to the General Fund. The interest rate is variable and is expected to approximate a rate of return the Agency achieves from investing the bond proceeds. If the Agency is successful in its litigation, it would begin receiving additional tax increment revenue to pay all or part of the debt service on the bonds. At that point, the bonds will be remarketed within five years and the proceeds used for the purpose of financing various redevelopment improvement projects. The bonds may be redeemed in total or in part at any time.

The General Fund has loaned \$747,041 to the Electric Fund for start-up costs. The loan will be repaid when revenue becomes available.

The Community Redevelopment Agency Capital Projects Fund has advanced \$8,999 to the Warner Ranch Capital/Development Projects Fund to finance Warner Ranch alleyway improvements. The loan was made in 1995-1996. Repayments are made annually and will be complete in 2010-2011.

The Community Redevelopment Agency Capital Projects Fund has also advanced \$283,500 to the Electric Fund for construction of electrical infrastructure. The loan has a ten year term and a five percent annual interest rate.

The Special Districts Administration Fund has loaned \$580,657 to the Electric Fund for start-up costs. The loan will be repaid when revenue becomes available.

c. Interfund Transfers

Funds	Transfers In	Transfers Out
Major Governmental Funds:		
General	\$ 972,980	\$ 10,426,073
Special Revenue Funds:		
Fire Services	7,075,512	-
CSD Zones	593,417	210,851
Development Impact Fees	7,728,301	12,210,613
Capital Projects Funds:		
Lease Revenue Bonds 2005	164,000	1,374,223
Community Redevelopment Agency	-	3,010,413
Nonmajor Governmental Funds	21,482,646	9,455,942
Proprietary Funds:		
Electric	88,183	150,000
Internal Service Funds	915,000	2,181,924
Total	<u>\$ 39,020,039</u>	<u>\$ 39,020,039</u>

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers (Continued)

The General Fund transferred \$103,400 to CSD Zone M for median maintenance.

The General Fund transferred \$273,182 to CSD Zone A in accordance with the Conference and Recreation Center financing agreement.

The General Fund transferred \$164,000 to the Lease Revenue Bonds 2005 Capital Projects Fund for supporting the Fire Station # 58 replacement project.

The General Fund transferred \$30,000 to the State Gasoline Tax Fund for the purchase of portable solar powered flashing beacons.

The General Fund transferred \$239 to the Used Oil Recycling Fund for expenditures that exceeded grant funding.

The General Fund transferred \$251,435 to the NPDES CSA Fund for water quality ponds. In addition, the General Fund also transferred \$74,450 to the NPDES CSA Fund to cover the expenditures for the year for the Regulatory Permits & Agreements Program.

The principal and interest payments for 2007-2008 in the Public Safety Lease Revenue Bonds 1997 Debt Service Fund totaled \$399,244. The General Fund transferred \$249,244 and the Community Redevelopment Agency Capital Projects Fund transferred \$150,000 to the Public Safety Lease Revenue Bonds 1997 Fund for these debt service payments. The General Fund transferred an additional \$2,000 to the Public Safety Lease Revenue Bonds 1997 Debt Service Fund for bond administration fees.

The General Fund transferred a total of \$9,278,123 to several funds to provide subsidies to cover the operating deficits.

The transfer amounts by fund are as follows:

Fire Services Fund	\$ 7,058,208
State Gasoline Tax Fund	1,375,793
CSD Zone L	156,307
Public Education/Government Access Program Fund	433,562
Storm Water Maintenance Fund	254,253

CSD Zone B Street Lighting and CSD Zone C Arterial Lighting transferred \$70,633 and \$17,550 respectively to the Electric Fund for street lights.

CSD Zone E transferred \$119,435 to the NPDES CSA Fund in order to reimburse the fund for prior year's expenditures that should have been charged to CSD Zone E.

Arterial Street Development Impact Fees were transferred in the amount of \$1,121,121 to the Lease Revenue Bonds 2005 Debt Service Fund for debt service for the fiscal year.

Fire Facility Development Impact Fees were transferred in the amount of \$253,753 to the Lease Revenue Bonds 2005 Debt Service Fund for debt service for the fiscal year.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers (Continued)

During the 2007-2008 budget process and subsequently, Arterial Streets Development Impact Fees were committed to supporting several capital projects. Transfers totaling \$3,202,852 were made to the DIF Capital Projects Fund for these commitments:

Cactus Avenue Eastbound 3rd Land Improvements Project	\$ 459,180
Infill Projects at Various Locations	317,304
Permanent Frederick Street Median/CSJDDL to Alessandro Project	80,000
Perris Boulevard Widening from Ironwood Avenue to Manzanita Avenue Project	109,000
Ironwood Avenue - Heacock Street to Perris Blvd. Project	1,000,000
Heacock Street from Iris Avenue to Genetian Avenue Project	194,000
Heacock Street from Hemlock Avenue to Ironwood Avenue Project	643,868
Graham Street Bridge from Sunnymead Boulevard to Hemlock Avenue Project	250,000
Lasselle / Bay Street Improvement Design Project	49,900
Lasselle / Cottonwood Street Improvement Design Project	51,400
Kitching / Eucalyptus Street Improvement Design Project	48,200

During the 2007-2008 budget process and subsequently, Traffic Signal Development Impact Fees were committed to supporting several capital projects. Transfers totaling \$834,492 were made to the DIF Capital Projects Fund for these commitments:

Traffic Signals at Day Street and Dracaea Avenue	\$ 17,492
Traffic Signals at Cottonwood Avenue and Elsworth Street	132,000
Traffic Signals at Kitching Street and Cactus Avenue	14,000
Traffic Signals at Lasselle Street and Cottonwood Avenue	132,000
Perris Boulevard Widening / Ironwood to Manzanita Project	35,000
Traffic Signals at Kitching Street and Eucalyptus Avenue	232,000
Traffic Signals at Lasselle Street and Bay Avenue	232,000
Traffic Signals at Oliver Street and John F. Kennedy Drive	40,000

Park Land Facility Development Impact Fees were transferred for a total of \$4,164,670 to the Parks and Community Services Capital Projects Fund for these commitments:

Bay & Frederick Corner Improvements	\$ 150,000
Bethune Park / School Ballfield Lighting & Fencing	550,000
Parque Armistad Play Equipment and Picnic Shelter	200,000
College Park Phase II Amphitheater	2,500,000
Shadow Mountain Park Ballfield Lighting	650,000
Community Park Renovation Project	114,670

Quimby In-Lieu Park Fees were transferred to the Parks and Community Services Capital Projects Fund for \$79,685 and \$18,000 respectively, for the Community Park Renovation Project and the Lasselle Sports Park Parking Lot Project.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers (Continued)

Various Development Impact Fees were transferred totaling \$51,000 to the General Fund to fund the DIF Study as follows:

Arterial Street Development Impact Fees	\$ 21,389
Traffic Signal Development Impact Fees	4,243
Fire Facility Development Impact Fees	2,055
Police Facility Development Impact Fees	1,408
Park Land Facility Development Impact Fees	6,946
Quimby In-Lieu Park Fees	3,539
Recreation Center Development Impact Fees	1,020
Libraries Development Impact Fees	3,703
City Hall Development Impact Fees	2,336
Corporate Yard Development Impact Fees	1,530
Interchange Improvements Development Impact Fees	2,433
Maintenance Equipment Development Impact Fees	112
Animal Shelter Development Impact Fees	286

Recreation Center Development Impact Fees were transferred in the amount of \$325,000 to the General Fund for reimbursement to the General Fund for negative cash in the prior year.

Animal Shelter Development Impact Fees were transferred in the amount of \$177,000 to the General Fund for a budgeted reimbursement to the General Fund Capital Reserve for the loan on the Animal Shelter Expansion project. Animal Shelter Development Impact Fees were also transferred in the amount of \$11,000 for reimbursement to the General Fund for negative cash in the prior year.

Libraries Development Impact Fees were transferred to the City Hall Capital/Administration Fund in the amounts of \$1,850,000 for the Main Library project and \$67,040 to fund the Library Facilities Master Plan.

Corporate Yard Development Impact Fees were transferred in the amount of \$55,000 to the City Hall Capital/Administration Fund for the Corporate Yard Facility – Phase I project.

The Lease Revenue Bonds 2005 Capital Projects Fund transferred \$1,374,223 to the Lease Revenue Bonds 2005 Debt Service Fund for arbitrage payments.

The Community Redevelopment Agency Capital Projects Fund transferred a total of \$2,860,341 to fund debt service obligations. The amounts transferred are as follows:

2007 Towngate Refunding Debt Service Fund	\$ 2,072,568
Lease Revenue Bonds 2005 Debt Service Fund	597,348
Auto Mall Special Tax Bonds Debt Service Fund	190,425

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers (Continued)

Various funds made transfers to the General Fund totaling \$9,339 for Educational Reimbursement as follows:

State Gasoline Tax Fund	\$ 192
NPDES CSA Fund	1,500
Child Care Grant Fund	517
ASES Program Grant Fund	1,112
CSD Zone A	1,733
CSD Zone B	750
CSD Zone D	375
CSD Zone E	375
General Liability Insurance Internal Service Fund	274
Technology Services Internal Service Fund	194
City Hall Facility Internal Service Fund	990
Equipment Maintenance Internal Service Fund	1,255
Community Redevelopment Agency Capital Projects Fund	72

The Public Education/Government Access Program Fund transferred \$25,000 to the Technology Service Internal Service Fund for fund the City Hall to Golf Course Fiber Extension project.

The Article 3 Transportation Fund transferred \$64,853 of unused funds for capital projects to the Measure A Fund.

The Law Enforcement Fund transferred \$13,766 to the General Fund for excess funds transferred in prior years.

The Special Districts Administration Fund transferred \$2,000 to the Stoneridge Capital/Administration Fund for administration charges not yet collected from the fiscal agent.

The Child Care Grant Fund transferred \$143 to CSD Zone A for excess funds transferred to cover expenditures.

The DIF Capital Projects Fund transferred \$7,214,399 and \$513,902 to the Development Impact Fees Fund for unused project funding for Arterial Street Development Impact Fees and the Traffic Signal Development Impact Fees, respectively.

The 2007 Towngate Improvement Refunding Debt Service Fund transferred \$78,760 to the Towngate Capital/Administration Fund for reimbursement of traffic signal costs.

The Auto Mall Special Tax Bonds Debt Service Fund transferred \$512,462 to the Auto Mall Capital/Administration Fund for a budgeted commitment.

The Auto Mall Capital/Administration Fund transferred \$927,865 to the Auto Mall Special Tax Bonds Debt Service Fund for the reimbursement of EMWD monies received.

The CFD# 5 Stoneridge Debt Service Fund transferred \$5,000 to the Special Districts Administration Fund for a budgeted commitment.

The CFD# 5 Stoneridge Debt Service Fund transferred \$94,471 to the Stoneridge Capital/Administration Fund for a budgeted commitment.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 7: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers (Continued)

The Electric Fund transferred \$150,000 to the CFD # 5 Stoneridge Debt Service Fund for unused project funding.

The General Liability Insurance Internal Service Fund transferred \$500,000 to the Workers' Compensation Internal Service Fund to increase worker's compensation reserves.

The City Hall Facility Internal Service Fund transferred \$811,498 to the City Hall COPs Series 1997 Debt Service Fund to fund the appropriated budget.

The Graphic Support Internal Service Fund transferred \$20,563 to the General Fund to fund the replacement of fixed assets moved to the General Fund.

The Equipment Replacement Reserve Fund transferred a total of \$847,150 to several funds for the replacement of various equipment. The amounts transferred to these funds are as follows:

General Fund	\$ 365,312
Fire Services Fund	17,304
CSD Zone A	60,385
Public Education/Government Access Program Fund	14,149
Technology Services Internal Service Fund	140,000
City Hall Facility Internal Service Fund	250,000

Note 8: Employee Pension Plan

Plan Description

The City's defined benefit pension plan, Public Employees Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, are established by state statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members in PERS are required to contribute 8.00% of their annual covered salary as of January 2007. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate is 15.072% for fiscal year 2007-2008. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 8: Employee Pension Plan (Continued)

Annual Pension Cost

For fiscal year 2007-2008, the City's annual pension cost was \$4,374,893. The City also contributed \$2,360,108 on behalf of the employees for the employee contribution. The required contribution for the fiscal year 2007-2008 was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: a) 7.75% investment rate of return (net of administrative expenses), b) projected salary increases for employees that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, and c) 3.25% cost-of-living adjustment. Both a) and b) include an inflation component of 3.00%. The actuarial value of PERS assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a 15-year period. The PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2008 was 22 years.

<u>Ended June 30,</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Pension Obligation</u>
2006	2,271,059	100%	-
2007	3,162,870	100%	-
2008	4,374,893	100%	-

Required Supplementary Information – Funded Status of Plan

Latest Information Available

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value Of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Payroll
06/30/05	\$52,487,232	\$41,214,897	\$11,272,335	78.5 %	\$19,082,187	59.1%
06/30/06	61,187,066	47,837,803	13,349,263	78.2 %	22,018,967	60.6%
06/30/07	75,316,003	58,733,315	16,582,688	78.0 %	26,023,541	63.7%

The Funded Status of Plan schedule above shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. The Funded Status of Plan schedule, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 9: Post-Retirement Health Care

In addition to providing pension benefits, the City provides a portion of certain health care for retired employees. In accordance with City policy, substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year. The City recognizes the cost of providing those benefits by expensing the annual insurance premiums. The cost of providing those benefits for 60 retirees is \$125,335.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 10: Prior Period Adjustments

- (a) During the year ended June 30, 2008, the City discovered that sales taxes in the amount of \$824,328 had not been properly transferred from the General Fund to the Auto Mall Special Tax Bonds Debt Service Fund in prior years. To correct this oversight, an adjustment was made to record the transfer and adjust beginning net assets for both funds.
- (b) During the year ended June 30, 2008, the City discovered that the required transfer from one of the CSD Zones, Zone A, had not been made to the Child Care Grant Special Revenue Fund to fund \$74,885 of expenditures that had exceeded grant funding in prior years. To correct this oversight, an adjustment was made to record the transfer and adjust the beginning net assets for both funds.
- (c) During the year ended June 30, 2008, the City discovered that Traffic Congestion Relief prior year expenditures in the amount of \$1,750,819 were incorrectly recorded in the Lease Revenue Bonds 2005 Capital Projects Fund. To correct this oversight, an adjustment was made to correctly record the expenditures and adjust the beginning net assets for both funds.
- (d) During the year ended June 30, 2008, the Community Redevelopment Agency discovered that certain Educational Revenue Augmentation Funds (ERAF) pertaining to prior years in the amount of \$668,208 had been improperly recorded in the Towngate Improvement Refunding Debt Service Fund. To correct this oversight, an adjustment was made to correctly record the revenues and adjust the beginning net assets for both funds.
- (e) During the year ended June 30, 2008, the Community Redevelopment Agency discovered that certain land held for redevelopment in the amount of \$5,237,852 had been reported as a capital asset rather than as an asset of the Agency's Fund. An adjustment was made to reduce capital assets, increase land held for redevelopment, and adjust the beginning net assets for the fund.
- (f) During the year ended June 30, 2008, the Community Redevelopment Agency discovered that an agreement for the purchase of land held for redevelopment had not been recorded properly. Adjustments for \$1,383,612 were made to the fund's land held for redevelopment and capital assets to correct this oversight.
- (g) During the year ended June 30, 2008, the City discovered that Equipment Replacement Internal Service Fund prior year's reimbursement revenue in the amount of \$30,000 had been incorrectly recorded the Air Quality Management fund. To correct this oversight, an adjustment was made to correctly record the revenues and adjust the beginning net assets for both funds.
- (h) During the year ended June 30, 2008, the City discovered that in the prior year a portion of the bond proceeds in the amount of \$46,257 were incorrectly recorded as an asset in the CFD # 5 Stoneridge Debt Service Fund. To correct this oversight, an adjustment was made to reduce the asset, correctly record the proceeds, and adjust the beginning net assets for the fund.
- (i) During the year ended June 30, 2008, the City discovered that accumulated depreciation for the Enterprise Fund – Electric had been incorrectly reported. To correct this oversight, an adjustment of \$262,332 was made to correctly report accumulated depreciation and adjust the beginning net assets for the fund.
- (j) During the year ended June 30, 2008, the City discovered that certain capital assets and accumulated depreciation were incorrectly reported. To correct this oversight, adjustments of \$5,605,362 were made to the beginning net capital assets and the government-wide beginning net assets.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 10: Prior Period Adjustment (Continued)

(k) During the year ended June 30, 2008, the City discovered that long-term liabilities were incorrectly reported. To correct this oversight, an adjustment of \$9,697 was made to beginning long-term liabilities and the government-wide beginning net assets.

Government-wide financial statements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net assets at beginning of year as previously reported	\$ 791,744,201	\$ 15,100,697
Adjustment (e)	5,237,852	-
Adjustment (f)	(1,383,612)	-
Adjustment (h)	(46,257)	-
Adjustment (i)	-	(262,332)
Adjustment (j)	(5,605,362)	-
Adjustment (k)	<u>9,697</u>	<u>-</u>
Net assets at beginning of year as restated	<u>\$ 789,956,519</u>	<u>\$ 14,838,365</u>

Fund financial statements:

<u>Governmental funds:</u>	<u>General Fund</u>	<u>CSD Zones</u>	<u>Lease Revenue Bonds 2005 Capital Projects Fund</u>
Net assets at beginning of year as previously reported	\$ 53,074,680	\$ 8,273,536	\$ 31,122,058
Adjustment (a)	(824,328)	-	-
Adjustment (b)	-	(74,885)	-
Adjustment (c)	<u>-</u>	<u>-</u>	<u>1,750,819</u>
Net assets at beginning of year as restated	<u>\$ 52,250,352</u>	<u>\$ 8,198,651</u>	<u>\$ 32,872,877</u>

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 10: Prior Period Adjustment (Continued)

<u>Governmental funds:</u>	<u>Community Redevelopment Agency</u>	<u>Air Quality Management</u>	<u>Child Care Grant</u>
Net assets at beginning of year as previously reported	\$ (4,441,574)	\$ 575,093	\$ (120,067)
Adjustment (b)	-	-	74,885
Adjustment (d)	668,208	-	-
Adjustment (e)	5,237,852	-	-
Adjustment (f)	(1,383,612)	-	-
Adjustment (g)	<u>-</u>	<u>(30,000)</u>	<u>-</u>
Net assets at beginning of year as restated	<u>\$ 80,874</u>	<u>\$ 545,093</u>	<u>\$ (45,182)</u>
<u>Governmental funds:</u>	<u>Traffic Congestion Relief</u>	<u>Auto Mail Special Tax Bonds</u>	<u>CFD # 5 Stoneridge</u>
Net assets at beginning of year as previously reported	\$ 1,738,466	\$ 669,965	\$ 748,578
Adjustment (a)	-	824,328	-
Adjustment (c)	(1,750,819)	-	-
Adjustment (h)	<u>-</u>	<u>-</u>	<u>(46,257)</u>
Net assets at beginning of year as restated	<u>\$ (12,353)</u>	<u>\$ 1,494,293</u>	<u>\$ 702,321</u>

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 10: Prior Period Adjustment (Continued)

Fund financial statements:

Governmental funds:	2007 Towngate Refunding
Net assets at beginning of year as previously reported	\$ 4,392,767
Adjustment (d)	<u>(668,208)</u>
Net assets at beginning of year as restated	<u>\$ 3,724,559</u>

<u>Proprietary funds:</u>	Electric Utility	Equipment Replacement
Net assets at beginning of year as previously reported	\$ 15,100,697	\$ 12,464,120
Adjustment (g)	-	30,000
Adjustment (i)	<u>(262,332)</u>	<u>-</u>
Net assets at beginning of year as restated	<u>\$ 14,838,365</u>	<u>\$ 12,494,120</u>

Note 11: Expenditures In Excess of Appropriation

Excess of expenditures over appropriations in departments of individual funds are as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
Nondepartmental	\$ 480,684	\$ 706,613	\$ 225,929
Beverage Container Recycling Fund:			
General government	46,394	47,678	1,284
ASES Program Grant Fund:			
Community and cultural	5,033,394	9,110,635	4,077,241
Public Safety Lease Revenue Bonds 1997 Debt Service Fund:			
Interest and fiscal charges	226,244	253,759	27,515
Lease Revenue Bonds 2005 Debt Service Fund:			
Interest and fiscal charges	2,134,003	2,134,228	225
2007 Towngate Improvement Refunding Bond Debt Service Fund:			
Principal retirement	135,000	3,935,000	3,800,000
Interest and fiscal charges	271,463	336,581	65,118
Bond issuance costs	-	134,497	134,497
2007 Towngate Refunding Bond Debt Service Fund:			
Principal retirement	1,245,000	12,510,000	11,265,000
Bond issuance costs	-	390,596	390,596

**City of Moreno Valley
Notes to Basic Financial Statements (Continued)**

Note 12: Fund Deficits

The following funds contained a deficit fund balance as of June 30, 2008:

Non-Major Governmental Funds

Special Revenue Funds:	
Child Care Grant	\$ 16,474
Storm Water Maintenance	53,699
Traffic Congestion Relief	243
Beverage Container Recycling	1,284
Emergency Management Preparedness Grant	32,007
Capital Projects Funds:	
Towngate Capital/Administration	389,206
Warner Ranch Capital/Development	4,484
TUMF Capital Projects	1,901,393

Note 13: Commitments and Contingencies

Riverside County Agreements

During December 1987, the City of Moreno Valley and the Community Redevelopment Agency (Agency) entered into an agreement (the "County Agreement") with the County of Riverside which provided, in part, that the Agency make certain payments to the County. The County Agreement generally provides for the Agency to make payments to the County upon achievement by the Agency of \$7 million annually of tax increment revenue. Once the \$7 million threshold is reached, the County Agreement generally provides that the Agency will make payment to the County of an amount equal to tax increment revenues between \$7 million annually and \$12 million annually, and half of such revenues in excess of \$12 million. The County Agreement further generally provides that when total tax increment paid to the County under this agreement from increments between \$7 million and \$12 million reaches \$75 million, tax increment in excess of \$7 million annually will be split equally between the Agency and County.

Beginning in 2003-2004 the Agency's tax increment exceeded \$7 million. However, the County did not notify the Agency to such effect. In 2006-07, the Auditor Controller withheld a portion of the Agency's 2006-07 tax increment in the amount of \$1,092,287.59. The Agency disputes the authority of the County to withhold such funds and the matter, as well as other issues concerning the County Agreement, is currently the subject of litigation involving the County and the Agency.

During April 1988, the City of Moreno Valley and the Agency entered into an agreement (the "Flood Agreement") with the Riverside County Flood Control and Water Conservation District (District), which provides generally that the Agency shall receive 100% of the District share of the tax increment until such time the total tax increment exceeds \$12 million at which time the District shall receive at least 50% of its share. Under the Flood Agreement, the Agency is to demonstrate, as more particularly provided in the Flood Agreement, that the cumulative project costs paid by the Agency for the project improvements exceed the cumulative total of District share received by the Agency. To the extent that the cumulative project costs paid by the Agency exceed the cumulative total of District share received by the Agency, the Agency may retain the balance needed from the remaining 50% of the District share. Beginning in 2005-06, the Agency's tax increment exceeded \$12 million, with remittance not having been made of amounts to the District. The financial statements show the amount of \$2,739,436 (the amount was not remitted to the District) as included under Due to Other Governments.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 13: Commitments and Contingencies (Continued)

Community Facilities District No. 3 Agreement

In conjunction with the issue of the Moreno Valley Auto Mall Special Tax Bonds Series 2000 (Auto Mall Refinancing), the Community Redevelopment Agency and the City are parties to an owner-participation agreement which provides that the Agency will transmit to the Community Facilities District No. 3 (District) the available property tax increment it receives on parcels within the District as a credit against the special parcel taxes that otherwise would be payable by the owners. Furthermore, the City has agreed to loan the Agency available sales tax generated within the District for payment directly to the parcel owners should the increment be insufficient to offset the special parcel taxes. In addition, the Agency has agreed to pay to the parcel owners, subject to certain restrictions, certain available surplus sales tax from within the District. The obligations to remit sales tax terminate by December 1, 2010.

This agreement replaces a previous arrangement involving these parcels when they were included in Community Facilities District No. 2.

The amounts remitted during the year under the replacement and previous agreement to parcel owners totaled \$1,010,858.

Community Facilities District No. 87-1 Agreement

In connection with the issuance of the Community Facilities District No. 87-1 (CFD) Bonds, Series A and B, the City of Moreno Valley and the Community Redevelopment Agency entered into an owner participation agreement whereby the Agency has committed tax increment for the payment of debt service requirements for these Bonds.

Other Agreements

The Community Redevelopment Agency entered into an owner participation agreement in February 2000 to fund, on a reimbursement basis, the cost of public infrastructure improvements required for a proposed 49,000-square-foot manufacturing facility. The Agency's commitment is not to exceed \$325,000 and is payable incrementally over five years upon completion of the improvements and the manufacturing facility.

On May 10, 2005, the Community Redevelopment Agency and the Community Services District entered into a lease agreement for the Conference and Recreation Center. The Community Services District occupied the building during June 2005 although construction was still in progress. Upon completion of construction during fiscal year 2005-2006 the lease agreement became effective for a base rent of \$1.00 per month. The Community Services District has responsibility for facility maintenance and provides programming that serves the residents of the Project Area.

Self-Insurance Payable

The City 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 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 workers' 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 City 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.

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 13: Commitments and Contingencies (Continued)

The fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end. The accruals are in the amounts of \$2,327,000 and \$1,484,000 for the workers' compensation claims and general liability claims, respectively, for a total of \$3,811,000. Of these amounts, the current year's adjustment is an increase of \$636,000.

A reconciliation of changes in aggregate liabilities for claims for the current fiscal year and the prior fiscal year is as follows:

	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Amount of accrued claims at June 30, 2006	1,428,000	1,805,000	3,233,000
Incurred claims, representing the total of a provision for events of the current fiscal year and any changes (increase or decrease) in the provision for events of prior fiscal years and adjustments to estimates	(45,511)	776,802	731,291
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(32,489)</u>	<u>(756,802)</u>	<u>(789,291)</u>
Amount of accrued claims at June 30, 2007	<u>\$ 1,350,000</u>	<u>\$ 1,825,000</u>	<u>\$ 3,175,000</u>
Incurred claims, representing the total of a provision for events of the current fiscal year and any changes (increase or decrease) in the provision for events of prior fiscal years and adjustments to estimates	454,482	871,778	1,326,260
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(320,482)</u>	<u>(369,778)</u>	<u>(690,260)</u>
Amount of accrued claims at June 30, 2008	<u><u>1,484,000</u></u>	<u><u>2,327,000</u></u>	<u><u>3,811,000</u></u>

Self-Insurance Pool

The City is a member of CSAC Excess Insurance Authority. The Authority is a member directed joint powers insurance pool, which has been operational since October of 1979. Current membership includes 53 of the 58 counties in California and 90 members of the California Public Entity Insurance Authority (CPEIA). The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverage.

The City participates in the excess workers' compensation and employer's liability programs of the Authority. For workers' compensation the City has a self-insured retention of \$300,000 per occurrence. For employer's liability the City has a self-insured retention of \$250,000 per occurrence. The City has a pooled retention of \$5,000,000 each occurrence, a \$45,000,000 reinsurance layer in excess of the \$5,000,000 pooled retention per occurrence for workers'

City of Moreno Valley
Notes to Basic Financial Statements (Continued)

Note 13: Commitments and Contingencies (Continued)

compensation claims, and a \$5,000,000 employer's liability reinsurance layer per occurrence in excess of the \$5,000,000 pooled retention.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There has been no significant reduction in pooled or insured liability coverage from coverage in the prior year.

Litigation

There are several lawsuits pending against the City. The outcome and eventual liability of the City, if any, in these cases is not known at this time. Management estimates that the potential claims against the City, not covered by insurance or self-insurance reserves, resulting from such litigation would not materially affect the financial statements of the City.

Note 14: Subsequent Events

Subsequent to June 30, 2008, there were certain activities related to the financial markets that had 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.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

Budgetary Comparison Schedule

Lease Revenue Bonds 2005 Capital Projects Fund

CITY OF MORENO VALLEY
 BUDGETARY COMPARISON SCHEDULE
 LEASE REVENUE BONDS 2005 CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 1,800,000	\$ 1,800,000	\$ 1,374,223	\$ (425,777)
Miscellaneous	-	-	2,447	2,447
Total Revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,376,670</u>	<u>(423,330)</u>
Expenditures:				
Current:				
Public works	4,729,050	33,033,928	11,684,331	21,349,597
Total Expenditures	<u>4,729,050</u>	<u>33,033,928</u>	<u>11,684,331</u>	<u>21,349,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,929,050)	(31,233,928)	(10,307,661)	20,926,267
Other Financing Sources (Uses):				
Transfers in	-	164,000	164,000	-
Transfers out	-	-	(1,374,223)	(1,374,223)
Total Other Financing Sources (Uses)	<u>-</u>	<u>164,000</u>	<u>(1,210,223)</u>	<u>(1,374,223)</u>
Net Change in Fund Balances	(2,929,050)	(31,069,928)	(11,517,884)	19,552,044
Fund Balances, Beginning of Year, as Restated	32,872,877	32,872,877	32,872,877	-
Fund Balances, End of Year	<u>\$ 29,943,827</u>	<u>\$ 1,802,949</u>	<u>\$ 21,354,993</u>	<u>\$ 19,552,044</u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

State Gasoline Tax Fund

This fund is used to account for the City's share of state gas tax revenue restricted for street improvement and maintenance. The revenue is apportioned under the Streets and Highway Code of the State of California.

Article 3 Transportation Fund

This fund is used to account for the City's share of Article 3 revenue restricted for construction of pedestrian and bikeway projects.

Measure A Fund

This fund is used to account for the City's share of the Riverside County half-cent sales tax restricted for transportation projects.

Law Enforcement Fund

This group of funds is used to account for revenue from several grants restricted for law enforcement. The grants include the Local Law Enforcement Block Grant (LLEBG), Supplemental Law Enforcement Services Fund (SLESF), Office of Traffic Safety Grant (OTS), Universal Hiring Grant (UHG), Edward Byrne Memorial Justice Assistance Grant (JAG), and the Buffer Zone Protection Plan Grant.

Public Education/Government Access Program Fund

This fund is used to account for the Public Education/Government Access (PEG) Grant revenue restricted for providing education and government access to the public. These funds are used to support the City's cable television channel, MVTV-3.

Air Quality Management Fund

This fund is used to account for the City's share of the State AB 2766 funds. The revenue is apportioned to cities by the South Coast Air Quality Management District and is restricted for programs to reduce air pollution from mobile sources pursuant to the California Clean Air Act of 1988.

Community Development Block Grant Fund

This fund is used to account for federal funds received from the U.S. Department of Housing and Urban Development – Community Development Block Program to be used for the development of suitable housing environment and expansion of economic opportunities for low and moderate income families.

Special Districts Administration Fund

This fund is used to account for the coordination and administration of all special assessments districts formed within the City for infrastructure improvements.

NON-MAJOR GOVERNMENTAL FUNDS, (CONTINUED)

SPECIAL REVENUE FUNDS (Continued):

NPDES CSA Fund

This fund is used to account for the City's National Pollutant Discharge Elimination System program.

Housing Assistance Programs Fund

This fund is used to account for federal funds received from the U.S. Department of Housing and Urban Development to be used to develop and implement programs that expand the supply of affordable housing for low and very low income families.

Child Care Grant Fund

This fund is used to account for the Child Care grant program which provides after-school day care for the City's residents.

Parks and Recreation PAL Grant Fund

This fund is used to account for the Police Activities League (PAL) grant to promote the individual growth of the targeted youths and to provide positive alternatives for the participants. The Parks and Recreation Department administers the program through a collaborative effort with the Moreno Valley Police Department.

Used Oil Recycling Fund

This fund is used to account for the California Integrated Waste Management Board Used Oil Block Grant. The program provides public education and convenient used oil collection sites.

Storm Water Maintenance

This fund is used to ensure the safety and cleanliness of our City streets and the City's maintained storm drain system by cleaning all catch basins, connector pipes and culverts on an annual basis, and by providing emergency services, as needed.

Traffic Congestion Relief Fund

This fund is used to account for revenues and expenditures related to legally restricted funds obtained through grants from the State of California for traffic congestion relief.

Disaster Fund

This fund is used to account for unforeseeable disasters and emergency situations for which reimbursement may become available.

Beverage Container Recycling Fund

This fund is used to account for the Department of Conservation Beverage Container Recycling grant.

Emergency Management Preparedness Grant Fund

This fund is used to account for the receipt and disbursement of grant funds providing terrorism preparedness, an Emergency Operating Center (EOC), emergency planning and management of the Certified Emergency Response Team (CERT).

ASES Program Grant

This fund is used to account for the After School Education and Safety grant.

Box Springs Water EPA Grant

This fund is used to account for the Box Springs Water Environmental Protection Agency grant.

TCA2-06-22 Local Gov't Waste TI

This fund is used to account for the TCA2-06-22 Local Government Waste Tire Clean-up & Amnesty Event grant.

Prop 1B

This fund is used to account for the City's share of Prop 1B revenue restricted for transportation programs.

CAPITAL PROJECTS FUNDS:

City Hall Capital/Administration Fund

This fund is used to account for various general City Hall capital improvements and projects.

Capital Improvements Fund

This fund is used to account for revenues received to construct capital projects to mitigate the impact of new development on the City's infrastructure.

Public Works Capital Projects Fund

This fund is used to account for general City capital projects.

Traffic Signal Mitigation Fund

This fund is used to account for traffic signal projects funded by revenues received from traffic mitigation fees.

Fire Services Capital Projects Fund

This fund is used to account for capital projects specific to Fire Services, including construction of new fire stations.

NON-MAJOR GOVERNMENTAL FUNDS, (CONTINUED)

CAPITAL PROJECTS FUNDS (Continued):

Park Acquisition and Development Fund

This fund is used to account for parks acquisition and development projects funded by revenues received from developers on a dwelling unit basis in accordance with the Quimby Act, a 1965 provision in the State Subdivision Map Act for the dedication of park land.

Towngate Capital/Administration Fund

This fund is used to account for the acquisition and construction of capital facilities in the Towngate area financed through special tax bonds.

Centerpointe Capital/Administration Fund

This fund is used to account for the acquisition or construction of capital facilities in the Centerpointe area financed through special tax bonds.

Warner Ranch Capital/Development Fund

This fund is used to account for the acquisition or construction of capital facilities in the Warner Ranch area financed through special assessments.

Auto Mall Capital/Administration Fund

This fund is used to account for the acquisition or construction of capital facilities in the Auto Mall area financed through special tax bonds.

Parks and Recreation Capital Projects Fund

This fund is used to account for general parks and recreation capital projects, the development of new parks and recreation facilities, community parks, neighborhood parks and sports facilities and for the major renovation of existing parks and facilities.

TUMF Capital Projects Fund

This fund is used to account for transportation capital projects funded by the City's share of the Transportation Uniform Mitigation Fee (TUMF) which is a mandatory development impact fee program in Western Riverside County. This program, enacted by a two-thirds majority of voters in 2002, was designed to pay for major roads and interchange projects that are needed to serve communities as a result of new development. The Western Riverside Council of Governments (WRCOG) administers the program.

DIF Capital Projects Fund

This group of funds is used to account for construction of major capital improvements funded by the development impact fee (DIF) revenues charged to developers.

Stoneridge Capital/Administration Fund

This fund is used to account for the acquisition or construction of capital facilities in the Stoneridge area financed through special tax bonds.

DEBT SERVICE FUNDS:

OPA Sales Tax Agreements Fund

This fund is used to account for the accumulation of 50% of sales tax revenue for certain retail stores and for the payment of principal and interest related to the ownership participation agreements between the Community Redevelopment Agency and certain retail stores.

City Hall COPs Series 1997 Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the City Hall Refunding Certificates of Participation issued May 1, 1997.

Auto Mall Special Tax Bonds Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the Auto Mall Special Tax Bonds Series 2000 (Auto Mall Refinancing).

CFD # 5 Stoneridge Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the Community Facilities District # 5 special tax bonds.

Certificates of Participation Series 1993 Debt Service Fund

This fund was used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the now defeased Refunding Certificates of Participation issued October 1, 1993.

Public Safety Lease Revenue Bonds 1997 Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the Public Safety Lease Revenue Bonds issued November 1, 1997.

Lease Revenue Bonds 2005 Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the 2005 Lease Revenue Bonds issued in July 2005 to finance various City capital improvements.

NON-MAJOR GOVERNMENTAL FUNDS, (CONTINUED)

DEBT SERVICE FUNDS (Continued):

2007 Towngate Improvement Refunding Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the Improvement Area No. 1 Special Tax Refunding Bonds issued November 29, 2007.

2007 Towngate Refunding Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the Special Tax Refunding Bonds issued November 29, 2007.

PERMANENT FUNDS:

Celebration Park Endowment Fund

This fund is used to account for the endowment program for Celebration Park. The principal endowment amount was provided by a developer. The Parks and Community Services Department will use 85% of the interest earned each year to sponsor a community event at Celebration Park for the surrounding community to enhance community pride and involvement.

Equestrian Trail Endowment Fund

This fund is used to account for the endowment program for the Equestrian Trail. The principal endowment amount was provided by a developer. The interest earned will be used for the benefit of citywide trail use, maintenance, education and other trail-related costs.

(This page intentionally left blank)

CITY OF MORENO VALLEY

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	<u>Special Revenue Funds</u>			
	<u>State Gasoline Tax</u>	<u>Article 3 Transportation</u>	<u>Measure A</u>	<u>Law Enforcement</u>
Assets:				
Pooled cash and investments	\$ -	\$ 249,374	\$ 14,773,179	\$ 608,879
Receivables:				
Accounts	16,910	-	496,790	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	1,057,186	121,301	1,091,929	82,902
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,074,096</u>	<u>\$ 370,675</u>	<u>\$ 16,361,898</u>	<u>\$ 691,781</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 42,999	\$ 15,809	\$ 755,413	\$ -
Accrued liabilities	443,312	4,423	11,593	-
Due to other funds	65,630	-	-	-
Deferred revenue	-	-	-	38,600
Unearned revenue	-	-	-	71,000
Advances from other funds	-	-	-	-
Due to other governments	-	-	-	236,996
	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,996</u>
Total Liabilities	<u>551,941</u>	<u>20,232</u>	<u>767,006</u>	<u>346,596</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	3,567,414	-
Reserved for prepaid and other assets	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for long-term receivables	-	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for future projects	-	-	-	-
Reserved for endowment	-	-	-	-
Unreserved:				
Designated for continuing appropriations	329,238	94,200	12,027,478	-
Designated for capital improvement projects	-	-	-	-
Undesignated	192,917	256,243	-	345,185
	<u>192,917</u>	<u>256,243</u>	<u>-</u>	<u>345,185</u>
Total Fund Balances	<u>522,155</u>	<u>350,443</u>	<u>15,594,892</u>	<u>345,185</u>
Total Liabilities and Fund Balances	<u>\$ 1,074,096</u>	<u>\$ 370,675</u>	<u>\$ 16,361,898</u>	<u>\$ 691,781</u>

Special Revenue Funds

<u>Public Education/ Government Access Program</u>	<u>Air Quality Management</u>	<u>Community Development Block Grant</u>	<u>Special Districts Administration</u>	<u>NPDES CSA</u>	<u>Housing Assistance Programs</u>
\$ 1,706,915	\$ 713,913	\$ 19,716	\$ 1,164,741	\$ 369,671	\$ 481,024
77,310	-	563	1,530	47,953	1,881
-	-	160,000	-	-	2,392,729
-	-	301	-	-	123,810
-	-	-	15,381	-	-
-	56,324	351,468	-	73,122	4,693
-	-	-	2,000	-	-
-	-	-	580,657	-	-
<u>\$ 1,784,225</u>	<u>\$ 770,237</u>	<u>\$ 532,048</u>	<u>\$ 1,764,309</u>	<u>\$ 490,746</u>	<u>\$ 3,004,137</u>
\$ 2,757	\$ 11,666	\$ 331,458	\$ 3,080	\$ 3,710	\$ -
53,862	62	44,424	83,528	54,199	8,940
-	-	-	-	-	-
-	-	25,238	-	-	123,759
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>56,619</u>	<u>11,728</u>	<u>401,120</u>	<u>86,608</u>	<u>57,909</u>	<u>132,699</u>
-	86,974	449,893	-	90,901	20,000
-	-	-	15,381	-	-
-	-	-	-	-	-
-	-	160,000	-	-	2,392,729
-	-	-	580,657	-	-
-	-	-	-	520,769	-
-	-	-	-	-	-
-	389,066	-	-	-	-
-	-	-	1,000,000	-	-
<u>1,727,606</u>	<u>282,469</u>	<u>(478,965)</u>	<u>81,663</u>	<u>(178,833)</u>	<u>458,709</u>
<u>1,727,606</u>	<u>758,509</u>	<u>130,928</u>	<u>1,677,701</u>	<u>432,837</u>	<u>2,871,438</u>
<u>\$ 1,784,225</u>	<u>\$ 770,237</u>	<u>\$ 532,048</u>	<u>\$ 1,764,309</u>	<u>\$ 490,746</u>	<u>\$ 3,004,137</u>

CITY OF MORENO VALLEY

Combining Balance Sheet
Nonmajor Governmental Funds
(Continued)

	Special Revenue Funds			
	Child Care Grant	Parks and Community Services PAL Grant	Used Oil Recycling	Storm Water Maintenance
Assets:				
Pooled cash and investments	\$ 170,652	\$ 17,414	\$ -	\$ -
Receivables:				
Accounts	-	-	-	160,540
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	16,438	-	-	-
Due from other governments	21,158	-	84,763	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ 208,248	\$ 17,414	\$ 84,763	\$ 160,540
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,639	\$ -	\$ 619	\$ 9,203
Accrued liabilities	61,620	-	2,721	55,543
Due to other funds	-	-	81,423	149,493
Deferred revenue	-	-	-	-
Unearned revenue	161,463	-	-	-
Advances from other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	224,722	-	84,763	214,239
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	396,116
Reserved for prepaid and other assets	16,438	-	-	-
Reserved for debt service	-	-	-	-
Reserved for long-term receivables	-	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for future projects	-	-	-	-
Reserved for endowment	-	-	-	-
Unreserved:				
Designated for continuing appropriations	-	-	-	-
Designated for capital improvement projects	-	-	-	-
Undesignated	(32,912)	17,414	-	(449,815)
Total Fund Balances	(16,474)	17,414	-	(53,699)
Total Liabilities and Fund Balances	\$ 208,248	\$ 17,414	\$ 84,763	\$ 160,540

Special Revenue Funds

<u>Traffic Congestion Relief</u>	<u>Disaster</u>	<u>Beverage Container Recycling</u>	<u>Emergency Management Preparedness Grant</u>	<u>ASES Program Grant</u>	<u>Box Springs Water EPA Grant</u>
\$ 335,621	\$ 333,232	\$ 1,411	\$ -	\$ 341,110	\$ 71,926
-	7,221	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	20,765	386,894	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 335,621</u>	<u>\$ 340,453</u>	<u>\$ 1,411</u>	<u>\$ 20,765</u>	<u>\$ 728,004</u>	<u>\$ 71,926</u>
\$ 335,681	\$ -	\$ -	\$ -	\$ 485,176	\$ 15,449
183	-	2,695	6,793	94,006	-
-	-	-	45,979	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>335,864</u>	<u>-</u>	<u>2,695</u>	<u>52,772</u>	<u>579,182</u>	<u>15,449</u>
48,810	-	-	-	-	27,022
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	29,455
-	-	-	-	-	-
<u>(49,053)</u>	<u>340,453</u>	<u>(1,284)</u>	<u>(32,007)</u>	<u>148,822</u>	<u>-</u>
<u>(243)</u>	<u>340,453</u>	<u>(1,284)</u>	<u>(32,007)</u>	<u>148,822</u>	<u>56,477</u>
<u>\$ 335,621</u>	<u>\$ 340,453</u>	<u>\$ 1,411</u>	<u>\$ 20,765</u>	<u>\$ 728,004</u>	<u>\$ 71,926</u>

CITY OF MORENO VALLEY

Combining Balance Sheet
 Nonmajor Governmental Funds
 (Continued)

	<u>Special Revenue Funds</u>	
	<u>TCA2-06-22 Local Gov't Waste TI</u>	<u>Prop 1B</u>
Assets:		
Pooled cash and investments	\$ -	\$ 2,902,673
Receivables:	-	-
Accounts	-	-
Notes and loans	-	-
Accrued interest	-	-
Prepaid costs	-	-
Due from other governments	10,399	-
Due from other funds	-	-
Advances to other funds	-	-
	<hr/>	<hr/>
Total Assets	\$ 10,399	\$ 2,902,673
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 2,284	\$ -
Accrued liabilities	-	-
Due to other funds	8,115	-
Deferred revenue	-	-
Unearned revenue	-	-
Advances from other funds	-	-
Due to other governments	-	-
	<hr/>	<hr/>
Total Liabilities	10,399	-
Fund Balances:		
Reserved:		
Reserved for encumbrances	-	-
Reserved for prepaid and other assets	-	-
Reserved for debt service	-	-
Reserved for long-term receivables	-	-
Reserved for advances to other funds	-	-
Reserved for future projects	-	-
Reserved for endowment	-	-
Unreserved:		
Designated for continuing appropriations	-	-
Designated for capital improvement projects	-	-
Undesignated	-	2,902,673
	<hr/>	<hr/>
Total Fund Balances	-	2,902,673
Total Liabilities and Fund Balances	\$ 10,399	\$ 2,902,673

Capital Projects Funds

<u>City Hall Capital/ Administration</u>	<u>Capital Improvements</u>	<u>Public Works Capital Projects</u>	<u>Traffic Signal Mitigation</u>	<u>Fire Services</u>	<u>Park Acquisition and Development</u>
\$ 12,261,224	\$ 176,852	\$ 331,863	\$ 137,578	\$ 2,172,458	\$ 230
20	-	-	-	-	-
-	38,487	-	-	98,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 12,261,244</u>	<u>\$ 215,339</u>	<u>\$ 331,863</u>	<u>\$ 137,578</u>	<u>\$ 2,270,458</u>	<u>\$ 230</u>
\$ 44,404	\$ -	\$ -	\$ -	\$ 242,611	\$ -
994	-	-	-	163	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,774</u>	<u>-</u>
96,230	-	-	-	55,176	-
-	-	-	-	-	-
-	-	-	-	-	-
-	38,487	-	-	98,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,577,974	-	-	-	1,874,508	-
1,541,642	176,852	331,863	137,578	-	230
-	-	-	-	-	-
<u>12,215,846</u>	<u>215,339</u>	<u>331,863</u>	<u>137,578</u>	<u>2,027,684</u>	<u>230</u>
<u>\$ 12,261,244</u>	<u>\$ 215,339</u>	<u>\$ 331,863</u>	<u>\$ 137,578</u>	<u>\$ 2,270,458</u>	<u>\$ 230</u>

CITY OF MORENO VALLEY

Combining Balance Sheet
Nonmajor Governmental Funds
(Continued)

	<u>Capital Projects Funds</u>		
	<u>Towngate Capital/ Administration</u>	<u>Centerpointe Capital/ Administration</u>	<u>Warner Ranch Capital/ Development</u>
Assets:			
Pooled cash and investments	\$ -	\$ -	\$ 9,015
Receivables:			
Accounts	-	-	-
Notes and loans	-	-	-
Accrued interest	-	-	-
Prepaid costs	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Advances to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,015</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,750	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	387,456	-	4,500
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Advances from other funds	-	-	8,999
Due to other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>389,206</u>	<u>-</u>	<u>13,499</u>
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	-	-
Reserved for prepaid and other assets	-	-	-
Reserved for debt service	-	-	-
Reserved for long-term receivables	-	-	-
Reserved for advances to other funds	-	-	-
Reserved for future projects	-	-	-
Reserved for endowment	-	-	-
Unreserved:			
Designated for continuing appropriations	-	-	-
Designated for capital improvement projects	-	-	-
Undesignated	(389,206)	-	(4,484)
	<u>(389,206)</u>	<u>-</u>	<u>(4,484)</u>
Total Fund Balances	<u>(389,206)</u>	<u>-</u>	<u>(4,484)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,015</u>

Capital Projects Funds

<u>Auto Mall Capital/ Administration</u>	<u>Parks & Community Services Capital Projects</u>	<u>TUMF Capital Projects</u>	<u>DIF Capital Projects</u>	<u>Stoneridge Capital/ Administration</u>
\$ -	\$ 7,456,688	\$ -	\$ 9,966,805	\$ 2,605,182
-	-	916,900	-	-
-	-	-	-	-
-	-	-	-	-
-	208,086	-	-	-
-	-	-	-	8,028
-	-	-	-	-
<u>\$ -</u>	<u>\$ 7,664,774</u>	<u>\$ 916,900</u>	<u>\$ 9,966,805</u>	<u>\$ 2,613,210</u>
\$ -	\$ 724,674	\$ 710,901	\$ 695,654	\$ -
-	802	12,544	3,740	-
-	-	2,094,848	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	<u>725,476</u>	<u>2,818,293</u>	<u>699,394</u>	-
-	409,534	7,683,582	1,228,565	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,529,764	-	5,404,744	-
-	-	-	2,634,102	2,613,210
-	-	(9,584,975)	-	-
-	<u>6,939,298</u>	<u>(1,901,393)</u>	<u>9,267,411</u>	<u>2,613,210</u>
<u>\$ -</u>	<u>\$ 7,664,774</u>	<u>\$ 916,900</u>	<u>\$ 9,966,805</u>	<u>\$ 2,613,210</u>

CITY OF MORENO VALLEY

Combining Balance Sheet
 Nonmajor Governmental Funds
 (Continued)

	Debt Service Funds		
	OPA Sales Tax Agreements	City Hall COPs Series 1997	Auto Mall Special Tax Bonds
Assets:			
Pooled cash and investments	\$ 88,048	\$ 803,275	\$ 2,320,331
Receivables:			
Accounts	-	-	-
Notes and loans	-	-	-
Accrued interest	-	-	3,462
Prepaid costs	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Advances to other funds	-	-	-
Total Assets	<u>\$ 88,048</u>	<u>\$ 803,275</u>	<u>\$ 2,323,793</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 88,048	\$ 170	\$ 65,383
Accrued liabilities	-	-	-
Due to other funds	-	-	130,101
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Advances from other funds	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>88,048</u>	<u>170</u>	<u>195,484</u>
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	-	-
Reserved for prepaid and other assets	-	-	-
Reserved for debt service	-	803,105	2,128,309
Reserved for long-term receivables	-	-	-
Reserved for advances to other funds	-	-	-
Reserved for future projects	-	-	-
Reserved for endowment	-	-	-
Unreserved:			
Designated for continuing appropriations	-	-	-
Designated for capital improvement projects	-	-	-
Undesignated	-	-	-
Total Fund Balances	<u>-</u>	<u>803,105</u>	<u>2,128,309</u>
Total Liabilities and Fund Balances	<u>\$ 88,048</u>	<u>\$ 803,275</u>	<u>\$ 2,323,793</u>

Debt Service Funds

<u>CFD # 5 Stoneridge</u>	<u>Certificates of Participation Series 1993</u>	<u>Public Safety Lease Revenue Bonds 1997</u>	<u>Lease Revenue Bonds 2005</u>
\$ 704,622	\$ 428,959	\$ 759,564	\$ 8,074,588
-	-	-	-
-	-	-	-
4,939	-	-	-
-	-	-	-
3,545	-	-	-
-	-	-	-
-	-	-	-
<u>713,106</u>	<u>428,959</u>	<u>759,564</u>	<u>8,074,588</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
2,000	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
711,106	428,959	759,564	8,074,588
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>711,106</u>	<u>428,959</u>	<u>759,564</u>	<u>8,074,588</u>
<u>\$ 713,106</u>	<u>\$ 428,959</u>	<u>\$ 759,564</u>	<u>\$ 8,074,588</u>

CITY OF MORENO VALLEY

Combining Balance Sheet
 Nonmajor Governmental Funds
 (Continued)

	<u>Debt Service Funds</u>	
	<u>2007 Towngate Improvement Refunding</u>	<u>2007 Towngate Refunding</u>
Assets:		
Pooled cash and investments	\$ 876,743	\$ 3,324,135
Receivables:		
Accounts	-	-
Notes and loans	-	-
Accrued interest	1,253	4,199
Prepaid costs	-	-
Due from other governments	-	-
Due from other funds	-	-
Advances to other funds	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 877,996</u>	<u>\$ 3,328,334</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Due to other funds	-	43,301
Deferred revenue	-	-
Unearned revenue	-	-
Advances from other funds	-	-
Due to other governments	-	-
	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>43,301</u>
Fund Balances:		
Reserved:		
Reserved for encumbrances	-	-
Reserved for prepaid and other assets	-	-
Reserved for debt service	877,996	3,285,033
Reserved for long-term receivables	-	-
Reserved for advances to other funds	-	-
Reserved for future projects	-	-
Reserved for endowment	-	-
Unreserved:		
Designated for continuing appropriations	-	-
Designated for capital improvement projects	-	-
Undesignated	-	-
	<hr/>	<hr/>
Total Fund Balances	<u>877,996</u>	<u>3,285,033</u>
Total Liabilities and Fund Balances	<u>\$ 877,996</u>	<u>\$ 3,328,334</u>

Permanent Funds

<u>Celebration Park Endowment</u>	<u>Equestrian Trail Endowment</u>	<u>Totals</u>
\$ 53,586	\$ 11,106	\$ 76,824,303
-	-	1,727,618
-	-	2,689,216
-	-	137,964
-	-	31,819
-	-	3,574,535
-	-	10,028
-	-	580,657
<u>\$ 53,586</u>	<u>\$ 11,106</u>	<u>\$ 85,576,140</u>
\$ -	\$ -	\$ 4,590,538
-	-	946,147
-	-	3,012,846
-	-	187,597
-	-	232,463
-	-	8,999
-	-	236,996
<u>-</u>	<u>-</u>	<u>9,215,586</u>
-	-	14,160,217
-	-	31,819
-	-	17,068,660
-	-	2,689,216
-	-	580,657
-	-	520,769
53,586	11,106	64,692
-	-	37,256,427
-	-	8,435,477
-	-	(4,447,380)
<u>53,586</u>	<u>11,106</u>	<u>76,360,554</u>
<u>\$ 53,586</u>	<u>\$ 11,106</u>	<u>\$ 85,576,140</u>

CITY OF MORENO VALLEY
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

	Special Revenue Funds			
	State Gasoline Tax	Article 3 Transportation	Measure A	Law Enforcement
Revenues:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,199,677	166,301	5,587,974	624,258
Charges for Service	1,463	-	69,720	-
Use of money and property	36,411	17,877	555,118	31,148
Miscellaneous	13,979	-	4,394	-
Total Revenues	3,251,530	184,178	6,217,206	655,406
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	736,754
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	4,657,131	166,940	2,566,928	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	4,657,131	166,940	2,566,928	736,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,405,601)	17,238	3,650,278	(81,348)
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Transfers in	1,405,793	-	64,853	-
Transfers out	(192)	(64,853)	-	(13,766)
Total Other Financing Sources (Uses)	1,405,601	(64,853)	64,853	(13,766)
Net change in Fund Balances	-	(47,615)	3,715,131	(95,114)
Fund Balance, Beginning of Year, As Restated	522,155	398,058	11,879,761	440,299
Fund balances (deficit) at end of year	\$ 522,155	\$ 350,443	\$ 15,594,892	\$ 345,185

Special Revenue Funds

<u>Public Education/ Government Access Program</u>	<u>Air Quality Management</u>	<u>Community Development Block Grant</u>	<u>Special Districts Administration</u>	<u>NPDES CSA</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	52,739
-	-	-	-	319,890
-	215,542	1,438,970	-	109,119
-	-	-	862,862	288,283
-	27,245	-	75,723	-
<u>308,869</u>	<u>-</u>	<u>1,008</u>	<u>-</u>	<u>-</u>
<u>308,869</u>	<u>242,787</u>	<u>1,439,978</u>	<u>938,585</u>	<u>770,031</u>
731,580	-	-	-	-
-	-	-	-	-
-	-	1,528,468	-	-
-	-	-	-	-
-	29,371	-	1,276,560	752,123
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>731,580</u>	<u>29,371</u>	<u>1,528,468</u>	<u>1,276,560</u>	<u>752,123</u>
<u>(422,711)</u>	<u>213,416</u>	<u>(88,490)</u>	<u>(337,975)</u>	<u>17,908</u>
-	-	-	-	-
447,711	-	-	5,000	445,320
<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(1,500)</u>
<u>422,711</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>443,820</u>
-	213,416	(88,490)	(334,975)	461,728
<u>1,727,606</u>	<u>545,093</u>	<u>219,418</u>	<u>2,012,676</u>	<u>(28,891)</u>
<u>\$ 1,727,606</u>	<u>\$ 758,509</u>	<u>\$ 130,928</u>	<u>\$ 1,677,701</u>	<u>\$ 432,837</u>

(Continued)

CITY OF MORENO VALLEY
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 (CONTINUED)

	Special Revenue Funds			
	Housing Assistance Programs	Child Care Grant	Parks and Community Services PAL Grant	Used Oil Recycling
Revenues:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	981,506	732,562	-	63,708
Charges for Service	-	31,095	-	-
Use of money and property	21,404	-	-	198
Miscellaneous	20,149	-	-	-
Total Revenues	1,023,059	763,657	-	63,906
Expenditures:				
Current:				
General government	-	-	-	64,303
Public safety	-	-	-	-
Community development	930,341	-	-	-
Community and cultural	-	734,289	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	930,341	734,289	-	64,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	92,718	29,368	-	(397)
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	239
Transfers out	-	(660)	-	-
Total Other Financing Sources (Uses)	-	(660)	-	239
Net change in Fund Balances	92,718	28,708	-	(158)
Fund Balance, Beginning of Year As Restated	2,778,720	(45,182)	17,414	158
Fund balances (deficit) at end of year	\$ 2,871,438	\$ (16,474)	\$ 17,414	\$ -

Special Revenue Funds

<u>Storm Water Maintenance</u>	<u>Traffic Congestion Relief</u>	<u>Disaster</u>	<u>Beverage Container Recycling</u>	<u>Emergency Management Preparedness Grant</u>	<u>ASES Program Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
365,313	-	10,645	46,394	67,469	9,011,054
-	-	-	-	-	-
-	12,110	-	-	-	157,149
-	-	-	-	-	375
<u>365,313</u>	<u>12,110</u>	<u>10,645</u>	<u>46,394</u>	<u>67,469</u>	<u>9,168,578</u>
-	-	-	47,678	-	-
-	-	-	-	102,851	-
-	-	-	-	-	-
-	-	-	-	-	9,110,635
662,186	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>662,186</u>	<u>-</u>	<u>-</u>	<u>47,678</u>	<u>102,851</u>	<u>9,110,635</u>
<u>(296,873)</u>	<u>12,110</u>	<u>10,645</u>	<u>(1,284)</u>	<u>(35,382)</u>	<u>57,943</u>
-	-	-	-	-	-
254,253	-	-	-	-	-
-	-	-	-	-	(1,112)
<u>254,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,112)</u>
(42,620)	12,110	10,645	(1,284)	(35,382)	56,831
(11,079)	(12,353)	329,808	-	3,375	91,991
<u>\$ (53,699)</u>	<u>\$ (243)</u>	<u>\$ 340,453</u>	<u>\$ (1,284)</u>	<u>\$ (32,007)</u>	<u>\$ 148,822</u>

(Continued)

CITY OF MORENO VALLEY
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 (CONTINUED)

	Special Revenue Funds		
	Box Springs Water EPA Grant	TCA2-06-22 Local Gov't Waste TI	Prop 1B
Revenues:			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental	56,044	10,399	2,902,673
Charges for Service	-	-	-
Use of money and property	7,868	-	-
Miscellaneous	-	-	-
Total Revenues	63,912	10,399	2,902,673
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Community and cultural	-	-	-
Public works	203,560	10,399	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Total Expenditures	203,560	10,399	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,648)	-	2,902,673
Other Financing Sources (Uses):			
Issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in Fund Balances	(139,648)	-	2,902,673
Fund Balance, Beginning of Year As Restated	196,125	-	-
Fund balances (deficit) at end of year	\$ 56,477	\$ -	\$ 2,902,673

Capital Projects Funds

<u>City Hall Capital/ Administration</u>	<u>Capital Improvements</u>	<u>Public Works Capital Projects</u>	<u>Traffic Signal Mitigation</u>	<u>Fire Services</u>	<u>Park Acquisition and Development</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	299,171	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20	-	-	-	459	-
<u>20</u>	<u>-</u>	<u>299,171</u>	<u>-</u>	<u>459</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	590,479	-
-	-	-	-	-	-
333,987	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>333,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,479</u>	<u>-</u>
(333,967)	-	299,171	-	(590,020)	-
-	-	-	-	-	-
1,972,040	-	-	-	-	-
-	-	-	-	-	-
<u>1,972,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,638,073	-	299,171	-	(590,020)	-
10,577,773	215,339	32,692	137,578	2,617,704	230
<u>\$ 12,215,846</u>	<u>\$ 215,339</u>	<u>\$ 331,863</u>	<u>\$ 137,578</u>	<u>\$ 2,027,684</u>	<u>\$ 230</u>

(Continued)

CITY OF MORENO VALLEY
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 (CONTINUED)

	Capital Projects Funds			
	Towngate Capital/ Administration	Centerpointe Capital/ Administration	Warner Ranch Capital/ Development	Auto Mall Capital/ Administration
Revenues:				
Taxes:				
Property taxes	\$ -	\$ -	\$ 8,415	\$ -
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Service	-	181,525	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	181,525	8,415	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	176,888	58,786	2,693	152,696
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	176,888	58,786	2,693	152,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,888)	122,739	5,722	(152,696)
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Transfers in	78,760	-	-	512,462
Transfers out	-	-	-	(927,865)
Total Other Financing Sources (Uses)	78,760	-	-	(415,403)
Net change in Fund Balances	(98,128)	122,739	5,722	(568,099)
Fund Balance, Beginning of Year As Restated	(291,078)	(122,739)	(10,206)	568,099
Fund balances (deficit) at end of year	\$ (389,206)	\$ -	\$ (4,484)	\$ -

Capital Projects Funds

Parks & Community Services Capital Projects	TUMF Capital Projects	DIF Capital Projects	Stoneridge Capital/ Administration
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
1,803,758	2,183,508	-	-
-	-	-	-
-	-	-	175,974
-	97,633	-	-
<u>1,803,758</u>	<u>2,281,141</u>	<u>-</u>	<u>175,974</u>
-	-	-	-
-	-	-	-
-	-	-	-
5,482,017	-	-	-
-	1,899,858	685,963	2,306,243
-	-	-	-
-	-	-	-
-	-	-	-
<u>5,482,017</u>	<u>1,899,858</u>	<u>685,963</u>	<u>2,306,243</u>
(3,678,259)	381,283	(685,963)	(2,130,269)
-	-	-	-
4,262,355	-	4,037,344	96,471
-	-	(7,728,301)	-
<u>4,262,355</u>	<u>-</u>	<u>(3,690,957)</u>	<u>96,471</u>
584,096	381,283	(4,376,920)	(2,033,798)
<u>6,355,202</u>	<u>(2,282,676)</u>	<u>13,644,331</u>	<u>4,647,008</u>
<u>\$ 6,939,298</u>	<u>\$ (1,901,393)</u>	<u>\$ 9,267,411</u>	<u>\$ 2,613,210</u>

(Continued)

CITY OF MORENO VALLEY
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)

	<u>Debt Service Funds</u>		
	<u>OPA Sales Tax Agreements</u>	<u>City Hall COPs Series 1997</u>	<u>Auto Mall Special Tax Bonds</u>
Revenues:			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	1,010,858
Other taxes	-	-	1,088,427
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for Service	-	-	-
Use of money and property	385,926	-	51,811
Miscellaneous	-	-	-
Total Revenues	<u>385,926</u>	<u>-</u>	<u>2,151,096</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Community and cultural	-	-	-
Public works	-	-	-
Debt service:			
Principal retirement	-	550,000	785,000
Interest and fiscal charges	385,926	261,668	1,337,908
Bond issuance costs	-	-	-
Total Expenditures	<u>385,926</u>	<u>811,668</u>	<u>2,122,908</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(811,668)</u>	<u>28,188</u>
Other Financing Sources (Uses):			
Issuance of debt	-	-	-
Transfers in	-	811,498	1,118,290
Transfers out	-	-	(512,462)
Total Other Financing Sources (Uses)	<u>-</u>	<u>811,498</u>	<u>605,828</u>
Net change in Fund Balances	-	(170)	634,016
Fund Balance, Beginning of Year As Restated	<u>-</u>	<u>803,275</u>	<u>1,494,293</u>
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ 803,105</u>	<u>\$ 2,128,309</u>

Debt Service Funds

<u>CFD # 5 Stoneridge</u>	<u>Certificates of Participation Series 1993</u>	<u>Public Safety Lease Revenue Bonds 1997</u>
-	\$ -	\$ -
-	-	-
198,306	-	-
-	-	-
-	-	-
8,434	-	20,791
-	-	-
<u>206,740</u>	<u>-</u>	<u>20,791</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	175,000
217,270	2,000	253,759
31,214	-	-
<u>248,484</u>	<u>2,000</u>	<u>428,759</u>
<u>(41,744)</u>	<u>(2,000)</u>	<u>(407,968)</u>
-	-	-
150,000	-	401,244
(99,471)	-	-
<u>50,529</u>	<u>-</u>	<u>401,244</u>
8,785	(2,000)	(6,724)
<u>702,321</u>	<u>430,959</u>	<u>766,288</u>
<u>711,106</u>	<u>\$ 428,959</u>	<u>\$ 759,564</u>

(Continued)

CITY OF MORENO VALLEY
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 (CONTINUED)

	Debt Service Funds		
	Lease Revenue Bonds 2005	2007 Towngate Improvement Refunding	2007 Towngate Refunding
Revenues:			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
Other taxes	-	441,558	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for Service	-	-	-
Use of money and property	229,517	72,478	110,146
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	229,517	514,036	110,146
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Community and cultural	-	-	-
Public works	-	-	-
Debt service:			
Principal retirement	555,000	3,935,000	12,510,000
Interest and fiscal charges	2,134,228	336,581	621,228
Bond issuance costs	-	134,497	390,596
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,689,228	4,406,078	13,521,824
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,459,711)	(3,892,042)	(13,411,678)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Issuance of debt	-	4,017,845	10,899,584
Transfers in	3,346,445	-	2,072,568
Transfers out	-	(78,760)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	3,346,445	3,939,085	12,972,152
	<hr/>	<hr/>	<hr/>
Net change in Fund Balances	886,734	47,043	(439,526)
Fund Balance, Beginning of Year, As Restated	7,187,854	830,953	3,724,559
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 8,074,588	\$ 877,996	\$ 3,285,033
	<hr/>	<hr/>	<hr/>

Permanent Funds

<u>Celebration Park Endowment</u>	<u>Equestrian Trail Endowment</u>	<u>Totals</u>
\$ -	\$ -	\$ 8,415
-	-	1,010,858
-	-	1,781,030
-	-	319,890
-	-	29,876,045
-	-	1,434,948
1,789	366	1,999,483
-	-	446,886
<u>1,789</u>	<u>366</u>	<u>36,877,555</u>
-	-	843,561
-	-	1,430,084
-	-	2,458,809
-	-	15,326,941
-	-	15,942,312
-	-	18,510,000
-	-	5,550,568
-	-	556,307
-	-	<u>60,618,582</u>
<u>1,789</u>	<u>366</u>	<u>(23,741,027)</u>
-	-	14,917,429
-	-	21,482,646
-	-	<u>(9,455,942)</u>
-	-	<u>26,944,133</u>
1,789	366	3,203,106
<u>51,797</u>	<u>10,740</u>	<u>73,157,448</u>
<u>\$ 53,586</u>	<u>\$ 11,106</u>	<u>\$ 76,360,554</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
STATE GASOLINE TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 2,958,259	\$ 3,199,677	\$ 241,418
Charges for services	-	1,463	1,463
Use of money and property	24,735	36,411	11,676
Miscellaneous	<u>2,000</u>	<u>13,979</u>	<u>11,979</u>
Total Revenues	<u>2,984,994</u>	<u>3,251,530</u>	<u>266,536</u>
Expenditures:			
Current:			
Public works	<u>5,537,050</u>	<u>4,657,131</u>	<u>879,919</u>
Total Expenditures	<u>5,537,050</u>	<u>4,657,131</u>	<u>879,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,552,056)</u>	<u>(1,405,601)</u>	<u>1,146,455</u>
Other Financing Sources (Uses):			
Transfers in	2,102,872	1,405,793	(697,079)
Transfers out	<u>(6,000)</u>	<u>(192)</u>	<u>5,808</u>
Total Other Financing Sources (Uses)	<u>2,096,872</u>	<u>1,405,601</u>	<u>(691,271)</u>
Net Change in Fund Balances	(455,184)	-	455,184
Fund Balances, Beginning of Year	<u>522,155</u>	<u>522,155</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 66,971</u>	<u>\$ 522,155</u>	<u>\$ 455,184</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 ARTICLE 3 TRANSPORTATION SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 45,000	\$ 166,301	\$ 121,301
Use of money and property	<u>9,000</u>	<u>17,877</u>	<u>8,877</u>
Total Revenues	<u>54,000</u>	<u>184,178</u>	<u>130,178</u>
Expenditures:			
Current:			
Public works	<u>313,705</u>	<u>166,940</u>	<u>146,765</u>
Total Expenditures	<u>313,705</u>	<u>166,940</u>	<u>146,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(259,705)</u>	<u>17,238</u>	<u>276,943</u>
Other Financing Sources (Uses):			
Transfers in	154,615	-	(154,615)
Transfers out	<u>(64,853)</u>	<u>(64,853)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>89,762</u>	<u>(64,853)</u>	<u>(154,615)</u>
Net Change in Fund Balances	(169,943)	(47,615)	122,328
Fund Balances, Beginning of Year	<u>398,058</u>	<u>398,058</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 228,115</u>	<u>\$ 350,443</u>	<u>\$ 122,328</u>

CITY OF MORENO VALLEY

**BUDGETARY COMPARISON SCHEDULE
MEASURE A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008**

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 12,488,209	\$ 5,587,974	\$ (6,900,235)
Charges for services	-	69,720	69,720
Use of money and property	208,000	555,118	347,118
Miscellaneous	1,000	4,394	3,394
Total Revenues	12,697,209	6,217,206	(6,480,003)
Expenditures:			
Current:			
Public works	23,265,202	2,566,928	20,698,274
Total Expenditures	23,265,202	2,566,928	20,698,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,567,993)	3,650,278	14,218,271
Other Financing Sources (Uses):			
Transfers in	64,853	64,853	-
Transfers out	(154,615)	-	154,615
Total Other Financing Sources (Uses)	(89,762)	64,853	154,615
Net Change in Fund Balances	(10,657,755)	3,715,131	14,372,886
Fund Balances, Beginning of Year	11,879,761	11,879,761	-
Fund Balances, End of Year	\$ 1,222,006	\$ 15,594,892	\$ 14,372,886

CITY OF MORENO VALLEY

**BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 713,086	\$ 624,258	\$ (88,828)
Use of money and property	<u>8,152</u>	<u>31,148</u>	<u>22,996</u>
Total Revenues	<u>721,238</u>	<u>655,406</u>	<u>(65,832)</u>
Expenditures:			
Current:			
General government	71,000	-	71,000
Public safety	<u>896,558</u>	<u>736,754</u>	<u>159,804</u>
Total Expenditures	<u>967,558</u>	<u>736,754</u>	<u>230,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(246,320)</u>	<u>(81,348)</u>	<u>164,972</u>
Other Financing Sources (Uses):			
Transfers out	<u>-</u>	<u>(13,766)</u>	<u>(13,766)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(13,766)</u>	<u>(13,766)</u>
Net Change in Fund Balances	(246,320)	(95,114)	151,206
Fund Balances, Beginning of Year	<u>440,299</u>	<u>440,299</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 193,979</u>	<u>\$ 345,185</u>	<u>\$ 151,206</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
PUBLIC EDUCATION/GOVERNMENT ACCESS PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ 320,000	\$ 308,869	\$ (11,131)
Total Revenues	<u>320,000</u>	<u>308,869</u>	<u>(11,131)</u>
Expenditures:			
Current:			
General government	878,402	731,580	146,822
Total Expenditures	<u>878,402</u>	<u>731,580</u>	<u>146,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(558,402)</u>	<u>(422,711)</u>	<u>135,691</u>
Other Financing Sources (Uses):			
Transfers in	583,402	447,711	(135,691)
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>558,402</u>	<u>422,711</u>	<u>(135,691)</u>
Net Change in Fund Balances	-	-	-
Fund Balances, Beginning of Year	<u>1,727,606</u>	<u>1,727,606</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,727,606</u>	<u>\$ 1,727,606</u>	<u>\$ -</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY MANAGEMENT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 167,000	\$ 215,542	\$ 48,542
Use of money and property	12,000	27,245	15,245
Total Revenues	179,000	242,787	63,787
Expenditures:			
Current:			
Public works	505,397	29,371	476,026
Total Expenditures	505,397	29,371	476,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	(326,397)	213,416	539,813
Net Change in Fund Balances	(326,397)	213,416	539,813
Fund Balances, Beginning of Year, as Restated	545,093	545,093	-
Fund Balances, End of Year	\$ 218,696	\$ 758,509	\$ 539,813

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,050,247	\$ 1,438,970	\$ 388,723
Miscellaneous	240	1,008	768
Total Revenues	1,050,487	1,439,978	389,491
Expenditures:			
Current:			
Community development	3,501,973	1,528,468	1,973,505
Total Expenditures	3,501,973	1,528,468	1,973,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,451,486)	(88,490)	2,362,996
Net Change in Fund Balances	(2,451,486)	(88,490)	2,362,996
Fund Balances, Beginning of Year	219,418	219,418	-
Fund Balances, End of Year	\$ (2,232,068)	\$ 130,928	\$ 2,362,996

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 SPECIAL DISTRICTS ADMINISTRATION SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 840,145	\$ 862,862	\$ 22,717
Use of money and property	85,600	75,723	(9,877)
Total Revenues	<u>925,745</u>	<u>938,585</u>	<u>12,840</u>
Expenditures:			
Current:			
Public works	1,370,775	1,276,560	94,215
Total Expenditures	<u>1,370,775</u>	<u>1,276,560</u>	<u>94,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(445,030)</u>	<u>(337,975)</u>	<u>107,055</u>
Other Financing Sources (Uses):			
Transfers in	-	5,000	5,000
Transfers out	-	(2,000)	(2,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Net Change in Fund Balances	(445,030)	(334,975)	110,055
Fund Balances, Beginning of Year	<u>2,012,676</u>	<u>2,012,676</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,567,646</u>	<u>\$ 1,677,701</u>	<u>\$ 110,055</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
NPDES CSA SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other taxes	\$ -	\$ 52,739	\$ 52,739
Licenses and permits	638,528	319,890	(318,638)
Intergovernmental	118,929	109,119	(9,810)
Charges for services	299,669	288,283	(11,386)
Total Revenues	1,057,126	770,031	(287,095)
Expenditures:			
Current:			
Public works	1,188,090	752,123	435,967
Total Expenditures	1,188,090	752,123	435,967
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,964)	17,908	148,872
Other Financing Sources (Uses):			
Transfers in	445,414	445,320	(94)
Transfers out	(1,500)	(1,500)	-
Total Other Financing Sources (Uses)	443,914	443,820	(94)
Net Change in Fund Balances	312,950	461,728	148,778
Fund Balances, Beginning of Year	(28,891)	(28,891)	-
Fund Balances, End of Year	\$ 284,059	\$ 432,837	\$ 148,778

CITY OF MORENO VALLEY

**BUDGETARY COMPARISON SCHEDULE
HOUSING ASSISTANCE PROGRAMS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,222,002	\$ 981,506	\$ (240,496)
Use of money and property	-	21,404	21,404
Miscellaneous	-	20,149	20,149
Total Revenues	<u>1,222,002</u>	<u>1,023,059</u>	<u>(198,943)</u>
Expenditures:			
Current:			
Community development	2,575,348	930,341	1,645,007
Total Expenditures	<u>2,575,348</u>	<u>930,341</u>	<u>1,645,007</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,353,346)</u>	<u>92,718</u>	<u>1,446,064</u>
Net Change in Fund Balances	(1,353,346)	92,718	1,446,064
Fund Balances, Beginning of Year	<u>2,778,720</u>	<u>2,778,720</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,425,374</u>	<u>\$ 2,871,438</u>	<u>\$ 1,446,064</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 CHILD CARE GRANT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 596,939	\$ 732,562	\$ 135,623
Charges for services	40,000	31,095	(8,905)
Miscellaneous	1,000	-	(1,000)
Total Revenues	<u>637,939</u>	<u>763,657</u>	<u>125,718</u>
Expenditures:			
Current:			
Community and cultural	854,948	734,289	120,659
Total Expenditures	<u>854,948</u>	<u>734,289</u>	<u>120,659</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(217,009)</u>	<u>29,368</u>	<u>246,377</u>
Other Financing Sources (Uses):			
Transfers out	<u>(1,500)</u>	<u>(660)</u>	<u>840</u>
Total Other Financing Sources (Uses)	<u>(1,500)</u>	<u>(660)</u>	<u>840</u>
Net Change in Fund Balances	(218,509)	28,708	247,217
Fund Balances, Beginning of Year, as Restated	<u>(45,182)</u>	<u>(45,182)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (263,691)</u>	<u>\$ (16,474)</u>	<u>\$ 247,217</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
PARKS & COMMUNITY SERVICES PAL GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, Beginning of Year	\$ 17,414	\$ 17,414	\$ -
Fund Balances, End of Year	\$ 17,414	\$ 17,414	\$ -

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 USED OIL RECYCLING SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 128,634	\$ 63,708	\$ (64,926)
Use of money and property	-	198	198
Total Revenues	<u>128,634</u>	<u>63,906</u>	<u>(64,728)</u>
Expenditures:			
Current:			
General government	64,632	64,303	329
Total Expenditures	<u>64,632</u>	<u>64,303</u>	<u>329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,002	(397)	(64,399)
Other Financing Sources (Uses):			
Transfers in	-	239	239
Total Other Financing Sources (Uses)	<u>-</u>	<u>239</u>	<u>239</u>
Net Change in Fund Balances	64,002	(158)	(64,160)
Fund Balances, Beginning of Year	158	158	-
Fund Balances, End of Year	<u>\$ 64,160</u>	<u>\$ -</u>	<u>\$ (64,160)</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 STORM WATER MAINTENANCE SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 391,497	\$ 365,313	\$ (26,184)
Total Revenues	<u>391,497</u>	<u>365,313</u>	<u>(26,184)</u>
Expenditures:			
Current:			
Public works	1,029,208	662,186	367,022
Total Expenditures	<u>1,029,208</u>	<u>662,186</u>	<u>367,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(637,711)</u>	<u>(296,873)</u>	<u>340,838</u>
Other Financing Sources (Uses):			
Transfers in	634,253	254,253	(380,000)
Total Other Financing Sources (Uses)	<u>634,253</u>	<u>254,253</u>	<u>(380,000)</u>
Net Change in Fund Balances	(3,458)	(42,620)	(39,162)
Fund Balances, Beginning of Year	(11,079)	(11,079)	-
Fund Balances, End of Year	<u>\$ (14,537)</u>	<u>\$ (53,699)</u>	<u>\$ (39,162)</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC CONGESTION RELIEF SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property	5,000	12,110	7,110
Total Revenues	5,000	12,110	7,110
Expenditures:			
Current:			
Public works	1,564,728	-	1,564,728
Total Expenditures	1,564,728	-	1,564,728
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,559,728)	12,110	1,571,838
Net Change in Fund Balances	(1,559,728)	12,110	1,571,838
Fund Balances, Beginning of Year, as Restated	(12,353)	(12,353)	-
Fund Balances, End of Year	\$ (1,572,081)	\$ (243)	\$ 1,571,838

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 DISASTER SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	-	\$ 10,645	10,645
Total Revenues	<u>-</u>	<u>10,645</u>	<u>10,645</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	10,645	10,645
Net Change in Fund Balances	-	10,645	10,645
Fund Balances, Beginning of Year	<u>329,808</u>	<u>329,808</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 329,808</u>	<u>\$ 340,453</u>	<u>\$ 10,645</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 BEVERAGE CONTAINER RECYCLING SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 46,394	\$ 46,394	\$ -
Total Revenues	<u>46,394</u>	<u>46,394</u>	<u>-</u>
Expenditures:			
Current:			
General government	46,394	47,678	(1,284)
Total Expenditures	<u>46,394</u>	<u>47,678</u>	<u>(1,284)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,284)</u>	<u>(1,284)</u>
Net Change in Fund Balances	-	(1,284)	(1,284)
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ (1,284)</u>	<u>\$ (1,284)</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 EMERGENCY MANAGEMENT PREPAREDNESS GRANT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 288,824	\$ 67,469	\$ (221,355)
Total Revenues	<u>288,824</u>	<u>67,469</u>	<u>(221,355)</u>
Expenditures:			
Current:			
Public safety	320,792	102,851	217,941
Total Expenditures	<u>320,792</u>	<u>102,851</u>	<u>217,941</u>
Net Change in Fund Balances	(31,968)	(35,382)	(3,414)
Fund Balances, Beginning of Year	3,375	3,375	-
Fund Balances, End of Year	<u>\$ (28,593)</u>	<u>\$ (32,007)</u>	<u>\$ (3,414)</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 ASES PROGRAM GRANT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 4,835,000	\$ 9,011,054	\$ 4,176,054
Use of money and property	-	157,149	157,149
Miscellaneous	\$ -	\$ 375	\$ 375
Total Revenues	<u>4,835,000</u>	<u>9,168,578</u>	<u>4,333,578</u>
Expenditures:			
Current:			
Community and cultural	5,033,394	9,110,635	(4,077,241)
Total Expenditures	<u>5,033,394</u>	<u>9,110,635</u>	<u>(4,077,241)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(198,394)</u>	<u>57,943</u>	<u>256,337</u>
Other Financing Sources (Uses):			
Transfers out	-	(1,112)	(1,112)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,112)</u>	<u>(1,112)</u>
Net Change in Fund Balances	(198,394)	56,831	255,225
Fund Balances, Beginning of Year	91,991	91,991	-
Fund Balances, End of Year	<u>\$ (106,403)</u>	<u>\$ 148,822</u>	<u>\$ 255,225</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 BOX SPRINGS WATER EPA GRANT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 240,600	\$ 56,044	\$ (184,556)
Use of money and property	<u>6,000</u>	<u>7,868</u>	<u>1,868</u>
Total Revenues	<u>246,600</u>	<u>63,912</u>	<u>(182,688)</u>
Expenditures:			
Current:			
Public works	<u>432,292</u>	<u>203,560</u>	<u>228,732</u>
Total Expenditures	<u>432,292</u>	<u>203,560</u>	<u>228,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(185,692)</u>	<u>(139,648)</u>	<u>46,044</u>
Net Change in Fund Balances	(185,692)	(139,648)	46,044
Fund Balances, Beginning of Year	<u>196,125</u>	<u>196,125</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 10,433</u>	<u>\$ 56,477</u>	<u>\$ 46,044</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
TCA2-06-22 LOCAL GOV'T WASTE TI SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 10,400	\$ 10,399	\$ (1)
Total Revenues	<u>10,400</u>	<u>10,399</u>	<u>(1)</u>
Expenditures:			
Current:			
Public works	10,400	10,399	1
Total Expenditures	<u>10,400</u>	<u>10,399</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 PROP 1B SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 2,902,673	\$ 2,902,673
Total Revenues	<u>-</u>	<u>2,902,673</u>	<u>2,902,673</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,902,673</u>	<u>2,902,673</u>
Net Change in Fund Balances	-	2,902,673	2,902,673
 Fund Balances, Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balances, End of Year	 <u>\$ -</u>	 <u>\$ 2,902,673</u>	 <u>\$ 2,902,673</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 CITY HALL CAPITAL/ADMINISTRATION CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ -	\$ 20	\$ 20
Total Revenues	-	20	20
Expenditures:			
Current:			
Public works	13,108,729	333,987	12,774,742
Total Expenditures	13,108,729	333,987	12,774,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,108,729)	(333,967)	12,774,762
Other Financing Sources (Uses):			
Transfers in	67,040	1,972,040	1,905,000
Total Other Financing Sources (Uses)	67,040	1,972,040	1,905,000
Net Change in Fund Balances	(13,041,689)	1,638,073	14,679,762
Fund Balances, Beginning of Year	10,577,773	10,577,773	-
Fund Balances, End of Year	\$ (2,463,916)	\$ 12,215,846	\$ 14,679,762

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, Beginning of Year	\$ 215,339	\$ 215,339	\$ -
Fund Balances, End of Year	<u>\$ 215,339</u>	<u>\$ 215,339</u>	<u>\$ -</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 PUBLIC WORKS CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 299,171	\$ 299,171
Total Revenues	<u>-</u>	<u>299,171</u>	<u>299,171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>299,171</u>	<u>299,171</u>
Net Change in Fund Balances	-	299,171	299,171
 Fund Balances, Beginning of Year	 <u>\$ 32,692</u>	 <u>\$ 32,692</u>	 <u>\$ -</u>
Fund Balances, End of Year	 <u>\$ 32,692</u>	 <u>\$ 331,863</u>	 <u>\$ 299,171</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
TRAFFIC SIGNAL MITIGATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, Beginning of Year	\$ 137,578	\$ 137,578	\$ -
Fund Balances, End of Year	<u>\$ 137,578</u>	<u>\$ 137,578</u>	<u>\$ -</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 FIRE SERVICES CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous	\$ 5,000	\$ 459	\$ (4,541)
Total Revenues	5,000	459	(4,541)
Expenditures:			
Current:			
Public safety	5,856,610	590,479	5,266,131
Total Expenditures	5,856,610	590,479	5,266,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,851,610)	(590,020)	5,261,590
Net Change in Fund Balances	(5,851,610)	(590,020)	5,261,590
Fund Balances, Beginning of Year	2,617,704	2,617,704	-
Fund Balances, End of Year	\$ (3,233,906)	\$ 2,027,684	\$ 5,261,590

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
PARK ACQUISITION AND DEVELOPMENT CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balances, Beginning of Year	\$ 230	\$ 230	\$ -
Fund Balances, End of Year	\$ 230	\$ 230	\$ -

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
TOWNGATE CAPITAL/ADMINISTRATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Public works	<u>177,575</u>	<u>176,888</u>	<u>687</u>
Total Expenditures	<u>177,575</u>	<u>176,888</u>	<u>687</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(177,575)</u>	<u>(176,888)</u>	<u>687</u>
Other Financing Sources (Uses):			
Transfers in	<u>172,375</u>	<u>78,760</u>	<u>(93,615)</u>
Total Other Financing Sources (Uses)	<u>172,375</u>	<u>78,760</u>	<u>(93,615)</u>
Net Change in Fund Balances	(5,200)	(98,128)	(92,928)
Fund Balances, Beginning of Year	<u>(291,078)</u>	<u>(291,078)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (296,278)</u>	<u>\$ (389,206)</u>	<u>\$ (92,928)</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 CENTERPOINTE CAPITAL/ADMINISTRATION CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 55,000	\$ 181,525	\$ 126,525
Total Revenues	<u>55,000</u>	<u>181,525</u>	<u>126,525</u>
Expenditures:			
Current:			
Public works	\$ 59,500	\$ 58,786	\$ 714
Total Expenditures	<u>59,500</u>	<u>58,786</u>	<u>714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,500)</u>	<u>122,739</u>	<u>127,239</u>
Net Change in Fund Balances	(4,500)	122,739	127,239
Fund Balances, Beginning of Year	<u>(122,739)</u>	<u>(122,739)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (127,239)</u>	<u>\$ -</u>	<u>\$ 127,239</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 WARNER RANCH CAPITAL/DEVELOPMENT CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 8,300	\$ 8,415	\$ 115
Total Revenues	<u>8,300</u>	<u>8,415</u>	<u>115</u>
Expenditures:			
Current:			
Public works	7,188	2,693	4,495
Total Expenditures	<u>7,188</u>	<u>2,693</u>	<u>4,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,112</u>	<u>5,722</u>	<u>4,610</u>
Net Change in Fund Balances	1,112	5,722	4,610
Fund Balances, Beginning of Year	<u>(10,206)</u>	<u>(10,206)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (9,094)</u>	<u>\$ (4,484)</u>	<u>\$ 4,610</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 AUTO MALL CAPITAL/ADMINISTRATION CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ 50,000	\$ -	\$ (50,000)
Total Revenues	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Expenditures:			
Public works	153,440	152,696	744
Total Expenditures	<u>153,440</u>	<u>152,696</u>	<u>744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,440)</u>	<u>(152,696)</u>	<u>(49,256)</u>
Other Financing Sources (Uses):			
Transfers in	148,940	512,462	363,522
Transfers out	<u>-</u>	<u>(927,865)</u>	<u>(927,865)</u>
Total Other Financing Sources (Uses)	<u>148,940</u>	<u>(415,403)</u>	<u>(564,343)</u>
Net Change in Fund Balances	45,500	(568,099)	(613,599)
Fund Balances, Beginning of Year	<u>568,099</u>	<u>568,099</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 613,599</u>	<u>\$ -</u>	<u>\$ (613,599)</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
 PARKS & COMMUNITY SERVICES CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 1,803,758	\$ 1,803,758
Total Revenues	<u>-</u>	<u>1,803,758</u>	<u>1,803,758</u>
Expenditures:			
Current:			
Community and cultural	17,103,220	5,482,017	11,621,203
Total Expenditures	<u>17,103,220</u>	<u>5,482,017</u>	<u>11,621,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,103,220)</u>	<u>(3,678,259)</u>	<u>13,424,961</u>
Other Financing Sources (Uses):			
Transfers in	212,355	4,262,355	4,050,000
Total Other Financing Sources (Uses)	<u>212,355</u>	<u>4,262,355</u>	<u>4,050,000</u>
Net Change in Fund Balances	(16,890,865)	584,096	17,474,961
Fund Balances, Beginning of Year	6,355,202	6,355,202	-
Fund Balances, End of Year	<u>\$ (10,535,663)</u>	<u>\$ 6,939,298</u>	<u>\$ 17,474,961</u>

CITY OF MORENO VALLEY

BUDGETARY COMPARISON SCHEDULE
TUMF CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 13,050,000	\$ 2,183,508	\$ (10,866,492)
Miscellaneous	-	97,633	97,633
Total Revenues	<u>13,050,000</u>	<u>2,281,141</u>	<u>(10,768,859)</u>
Expenditures:			
Current:			
Public works	<u>37,355,896</u>	<u>1,899,858</u>	<u>35,456,038</u>
Total Expenditures	<u>37,355,896</u>	<u>1,899,858</u>	<u>35,456,038</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,305,896)</u>	<u>381,283</u>	<u>24,687,179</u>
Net Change in Fund Balances	(24,305,896)	381,283	24,687,179
Fund Balances, Beginning of Year	<u>(2,282,676)</u>	<u>(2,282,676)</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (26,588,572)</u>	<u>\$ (1,901,393)</u>	<u>\$ 24,687,179</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
DIF CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous	\$ 2,000	\$ -	\$ (2,000)
Total Revenues	2,000	-	(2,000)
Expenditures:			
Current:			
Public works	12,664,007	685,963	11,978,044
Total Expenditures	12,664,007	685,963	11,978,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,662,007)	(685,963)	11,976,044
Other Financing Sources (Uses):			
Transfers in	6,749,344	4,037,344	(2,712,000)
Transfers out	-	(7,728,301)	(7,728,301)
Total Other Financing Sources (Uses)	6,749,344	(3,690,957)	(10,440,301)
Net Change in Fund Balances	(5,912,663)	(4,376,920)	1,535,743
Fund Balances, Beginning of Year	13,644,331	13,644,331	-
Fund Balances, End of Year	\$ 7,731,668	\$ 9,267,411	\$ 1,535,743

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
STONERIDGE CAPITAL ADMINISTRATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 175,974	\$ 175,974
Total Revenues	-	175,974	175,974
Expenditures:			
Current:			
Public works	8,239,554	2,306,243	5,933,311
Total Expenditures	8,239,554	2,306,243	5,933,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,239,554)	(2,130,269)	6,109,285
Other Financing Sources (Uses):			
Transfers in	30,000	96,471	66,471
Total Other Financing Sources (Uses)	30,000	96,471	66,471
Net Change in Fund Balances	(8,209,554)	(2,033,798)	6,175,756
Fund Balances, Beginning of Year	4,647,008	4,647,008	-
Fund Balances, End of Year	\$ (3,562,546)	\$ 2,613,210	\$ 6,175,756

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
OPA SALES TAX AGREEMENTS DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales taxes	\$ 455,000	\$ -	\$ (455,000)
Use of money and property	-	385,926	385,926
Total Revenues	<u>455,000</u>	<u>385,926</u>	<u>(69,074)</u>
Expenditures:			
Debt service:			
Interest and fiscal charges	455,000	385,926	69,074
Total Expenditures	<u>455,000</u>	<u>385,926</u>	<u>69,074</u>
Net Change in Fund Balances	-	-	-
Fund Balances, Beginning of Year	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
CITY HALL COPS SERIES 1997 DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Debt service:			
Principal retirement	550,000	550,000	-
Interest and fiscal charges	313,875	261,668	52,207
Total Expenditures	863,875	811,668	52,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	(863,875)	(811,668)	52,207
Other Financing Sources (Uses):			
Transfers in	863,875	811,498	(52,377)
Total Other Financing Sources (Uses)	863,875	811,498	(52,377)
Net Change in Fund Balances	-	(170)	(170)
Fund Balances, Beginning of Year	803,275	803,275	-
Fund Balances, End of Year	\$ 803,275	\$ 803,105	\$ (170)

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
AUTO MALL SPECIAL TAX BONDS DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sales taxes	\$ 1,203,515	\$ 1,010,858	\$ (192,657)
Other taxes	1,164,575	1,088,427	(76,148)
Use of money and property	52,410	51,811	(599)
Total Revenues	2,420,500	2,151,096	(269,404)
Expenditures:			
Debt service:			
Principal retirement	865,000	785,000	80,000
Interest and fiscal charges	1,503,090	1,337,908	165,182
Total Expenditures	2,368,090	2,122,908	245,182
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,410	28,188	(24,222)
Other Financing Sources (Uses):			
Transfers in	116,000	1,118,290	1,002,290
Transfers out	(148,940)	(512,462)	(363,522)
Total Other Financing Sources (Uses)	(32,940)	605,828	638,768
Net Change in Fund Balances	19,470	634,016	614,546
Fund Balances, Beginning of Year, as Restated	1,494,293	1,494,293	-
Fund Balances, End of Year	\$ 1,513,763	\$ 2,128,309	\$ 614,546

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
CFD# 5 STONERIDGE DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other taxes	\$ -	\$ 198,306	\$ 198,306
Use of money and property	-	8,434	8,434
Total Revenues	-	206,740	206,740
Expenditures:			
Debt service:			
Interest and fiscal charges	582,534	217,270	365,264
Bond issuance cost	-	31,214	(31,214)
Total Expenditures	582,534	248,484	334,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(582,534)	(41,744)	540,790
Other Financing Sources (Uses):			
Transfers in	-	150,000	150,000
Transfers out	(30,000)	(99,471)	(69,471)
Total Other Financing Sources (Uses)	(30,000)	50,529	80,529
Net Change in Fund Balances	(612,534)	8,785	621,319
Fund Balances, Beginning of Year, as Restated	702,321	702,321	-
Fund Balances, End of Year	\$ 89,787	\$ 711,106	\$ 621,319

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
CERTIFICATES OF PARTICIPATION SERIES 1993 DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Debt service:			
Interest and fiscal charges	3,500	2,000	1,500
Total Expenditures	3,500	2,000	1,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(2,000)	1,500
Net Change in Fund Balances	(3,500)	(2,000)	1,500
 Fund Balances, Beginning of Year	 430,959	 430,959	 -
 Fund Balances, End of Year	 \$ 427,459	 \$ 428,959	 \$ 1,500

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY LEASE REVENUE BONDS 1997 DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property	\$ 25,000	\$ 20,791	\$ (4,209)
Total Revenues	<u>25,000</u>	<u>20,791</u>	<u>(4,209)</u>
Expenditures:			
Debt service:			
Principal retirement	175,000	175,000	-
Interest and fiscal charges	226,244	253,759	(27,515)
Total Expenditures	<u>401,244</u>	<u>428,759</u>	<u>(27,515)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(376,244)</u>	<u>(407,968)</u>	<u>(31,724)</u>
Other Financing Sources (Uses):			
Transfers in	401,244	401,244	-
Total Other Financing Sources (Uses)	<u>401,244</u>	<u>401,244</u>	<u>-</u>
Net Change in Fund Balances	25,000	(6,724)	(31,724)
Fund Balances, Beginning of Year	766,288	766,288	-
Fund Balances, End of Year	<u>\$ 791,288</u>	<u>\$ 759,564</u>	<u>\$ (31,724)</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
LEASE REVENUE BONDS 2005 DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 175,000	\$ 229,517	\$ 54,517
Total Revenues	175,000	229,517	54,517
Expenditures:			
Debt service:			
Principal retirement	555,000	555,000	-
Interest and fiscal charges	2,134,003	2,134,228	(225)
Total Expenditures	2,689,003	2,689,228	(225)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,514,003)	(2,459,711)	54,292
Other Financing Sources (Uses):			
Transfers in	1,972,222	3,346,445	1,374,223
Total Other Financing Sources (Uses)	1,972,222	3,346,445	1,374,223
Net Change in Fund Balances	(541,781)	886,734	1,428,515
Fund Balances, Beginning of Year	7,187,854	7,187,854	-
Fund Balances, End of Year	\$ 6,646,073	\$ 8,074,588	\$ 1,428,515

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
2007 TOWNGATE IMPROVEMENT REFUNDING DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other taxes	\$ 440,963	\$ 441,558	\$ 595
Use of money and property	20,000	72,478	52,478
Total Revenues	<u>460,963</u>	<u>514,036</u>	<u>53,073</u>
Expenditures:			
Debt service:			
Principal retirement	135,000	3,935,000	(3,800,000)
Interest and fiscal charges	271,463	336,581	(65,118)
Bond issuance cost	-	134,497	(134,497)
Total Expenditures	<u>406,463</u>	<u>4,406,078</u>	<u>(3,999,615)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>54,500</u>	<u>(3,892,042)</u>	<u>(3,946,542)</u>
Other Financing Sources (Uses):			
Issuance of debt	-	4,017,845	4,017,845
Transfers out	(34,500)	(78,760)	(44,260)
Total Other Financing Sources (Uses)	<u>(34,500)</u>	<u>3,939,085</u>	<u>3,973,585</u>
Net Change in Fund Balances	20,000	47,043	27,043
Fund Balances, Beginning of Year, as Restated	<u>830,953</u>	<u>830,953</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 850,953</u>	<u>\$ 877,996</u>	<u>\$ 27,043</u>

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
2007 TOWNGATE REFUNDING DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 146,000	\$ 110,146	\$ (35,854)
Total Revenues	146,000	110,146	(35,854)
Expenditures:			
Debt service:			
Principal retirement	1,245,000	12,510,000	(11,265,000)
Interest and fiscal charges	689,150	621,228	67,922
Bond issuance cost	-	390,596	(390,596)
Total Expenditures	1,934,150	13,521,824	(11,587,674)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,788,150)	(13,411,678)	(11,623,528)
Other Financing Sources (Uses):			
Issuance of debt	-	10,899,584	10,899,584
Transfers in	2,072,025	2,072,568	543
Transfers out	(137,875)	-	137,875
Total Other Financing Sources (Uses)	2,072,025	12,972,152	10,900,127
Net Change in Fund Balances	283,875	(439,526)	(723,401)
Fund Balances, Beginning of Year, as Restated	3,724,559	3,724,559	-
Fund Balances, End of Year	\$ 4,008,434	\$ 3,285,033	\$ (723,401)

CITY OF MORENO VALLEY
BUDGETARY COMPARISON SCHEDULE
CFD# 4I INFRASTRUCTURE DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other taxes	\$ 1,193,215	\$ -	\$ (1,193,215)
Total Revenues	1,193,215	-	(1,193,215)
Expenditures:			
Debt service:			
Principal retirement	215,000	-	215,000
Interest and fiscal charges	1,890,955	-	1,890,955
Total Expenditures	2,105,955	-	2,105,955
Excess (Deficiency) of Revenues Over (Under) Expenditures	(912,740)	-	912,740
Other Financing Sources (Uses):			
Issuance of debt	16,000,000	-	(16,000,000)
Transfers out	(30,000)	-	30,000
Other debts issued			
Total Other Financing Sources (Uses)	15,970,000	-	(15,970,000)
Net Change in Fund Balances	15,057,260	-	(15,057,260)
Fund Balances, Beginning of Year	-	-	-
Fund Balances, End of Year	\$ 15,057,260	\$ -	\$ (15,057,260)

(This page intentionally left blank)

INTERNAL SERVICE FUNDS

General Liability Insurance Fund

This fund is used to account for the costs of maintaining the City's general liability insurance program, on a reimbursement basis through charges to benefiting funds; and maintaining responsible reserves based on current actuarial assumptions.

Worker's Compensation Insurance Fund

This fund is used to account for the costs of maintaining the City worker's compensation insurance program, on a reimbursement basis through charges to benefiting funds; and maintaining responsible reserves based on current actuarial assumptions.

Technology Service Fund

This fund is used to account for the costs of maintaining and replacing the City's information systems including major software, hardware, radios, telephones, and the City's backbone telecommunications infrastructure. The fund recovers costs through charges to benefiting funds.

Central Services Fund

This fund is used to account for the costs of centralized receiving and distribution of mail and purchased goods. The fund recovers costs through charges to benefiting funds.

Graphic Support Fund

This fund is used to account for the costs of citywide graphics support. The fund recovers costs through charges to benefiting funds.

Facilities Fund

This fund is used to account for the costs of maintaining all City-owned and leased buildings. Its user charges include the recovery of both depreciation on the City Hall building and debt service on the 1997 variable rate Certificates of Participation originally issued in 1995 to finance the acquisition of the building.

Equipment Maintenance Fund

This fund is used to account for the maintenance costs of the City's inventory of vehicles and equipment, on a cost reimbursement basis through user charges to benefiting funds.

Equipment Replacement Reserve Fund

This fund is used to account for the accumulation of cash reserves to replace City vehicles and capital equipment, based on replacement cost and useful life. The reserve receives cash through user charges for each fund's share of annual depreciation; and provides cash as a funding source to participating funds for capital replacement.

CITY OF MORENO VALLEY

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2008

	<u>General Liability Insurance</u>	<u>Worker's Compensation Insurance</u>	<u>Technology Services</u>
Assets:			
Current:			
Cash and investments	\$ 2,374,047	\$ 3,411,970	\$ 7,250,982
Receivables:			
Accounts	375	1,125	30
Prepaid expenses	-	-	1,258
Inventories	-	-	-
	<u>2,374,422</u>	<u>3,413,095</u>	<u>7,252,270</u>
Total Current Assets			
	<u>2,374,422</u>	<u>3,413,095</u>	<u>7,252,270</u>
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	1,199,016
	<u>-</u>	<u>-</u>	<u>1,199,016</u>
Total Assets	<u>2,374,422</u>	<u>3,413,095</u>	<u>8,451,286</u>
Liabilities and Net Assets:			
Liabilities:			
Current:			
Accounts payable	\$ 82,938	\$ 2,527	\$ 80,429
Accrued payroll liabilities	17,335	21,994	250,028
Due to the City of Moreno Valley	-	-	-
	<u>100,273</u>	<u>24,521</u>	<u>330,457</u>
Total Current Liabilities			
	<u>100,273</u>	<u>24,521</u>	<u>330,457</u>
Long-Term:			
Compensated Absences	-	18,853	125,053
Self-insurance payable	1,484,000	2,327,000	-
	<u>1,484,000</u>	<u>2,345,853</u>	<u>125,053</u>
Total Long-Term Liabilities			
	<u>1,484,000</u>	<u>2,345,853</u>	<u>125,053</u>
Total Liabilities	<u>1,584,273</u>	<u>2,370,374</u>	<u>455,510</u>
Net Assets:			
Invested in capital assets	-	-	1,199,016
Unrestricted	790,149	1,042,721	6,796,760
	<u>790,149</u>	<u>1,042,721</u>	<u>7,995,776</u>
Total Net Assets			
	<u>790,149</u>	<u>1,042,721</u>	<u>7,995,776</u>
Total Liabilities and Net Assets	<u>\$ 2,374,422</u>	<u>\$ 3,413,095</u>	<u>\$ 8,451,286</u>

2

<u>Central Services</u>	<u>Graphic Support</u>	<u>City Hall Facility</u>	<u>Equipment Maintenance</u>	<u>Equipment Replacement Reserve</u>	<u>Totals</u>
\$ -	\$ -	\$ 4,089,850	\$ 196,699	\$ 12,404,233	\$ 29,727,781
-	-	179	416	-	2,125
27,449	-	7,492	-	-	36,199
4,657	-	-	16,550	-	21,207
<u>32,106</u>	<u>-</u>	<u>4,097,521</u>	<u>213,665</u>	<u>12,404,233</u>	<u>29,787,312</u>
74,103	-	7,519,958	130,098	1,128,925	10,052,100
<u>106,209</u>	<u>-</u>	<u>11,617,479</u>	<u>343,763</u>	<u>13,533,158</u>	<u>39,839,412</u>
\$ 17,113	\$ -	\$ 163,447	\$ 38,463	\$ -	\$ 384,917
9,284	-	107,734	30,134	-	436,509
40,723	-	-	-	-	40,723
<u>67,120</u>	<u>-</u>	<u>271,181</u>	<u>68,597</u>	<u>-</u>	<u>862,149</u>
1,717	-	33,843	-	-	179,466
-	-	-	-	-	3,811,000
<u>1,717</u>	<u>-</u>	<u>33,843</u>	<u>-</u>	<u>-</u>	<u>3,990,466</u>
<u>68,837</u>	<u>-</u>	<u>305,024</u>	<u>68,597</u>	<u>-</u>	<u>4,852,615</u>
74,103	-	7,519,958	130,098	1,128,925	10,052,100
(36,731)	-	3,792,497	145,068	12,404,233	24,934,697
<u>37,372</u>	<u>-</u>	<u>11,312,455</u>	<u>275,166</u>	<u>13,533,158</u>	<u>34,986,797</u>
<u>\$ 106,209</u>	<u>\$ -</u>	<u>\$ 11,617,479</u>	<u>\$ 343,763</u>	<u>\$ 13,533,158</u>	<u>\$ 39,839,412</u>

CITY OF MORENO VALLEY

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2008**

	<u>General Liability Insurance</u>	<u>Worker's Compensation Insurance</u>	<u>Technology Services</u>	<u>Central Services</u>
Operating Revenues:				
Sales and service charges	\$ 1,414,014	\$ 1,258,169	\$ 4,240,273	\$ 114,497
Miscellaneous	<u>18,712</u>	<u>38,709</u>	<u>17,513</u>	<u>-</u>
Total Operating Revenues	<u>1,432,726</u>	<u>1,296,878</u>	<u>4,257,786</u>	<u>114,497</u>
Operating Expenses:				
Cost of services	367,770	286,055	3,359,723	279,985
Self-insurance claims and charges	1,064,658	1,010,808	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>476,502</u>	<u>9,851</u>
Total Operation Expenses	<u>1,432,428</u>	<u>1,296,863</u>	<u>3,836,225</u>	<u>289,836</u>
Operating Income (Loss)	<u>298</u>	<u>15</u>	<u>421,561</u>	<u>(175,339)</u>
Income (Loss) Before Transfers	298	15	421,561	(175,339)
Transfers in	-	500,000	165,000	-
Transfers out	<u>(500,274)</u>	<u>-</u>	<u>(194)</u>	<u>-</u>
Change in Net Assets	(499,976)	500,015	586,367	(175,339)
Net Assets:				
Beginning of Fiscal Year, as restated	<u>1,290,125</u>	<u>542,706</u>	<u>7,409,409</u>	<u>212,711</u>
Net assets at end of year	<u>\$ 790,149</u>	<u>\$ 1,042,721</u>	<u>\$ 7,995,776</u>	<u>\$ 37,372</u>

<u>Graphic Support</u>	<u>Facilities</u>	<u>Equipment Maintenance</u>	<u>Equipment Replacement Reserve</u>	<u>Total</u>
\$ -	\$ 4,001,855	\$ 978,989	\$ 2,217,393	\$ 14,225,190
-	2,101	-	295	77,330
<u>-</u>	<u>4,003,956</u>	<u>978,989</u>	<u>2,217,688</u>	<u>14,302,520</u>
-	3,094,087	949,234	-	8,336,854
-	-	-	-	2,075,466
<u>-</u>	<u>130,640</u>	<u>36,062</u>	<u>331,500</u>	<u>984,555</u>
<u>-</u>	<u>3,224,727</u>	<u>985,296</u>	<u>331,500</u>	<u>11,396,875</u>
<u>-</u>	<u>779,229</u>	<u>(6,307)</u>	<u>1,886,188</u>	<u>2,905,645</u>
-	779,229	(6,307)	1,886,188	2,905,645
-	250,000	-	-	915,000
<u>(20,563)</u>	<u>(812,488)</u>	<u>(1,255)</u>	<u>(847,150)</u>	<u>(2,181,924)</u>
(20,563)	216,741	(7,562)	1,039,038	1,638,721
<u>20,563</u>	<u>11,095,714</u>	<u>282,728</u>	<u>12,494,120</u>	<u>33,348,076</u>
<u>\$ -</u>	<u>\$ 11,312,455</u>	<u>\$ 275,166</u>	<u>\$ 13,533,158</u>	<u>\$ 34,986,797</u>

CITY OF MORENO VALLEY

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Liability Insurance</u>	<u>Worker's Compensation Insurance</u>	<u>Technology Services</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 1,422,052	\$ 1,332,445	\$ 4,241,296
Cash payments to suppliers for goods and services	(124,894)	(67,732)	(1,367,362)
Cash payments for claims	(930,658)	(508,808)	-
Cash payments to employees for services	(179,258)	(187,997)	(1,938,876)
Other operating revenues (expenses)	18,712	38,709	17,513
Net Cash Provided (Used) by Operating Activities	<u>205,954</u>	<u>606,617</u>	<u>952,571</u>
Cash Flows from Noncapital Financing Activities:			
Cash transfers from other funds	-	500,000	165,000
Cash transfers to other funds	(500,274)	-	(194)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(500,274)</u>	<u>500,000</u>	<u>164,806</u>
Cash Flows from Capital and Related financing activities:			
Acquisition and construction of capital assets	-	-	(618,179)
Proceeds from disposal of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(618,179)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(294,320)	1,106,617	499,198
Cash and Cash Equivalents at Beginning of Year	<u>2,668,367</u>	<u>2,305,353</u>	<u>6,751,784</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,374,047</u>	<u>\$ 3,411,970</u>	<u>\$ 7,250,982</u>
Reconciliation of Change in Net Assets to Net Cash provided (Used) by Operating Activities:			
Operating income (loss)	\$ 298	\$ 15	\$ 421,561
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	476,502
(Increase) decrease in accounts receivable	8,038	74,276	1,023
(Increase) decrease in prepaids	260	2,860	(1,258)
(Increase) decrease in inventories	-	-	-
Increase (decrease) in accounts payable	61,406	700	(156,456)
Increase (decrease) in other accrued liabilities	1,952	7,913	86,146
Increase (decrease) in due to the City of Moreno Valley	-	-	-
Increase (decrease) in compensated absences	-	18,853	125,053
Increase (decrease) in self-insurance payable	134,000	502,000	-
Total Adjustments	<u>205,656</u>	<u>606,602</u>	<u>531,010</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 205,954</u>	<u>\$ 606,617</u>	<u>\$ 952,571</u>

Schedule of Noncash Investing, Capital and Noncapital Financing Activities:

There were no significant noncash investing, capital and noncapital financing activities for the year ended June 30, 2008.

<u>Central Services</u>	<u>Graphic Support</u>	<u>Facilities</u>	<u>Equipment Maintenance</u>	<u>Equipment Replacement Reserve</u>	<u>Totals</u>
\$ 114,497	\$ -	\$ 4,002,302	\$ 979,026	\$ 2,217,393	\$ 14,309,011
(90,171)	(6,107)	(2,105,843)	(631,167)	-	(4,393,276)
-	-	-	-	-	(1,439,466)
(145,238)	(8,532)	(954,262)	(326,850)	-	(3,741,013)
-	-	2,101	-	295	77,330
<u>(120,912)</u>	<u>(14,639)</u>	<u>944,298</u>	<u>21,009</u>	<u>2,217,688</u>	<u>4,812,586</u>
-	-	250,000	-	30,000	945,000
-	(20,563)	(812,488)	(1,255)	(847,150)	(2,181,924)
-	<u>(20,563)</u>	<u>(562,488)</u>	<u>(1,255)</u>	<u>(817,150)</u>	<u>(1,236,924)</u>
(16,267)	-	(28,099)	(20,080)	(23,701)	(706,326)
-	20,451	-	-	-	20,451
<u>(16,267)</u>	<u>20,451</u>	<u>(28,099)</u>	<u>(20,080)</u>	<u>(23,701)</u>	<u>(685,875)</u>
(137,179)	(14,751)	353,711	(326)	1,376,837	2,889,787
137,179	14,751	3,736,139	197,025	11,027,396	26,837,994
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,089,850</u>	<u>\$ 196,699</u>	<u>\$ 12,404,233</u>	<u>\$ 29,727,781</u>
\$ (175,339)	\$ -	\$ 779,229	\$ (6,307)	\$ 1,886,188	\$ 2,905,645
9,851	-	130,640	36,062	331,500	984,555
-	-	447	37	-	83,821
(2,776)	-	(7,492)	-	-	(8,406)
10,578	-	-	(7,088)	-	3,490
(2,878)	(6,107)	(26,673)	(2,180)	-	(132,188)
(2,788)	(8,532)	34,304	485	-	119,480
40,723	-	-	-	-	40,723
1,717	-	33,843	-	-	179,466
-	-	-	-	-	636,000
<u>54,427</u>	<u>(14,639)</u>	<u>165,069</u>	<u>27,316</u>	<u>331,500</u>	<u>1,906,941</u>
<u>\$ (120,912)</u>	<u>\$ (14,639)</u>	<u>\$ 944,298</u>	<u>\$ 21,009</u>	<u>\$ 2,217,688</u>	<u>\$ 4,812,586</u>

(This page intentionally left blank)

FIDUCIARY FUNDS

AGENCY FUNDS:

Deposit Liability Fund

This fund is used to account for miscellaneous deposits collected by the City.

Assessment District 87-4 Fund

This fund is used to account for the receipt and remittance of special assessments for the Assessment District 87-4 Limited Obligation Improvement Bonds. The bonds are not secured by the general taxing power of the City, the State of California or any other political subdivision thereof, and neither the City nor the State, nor any potential subdivision thereof, has pledged its full faith and credit for the payment thereof.

Assessment District 98-1 Fund

This fund is used to account for the receipt and remittance of special assessments for the Assessment District 98-1 Limited Obligation Improvement Bonds. All property owners except one paid their fees upfront.

TUMF Trust Fund

This fund is used to account for the receipt of the Transportation Uniform Mitigation Fees (TUMF) and their remittance to the Western Riverside Council of Governments (WRCOG).

MSHCP Trust Fund

This fund is used to account for the receipt of the Multi-Species Habitat Conservation Plan (MSHCP) fees and their remittance to the Western Riverside County Regional Conservation Agency (WRCRCA).

Moreno Valley Employees Assistance Fund

This fund is used to account for employee donations to assist fellow employees who are in need of financial assistance.

Moreno Valley Foundation Donations Fund

This fund is being used on a temporary basis to account for the receipts and disbursements of the Moreno Valley Community Foundation until such time that the Foundation is officially cleared by the Internal Revenue Service to become operational as a tax-exempt 501 (c) 3 organization.

CITY OF MORENO VALLEY
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
JUNE 30, 2008

	Deposit Liability	Assessment District 87-4	Assessment District 98-1
Assets:			
Cash and investments	\$ 10,927,798	\$ 31,092	\$ -
Receivables (net of allowance for uncollectibles):			
Accounts	14,142	-	-
Interest	-	800	-
Due from other governments	-	13,934	175
Restricted assets:			
Cash and investments with fiscal agents	-	533,134	-
Total Assets	\$ 10,941,940	\$ 578,960	\$ 175
 Liabilities:			
Accounts payable	\$ 13,969	\$ -	\$ -
Other accrued liabilities	1,770	-	-
Due to the City of Moreno Valley	8,028	-	175
Deposits payable	10,918,173	-	-
Payable to trustee	-	578,960	-
Total Liabilities	\$ 10,941,940	\$ 578,960	\$ 175

<u>TUMF Trust</u>	<u>MSHCP Trust</u>	<u>Moreno Valley Employees Assistance</u>	<u>Moreno Valley Foundation Donations</u>	<u>Totals</u>
\$ 376,647	\$ 21,569	\$ 646	\$ 168,582	\$ 11,526,334
-	-	-	-	14,142
-	-	-	-	800
-	26,416	-	-	40,525
-	-	-	-	533,134
<u>\$ 376,647</u>	<u>\$ 47,985</u>	<u>\$ 646</u>	<u>\$ 168,582</u>	<u>\$ 12,114,935</u>
\$ -	\$ -	\$ -	\$ 1,523	\$ 15,492
-	-	-	-	1,770
-	-	-	-	8,203
376,647	47,985	646	-	11,343,451
-	-	-	167,059	746,019
<u>\$ 376,647</u>	<u>\$ 47,985</u>	<u>\$ 646</u>	<u>\$ 168,582</u>	<u>\$ 12,114,935</u>

CITY OF MORENO VALLEY

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>Deposit Liability</u>				
Assets:				
Cash and investments	\$ 7,312,082	\$ 25,737,078	\$ 22,121,362	\$ 10,927,798
Accounts receivable	85,495	139,165	210,518	14,142
Total Assets	\$ 7,397,577	\$ 25,876,243	\$ 22,331,880	\$ 10,941,940
Liabilities:				
Accounts payable	\$ 61,163	\$ 1,978,666	\$ 2,025,860	\$ 13,969
Other accrued liabilities	1,295	8,499	8,024	1,770
Due to the City of Moreno Valley	-	8,028	-	8,028
Deposits payable	7,335,119	27,910,127	24,327,073	10,918,173
Total Liabilities	\$ 7,397,577	\$ 29,905,320	\$ 26,360,957	\$ 10,941,940
<u>Assessment District 87-4</u>				
Assets:				
Cash and investments	\$ 162,134	\$ 473,809	\$ 604,851	\$ 31,092
Cash and investments with fiscal agents	861,094	623,036	950,996	533,134
Interest receivable	3,540	800	3,540	800
Due from other governments	-	13,934	-	13,934
Total Assets	\$ 1,026,768	\$ 1,111,579	\$ 1,559,387	\$ 578,960
Liabilities:				
Accounts payable	\$ -	\$ 9,496	\$ 9,496	\$ -
Payable to trustee	1,026,768	1,121,075	1,568,883	578,960
Total Liabilities	\$ 1,026,768	\$ 1,130,571	\$ 1,578,379	\$ 578,960
<u>Assessment District 98-1</u>				
Assets:				
Cash and investments	\$ 19	\$ 3,424	\$ 3,443	\$ -
Due from other governments	-	175	-	175
Total Assets	\$ 19	\$ 3,599	\$ 3,443	\$ 175
Liabilities:				
Accounts payable	\$ 19	\$ 3,443	\$ 3,462	\$ -
Due to the City of Moreno Valley	-	175	-	175
Total Liabilities	\$ 19	\$ 3,618	\$ 3,462	\$ 175

CITY OF MORENO VALLEY

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
(Continued)

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>TUMF Trust</u>				
Assets:				
Cash and investments	\$ 1,681,175	\$ 3,864,059	\$ 5,168,587	\$ 376,647
Total Assets	\$ 1,681,175	\$ 3,864,059	\$ 5,168,587	\$ 376,647
Liabilities:				
Accounts payable	\$ -	\$ 5,131,232	\$ 5,131,232	\$ -
Deposits payable	1,681,175	8,995,291	10,299,819	376,647
Total Liabilities	\$ 1,681,175	\$ 14,126,523	\$ 15,431,051	\$ 376,647
<u>MSHCP Trust</u>				
Assets:				
Cash and investments	\$ 227,438	\$ 1,079,637	\$ 1,285,506	\$ 21,569
Due from other governments	26,416	-	-	26,416
Total Assets	\$ 253,854	\$ 1,079,637	\$ 1,285,506	\$ 47,985
Liabilities:				
Accounts payable	\$ -	\$ 879,364	\$ 879,364	\$ -
Deposits payable	253,854	1,959,001	2,164,870	47,985
Total Liabilities	\$ 253,854	\$ 2,838,365	\$ 3,044,234	\$ 47,985
<u>Moreno Valley Employees Assistance</u>				
Assets:				
Cash and investments	\$ 646	\$ -	\$ -	\$ 646
Total Assets	\$ 646	\$ -	\$ -	\$ 646
Liabilities:				
Deposits payable	\$ 646	\$ -	\$ -	\$ 646
Total Liabilities	\$ 646	\$ -	\$ -	\$ 646

CITY OF MORENO VALLEY

**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
(Continued)**

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>Moreno Valley Foundation Donations</u>				
Assets:				
Cash and investments	\$ -	\$ 1,566,724	\$ 1,398,142	\$ 168,582
Accounts receivable	300	-	300	-
Total Assets	<u>\$ 300</u>	<u>\$ 1,566,724</u>	<u>\$ 1,398,442</u>	<u>\$ 168,582</u>
Liabilities:				
Accounts payable	\$ -	\$ 1,523	\$ -	\$ 1,523
Payable to trustee	300	1,566,724	1,399,965	167,059
Total Liabilities	<u>\$ 300</u>	<u>\$ 1,568,247</u>	<u>\$ 1,399,965</u>	<u>\$ 168,582</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 9,383,494	\$ 32,724,731	\$ 30,581,891	\$ 11,526,334
Cash and investments with fiscal agents	861,094	623,036	950,996	533,134
Accounts receivable	85,795	139,165	210,818	14,142
Interest receivable	3,540	800	3,540	800
Due from other governments	26,416	14,109	-	40,525
Total Assets	<u>\$ 10,360,339</u>	<u>\$ 33,501,841</u>	<u>\$ 31,747,245</u>	<u>\$ 12,114,935</u>
Liabilities:				
Accounts payable	\$ 61,182	\$ 8,003,724	\$ 8,049,414	\$ 15,492
Other accrued liabilities	1,295	8,499	8,024	1,770
Due to the City of Moreno Valley	-	8,203	-	8,203
Deposits payable	9,270,794	38,864,419	36,791,762	11,343,451
Payable to trustee	1,027,068	2,687,799	2,968,848	746,019
Total Liabilities	<u>\$ 10,360,339</u>	<u>\$ 49,572,644</u>	<u>\$ 47,818,048</u>	<u>\$ 12,114,935</u>

(This page intentionally left blank)

**CITY OF MORENO VALLEY
SCHEDULE OF GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2008**

	<u>Land</u>	<u>CIP</u>	<u>Buildings and Improvements</u>
Function and Activity:			
General Government:			
Administrative & Policy	\$ -	\$ 309,148	\$ -
City Attorney	-	-	-
Communications	-	-	-
Human Resources	-	-	-
Finance	-	-	-
Other- Unclassified	45,642,917	36,900	1,209,148
Total General Government	<u>45,642,917</u>	<u>346,048</u>	<u>1,209,148</u>
Public Safety:			
Police	137,173	-	8,094,911
Fire	893,270	-	10,577,652
Animal Control	590,127	-	3,040,333
Volunteer Services	-	-	15,937
Total Public Safety	<u>1,620,570</u>	<u>-</u>	<u>21,728,833</u>
Public Works	251,134,384	32,569,773	-
Community Development	-	190,760	272,787
Community Services District	-	101,457	48,996,714
Redevelopment Agency	4,885,499	6,191,190	12,191,837
Internal Service Funds	-	427,499	9,995,981
Total	<u>256,019,883</u>	<u>39,480,679</u>	<u>71,457,319</u>
Grand Total	<u>\$ 303,283,370</u>	<u>\$ 39,826,727</u>	<u>\$ 94,395,300</u>

<u>Furnitures & Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 309,148
12,068	-	-	12,068
203,255	99,422	-	302,677
16,467	-	-	16,467
12,237	-	-	12,237
21,832	-	-	46,910,797
<u>265,859</u>	<u>99,422</u>	<u>-</u>	<u>47,563,394</u>
851,352	1,231,278	-	10,314,714
706,244	2,100,719	-	14,277,885
93,064	387,521	-	4,111,045
8,657	170,667	-	195,261
<u>1,659,317</u>	<u>3,890,185</u>	<u>-</u>	<u>28,898,905</u>
847,010	2,068,308	481,909,297	768,528,772
356,484	406,304	-	1,226,335
1,250,323	503,398	-	50,851,892
352,837	-	1,152,231	24,773,594
<u>5,931,409</u>	<u>2,787,715</u>	<u>198,868</u>	<u>19,341,472</u>
<u>8,738,063</u>	<u>5,765,725</u>	<u>483,260,396</u>	<u>864,722,065</u>
<u>\$ 10,663,239</u>	<u>\$ 9,755,332</u>	<u>\$ 483,260,396</u>	<u>\$ 941,184,364</u>

(This page intentionally left blank)

This part of the City of Moreno Valley'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.

<u>Contents</u>	<u>Page #</u>
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.	164-170
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its key revenues	171-174
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future	175-179
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and help make comparisons over time and with other governments.	180-182
Operating Information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	183-184

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Moreno Valley
Net Assets by Component
Last six fiscal years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<u>Governmental activities</u>						
Invested in capital assets, net of related debt	\$ 447,696,730	\$ 465,542,271	\$ 475,642,146	\$ 523,083,597	\$ 594,870,636	\$ 622,102,140
Restricted for:						
Community development projects	9,974,997	6,961,781	6,404,249	10,076,376	-	41,908,201
Community & cultural	-	-	-	-	-	8,259,181
Public safety	1,838,076	2,086,222	2,649,176	1,655,374	973,667	663,854
Capital projects	42,698,617	40,769,509	47,442,301	60,687,985	66,493,508	79,745,801
Debt service	10,972,696	23,966,889	21,673,132	12,985,998	12,538,629	7,291,425
Other Programs	-	-	-	-	14,863,573	3,598,110
Permanent funds-nonexpendable	-	-	-	59,359	62,537	64,692
Unrestricted	29,118,995	32,744,174	46,215,255	73,846,697	101,941,651	104,545,617
Total Governmental activities net assets	<u>\$ 542,300,111</u>	<u>\$ 572,070,846</u>	<u>\$ 600,026,259</u>	<u>\$ 682,395,386</u>	<u>\$ 791,744,201</u>	<u>\$ 868,179,021</u>
<u>Business-type activities</u>						
Invested in capital assets, net of related debt	\$ -	\$ 709,310	\$ 1,815,311	\$ 18,151,135	\$ 14,130,659	\$ 14,110,399
Restricted						
Regulatory contingencies	-	-	-	-	1,604,444	948,207
Unrestricted	-	(575,790)	(799,941)	(3,713,053)	(634,406)	(2,252,565)
Total Business-type activities net assets	<u>\$ -</u>	<u>\$ 133,520</u>	<u>\$ 1,015,370</u>	<u>\$ 14,438,082</u>	<u>\$ 15,100,697</u>	<u>\$ 12,806,041</u>
<u>Primary government</u>						
Invested in capital assets, net of related debt	\$ 447,696,730	\$ 466,251,581	\$ 477,457,457	\$ 541,234,732	\$ 609,001,295	\$ 636,212,539
Restricted for:						
Community development projects	9,974,997	6,961,781	6,404,249	10,076,376	-	41,908,201
Community & cultural	-	-	-	-	-	8,259,181
Public safety	1,838,076	2,086,222	2,649,176	1,655,374	973,667	663,854
Capital projects	42,698,617	40,769,509	47,442,301	60,687,985	66,493,508	79,745,801
Debt service	10,972,696	23,966,889	21,673,132	12,985,998	12,538,629	7,291,425
Other Programs	-	-	-	-	14,863,573	3,598,110
Permanent funds-nonexpendable	-	-	-	59,359	62,537	64,692
Regulatory contingencies	-	-	-	-	1,604,444	948,207
Unrestricted	29,118,995	32,168,384	45,415,314	70,133,644	101,307,245	102,293,052
Total primary government net assets	<u>\$ 542,300,111</u>	<u>\$ 572,204,366</u>	<u>\$ 601,041,629</u>	<u>\$ 696,833,468</u>	<u>\$ 806,844,898</u>	<u>\$ 880,985,062</u>

Note: The city implemented the GASB 34 reporting model in Fiscal Year 2003. Information prior to the implementation of GASB 34 is not available.

City of Moreno Valley
Change in Net Assets,
Last six fiscal years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 11,792,961	\$ 10,902,771	\$ 18,583,987	\$ 12,817,483	\$ 10,796,963	\$ 14,416,941
Public safety	29,059,953	39,563,567	42,797,971	47,282,305	43,415,662	54,412,284
Community development	6,069,282	8,198,449	10,041,715	13,666,378	9,643,084	10,964,507
Community and cultural	7,112,868	13,789,758	14,132,146	15,999,800	21,181,096	33,717,135
Public works	11,097,843	10,287,806	11,352,870	10,273,707	30,750,411	29,247,892
Interest on long-term debt	5,243,788	5,869,952	5,514,358	8,079,935	8,724,134	12,081,884
Total Governmental activities expenses	70,376,695	88,612,303	102,423,047	108,119,608	124,511,350	154,840,643
Business-type activities:						
Electric	-	76,106	1,080,589	3,673,509	8,298,955	12,282,161
Total business-type activities expenses	-	76,106	1,080,589	3,673,509	8,298,955	12,282,161
Total primary government expenses	\$ 70,376,695	\$ 88,688,409	\$ 103,503,636	\$ 111,793,117	\$ 132,810,305	\$ 167,122,804
Program revenues						
Governmental activities:						
Charges for services:						
General government	\$ 1,855,048	\$ 1,699,588	\$ 1,855,342	\$ 2,447,730	\$ 2,994,550	\$ 1,329,861
Public safety	753,098	922,986	1,158,745	2,040,725	1,212,229	4,948,923
Community development	4,162,811	7,964,124	10,814,238	12,576,280	12,947,546	6,962,389
Community and cultural	7,884,845	8,397,842	9,012,514	10,067,509	10,963,716	12,163,575
Public works	9,957,309	16,113,736	14,639,669	20,523,959	10,612,170	19,134,172
Operating contributions and grants:						
General government	5,260,233	2,315,147	2,121,229	422,310	622,513	-
Public safety	774,529	973,642	773,875	838,921	931,062	704,324
Community development	1,018,351	866,940	1,586,824	3,252,611	4,023,295	2,873,752
Community and cultural	472,825	1,216	68,396	133,325	100,777	6,911,186
Public works	909,427	626,074	887,750	2,985,031	460,787	631,830
Capital contributions and grants						
Public safety	41,516	221,729	-	-	-	-
Public works	2,257,121	1,157,085	2,160,498	24,442,306	74,752,980	74,004,139
Total governmental activities program revenues	35,347,113	41,260,109	45,079,080	79,730,707	119,621,625	129,664,151
Business-type activities:						
Charges for services:						
Electric	-	319,135	1,356,555	11,445,287	8,712,097	10,311,654
Capital contributions and grants	-	-	-	-	1,604,577	-
Total business-type activities program revenues	-	319,135	1,356,555	11,445,287	10,316,674	10,311,654
Total primary government program revenues	35,347,113	41,579,244	46,435,635	91,175,994	129,938,299	139,975,805

(Continued)

City of Moreno Valley
Change in Net Assets,
Last six fiscal years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Governmental activities	(35,029,582)	(47,352,194)	(57,343,967)	(28,388,901)	(4,889,725)	(25,176,492)
Business-type activities	-	243,029	275,966	7,771,778	2,017,719	(1,970,507)
Total primary government net (expense)/revenue	\$ (35,029,582)	\$ (47,109,165)	\$ (57,068,001)	\$ (20,617,123)	\$ (2,872,006)	\$ (27,146,999)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes:						
Property taxes	\$ 10,950,053	\$ 12,897,208	\$ 19,678,253	\$ 18,001,808	\$ 23,379,735	\$ 30,351,211
Property taxes in lieu	-	-	8,644,834	12,068,070	14,150,000	16,728,600
Transient occupancy tax	358,530	455,009	519,193	582,307	586,383	593,009
Sales tax	13,547,375	15,469,300	18,054,078	12,275,626	15,701,460	13,623,654
Franchise taxes	3,253,708	3,599,486	3,791,547	4,099,859	4,349,870	4,381,882
Business license taxes	1,144,428	1,289,434	1,457,521	1,240,764	1,315,039	1,111,021
Utility users tax	9,718,667	10,980,848	12,527,514	13,811,740	15,463,291	15,186,616
Other taxes	7,359,328	7,963,160	4,497,323	5,448,829	6,320,978	2,620,059
Franchise in lieu taxes	-	-	9,699	42,788	78,573	96,816
Documentary transfer tax	599,128	1,055,205	1,391,199	1,548,205	972,995	575,003
Intergovernmental-motor vehicle in lieu, unrestricted	9,244,049	7,288,137	3,484,623	11,899,563	16,054,145	800,667
Use of property and money	3,192,284	1,608,126	5,295,415	6,959,412	13,467,580	16,380,462
Gain on sale of capital assets	-	-	-	-	-	2,575
Miscellaneous	3,287,271	14,427,133	5,435,103	1,820,976	405,679	885,602
Transfers	-	193,000	(16,857)	(1,257,370)	(75,851)	61,817
Total governmental activities	62,654,821	77,226,046	84,769,445	88,542,577	112,169,877	103,398,994
Business-type activities						
Other	-	83,491	589,027	-	-	-
Transfers	-	(193,000)	16,857	1,257,370	75,851	(61,817)
Total business-type activities	-	(109,509)	605,884	1,257,370	75,851	(61,817)
Total primary government	\$ 62,654,821	\$ 77,116,537	\$ 85,375,329	\$ 89,799,947	\$ 112,245,728	\$ 103,337,177
Change in Net Assets						
Government activities	27,625,239	29,873,852	27,425,478	60,153,676	107,280,152	78,222,502
Business-type activities	-	133,520	881,850	9,029,148	2,093,570	(2,032,324)
Total primary government	\$ 27,625,239	\$ 30,007,372	\$ 28,307,328	\$ 69,182,824	\$ 109,373,722	\$ 76,190,178

Note: The city implemented the GASB 34 reporting model in Fiscal Year 2003. Information prior to the implementation of GASB 34 is not available.

City of Moreno Valley
Fund Balances, Governmental Funds
Last six fiscal years
(modified accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	1,739,505	6,654,472	6,052,320	11,808,994	13,580,492	35,752,164
Unreserved	13,760,886	11,943,948	24,992,976	25,920,111	39,494,188	21,937,845
Total General Fund	15,500,391	18,598,420	31,045,296	37,729,105	53,074,680	57,690,009
All Other Funds						
Reserved	20,129,052	26,685,317	21,994,729	49,040,215	49,559,718	90,143,820
Unreserved reported in:						
Special revenue funds	26,948,201	37,493,168	44,049,195	47,464,569	48,534,518	50,516,963
Capital projects funds	18,703,575	(6,891,945)	(2,959,368)	27,383,018	36,453,807	29,300,262
Debt service funds	-	4,304,047	917,262	949,518	-	-
Permanent funds	-	-	-	59,359	-	-
Total all other funds	65,780,828	61,590,587	64,001,818	124,896,679	134,548,043	169,961,045

Note: The city implemented the GASB 34 reporting model in Fiscal Year 2003. Information prior to the implementation of GASB 34 is not available.

City of Moreno Valley
Changes in Fund Balances, Governmental Funds
Last six fiscal years
(modified accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Revenue						
Taxes	\$ 40,776,674	\$ 46,216,887	\$ 54,463,821	\$ -	\$ -	\$ -
Property tax	-	-	-	14,342,099	26,854,009	30,351,211
Property taxes in lieu	-	-	-	12,068,070	14,150,000	16,728,600
Utility taxes	-	-	-	13,811,740	15,463,291	15,186,616
Sales taxes	-	-	-	12,275,627	15,701,460	13,623,654
Other taxes	-	-	-	16,622,460	9,637,850	9,377,790
Assessments	82,842	41,683	-	-	-	-
Licenses, fees and permits	4,945,682	8,868,460	12,159,692	13,041,187	13,552,983	2,650,530
Charges for services	19,933,502	26,874,096	25,755,085	18,574,210	25,046,576	24,745,073
Intergovernmental	26,201,103	20,164,244	27,037,053	33,213,048	16,703,254	31,497,898
Use of property and money	3,187,073	1,571,485	4,438,468	7,199,105	13,466,716	16,380,462
Fines and forfeitures	942,411	929,813	1,097,508	1,205,173	1,159,350	1,293,056
Miscellaneous	1,921,073	1,393,391	4,078,406	2,652,320	1,089,949	885,602
Total revenues	97,990,360	106,060,059	129,030,033	145,005,039	152,825,438	162,720,492
Expenditures						
General government	12,009,132	8,937,124	14,983,932	10,723,374	12,060,789	14,681,998
Public Safety	29,024,897	32,300,542	36,806,865	43,478,949	50,276,192	56,361,973
Community development	6,235,962	6,790,803	8,711,599	24,608,096	10,116,658	17,704,605
Community and cultural	7,761,494	11,492,361	12,331,683	14,889,677	19,286,807	32,683,219
Public works	11,826,893	8,724,368	9,999,497	21,262,923	31,391,248	34,616,617
Capital outlay	12,746,605	14,647,639	19,885,754	-	-	-
Debt service						
Principal retirement	3,770,781	20,472,246	2,723,847	2,896,585	3,095,000	18,538,387
Interest and fiscal charges	5,267,169	5,897,812	5,381,740	7,334,361	8,476,750	9,213,626
Bond issuance costs	-	-	-	664,638	326,385	2,413,464
Total expenditures	88,642,933	109,262,895	110,824,917	125,858,603	135,029,829	186,213,889
Excess of revenues over/ (under) expenditures	9,347,427	(3,202,836)	18,205,116	19,146,436	17,795,609	(23,493,397)
Other Financing Sources (Uses)						
Issuance of debt	-	-	-	48,205,000	5,870,000	58,412,429
Transfers in	15,442,256	13,058,959	24,871,852	37,201,043	33,422,242	38,016,856
Transfers out	(14,606,672)	(12,125,059)	(24,165,709)	(38,480,919)	(30,526,931)	(36,688,115)
Sale of capital assets	-	-	-	-	-	2,575
Premium on debt issued	-	-	-	570,840	-	-
Discount on debt issued	-	-	-	(385,640)	-	-
Payment to refunded bond escrow agents	-	-	(5,006,586)	-	-	-
Other debts issued	1,200,669	1,199,343	250,767	-	-	-
Total other financing sources (uses)	2,036,253	2,133,243	(4,049,676)	47,110,324	8,765,311	59,743,745
Net change in fund balances	11,383,680	(1,069,593)	14,155,440	66,256,760	26,560,920	36,250,348
Debt service as a percentage of noncapital expenditures	11.91%	27.87%	8.91%	10.54%	10.56%	19.40%

Note: The city implemented the GASB 34 reporting model in Fiscal Year 2003. Information prior to the implementation of GASB 34 is not available.

City of Moreno Valley
 Tax Revenues by Source, Governmental Funds
 (modified accrual basis of accounting)

Fiscal Year	Property	Property Tax In-Lieu of Vehicle License Fees		Utility Users	Sales & Use	Occupancy	Franchise	Motor Vehicle In-Lieu	Business License Gross Receipt		Documentary Transfer	Total
		License Fees	(2)						Receipt	Transfer		
2003	\$5,710,105	\$ -	\$ 9,718,667	\$8,171,861	\$ 358,530	\$ 3,253,708	\$ 9,239,894	\$ 806,462	\$ 599,128	\$ 37,858,355		
2004	6,354,247	-	10,980,848	9,100,608	455,009	3,599,485	7,283,124 (1)	920,928	1,055,205	\$ 39,749,454		
2005	7,230,082	8,644,834 (2)	12,527,514	11,753,794	519,193	3,791,546	3,478,877 (2)	1,059,009	1,391,200	\$ 50,396,049		
2006	11,930,618	12,068,070	13,811,740	11,317,841 (4)	582,307	4,142,646	1,275,342	1,240,764	1,548,205	\$ 57,917,533		
2007	14,022,135	14,150,000	15,463,291	13,116,271	586,383	4,349,870	943,313	1,315,039	972,995 (5)	\$ 64,919,297		
2008	14,361,253	16,728,600	15,186,616	11,694,525	593,009	4,478,698	800,667	1,111,021	575,003	\$ 65,529,392		
Change 2003 to 2008	152.00% (3)	100.00% (3)	56.00% (3)	43.00% (3)	65.00% (3)	38.00%	-91.00%	38.00%	-4.00%	73.00%		

- (1) In 2004 the State of California discontinued the back-fill of the Vehicle License Fee In-Lieu. At the same time the basis of the revenue stream was changed from a per capita calculation to the change in assessed valuations of property.
- (2) In 2005 the governor instituted the "triple-flip" which changed the funding source for Vehicle License Fees to the ERAF fund and changed the allocation of funds to cities from a per capita computation to the change in the assessed valuation of property. The foundation of the fee is not based on the tax rates established by the city and as such is not considered to be property tax. Because this revenue is under the control of the state it would be considered a "shared" revenue rather than an "own-source" revenue.
- (3) Property Tax, Property Tax In-Lieu of VLF, Utility Users Tax and Sales Tax revenues have experienced significant levels of growth due to the high level of development of both residential and commercial being experienced within the city.
- (4) The decline in sales tax reported in FY 2006 is related to the implementation of the "Triple-Flip" and a take-back of revenues related to an change in the formula that was used to allocate funds to the cities. The amount of the take-back was \$720,000.
- (5) Documentary Transfer Tax has declined since FY 2006. This decline is due to the combination of a decrease in the number of properties that transferred ownership and the decline in the value of properties being transferred.

Source: City of Moreno Valley Finance Department
 Note: The city implemented the GASB 34 reporting model in Fiscal Year 2003. Information prior to the implementation of GASB 34 is not available.

City of Moreno Valley
Key Revenues
Last Nine Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Utility Users Tax	\$ 7,758,480	\$ 8,755,772	\$ 9,078,814	\$ 9,718,667	\$10,980,848	\$12,527,514	\$13,811,740	\$15,463,291	\$15,186,616
Property Tax	4,714,663	5,098,438	5,192,833	5,710,105	6,354,247	7,230,082	11,930,618	14,022,135	14,361,253
Property Tax In-Lieu of VLF	-	-	-	-	-	8,644,834	12,068,070	14,150,000	16,728,600
Vehicle License In-Lieu Fees	7,061,247	7,879,602	8,459,660	9,239,894	7,283,124	3,478,877	1,275,342	943,313	800,667
Sales Tax	6,244,153	6,929,184	7,194,055	8,171,861	9,100,608	8,696,776	8,623,390	9,472,304	7,942,982
Property Tax In-Lieu of Sales Tax	-	-	-	-	-	3,057,018	2,694,451	3,643,967	3,751,543
Development Services	1,600,636	1,876,496	4,186,830	5,478,729	7,992,934	10,968,374	12,592,569	12,976,965	9,092,514

Notes:

In late FY 2004 due to budget constraints the State of California discontinued the back-fill of the Vehicle In-Lieu fees which accounted for approximately two-thirds of the total amount paid to local government. In 2005 this "gap" amount was repaid to local agencies which for the City of Moreno Valley amounted to \$2,547,036.

The FY 03/04 State of California budget withheld a portion of the Vehicle License Fee backfill owed to cities. Under the terms of the borrowing the Vehicle License Fee gap loan, as is known, was to be repaid in FY 06/07. The City of Moreno Valley, along with a number of other cities, sold the rights to the receivable to a third party, California Communities, in order to receive the cash on a more timely basis. The agreement resulted in the city receiving a discounted amount of \$2,347,317 of the original receivable amount of \$2,547,036 in FY 04/05

In FY 2005 in order to provide collateral for the Budget Deficit Bonds the State of California began withholding twenty five percent of the city's sales tax and replaced it with a like amount from the ERAF fund. This switch was one of the components of the "Triple-flip" and unlike the switch of vehicle license fees, which is permanent, only lasts until the bonds are repaid or mature.

Source: City of Moreno Valley Finance Department

City of Moreno Valley
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended June 30,	City											Redevelopment Agency			
	Secured Value	Unsecured Value	Total Assessed and Estimated Full Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate	Secured Value	Unsecured Value	Total Assessed and Estimated Full Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate	Total Direct Tax Rate		
1999	4,544,120	113,113	4,657,233	(44,873)	4,612,360	(0)					(0)	(0)			
2000	4,564,738	117,409	4,682,147	(42,922)	4,639,225	(0)					(0)	(0)			
2001	4,792,266	133,185	4,925,451	(69,801)	4,855,650	(0)					(0)	(0)			
2002	5,652,986	147,086	5,800,072	(96,346)	5,703,726	0.00133	1,073,616	91,783	1,165,399	(23,802)	1,141,597	0.00472	0.00189		
2003	6,303,862	146,028	6,449,890	(102,466)	6,347,424	0.00131	1,205,730	81,997	1,287,727	(28,489)	1,259,238	0.00483	0.00189		
2004	7,323,326	144,893	7,468,219	(94,858)	7,373,361	0.00124	1,382,232	86,290	1,468,522	(28,117)	1,440,405	0.00517	0.00188		
2005	9,182,553	154,604	9,337,157	(109,759)	9,227,398	0.00116	1,643,835	82,341	1,726,176	(34,169)	1,692,007	0.00572	0.00187		
2006	11,327,235	165,133	11,492,368	(118,051)	11,374,317	0.00131	2,028,330	85,608	2,113,938	(35,633)	2,078,305	0.00643	0.00210		
2007	13,419,168	198,776	13,617,944	(147,891)	13,470,053	0.00140	2,546,327	109,685	2,656,012	(47,345)	2,608,667	0.00672	0.00226		
2008	13,491,161	232,774	13,723,935	(194,693)	13,529,242	0.00143	2,788,876	137,206	2,926,082	(75,251)	2,850,831	0.00838	0.00264		

Source: Riverside County Auditor/Controller

(1) The tax rate detail prior to FY 2001-02 is not readily available

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: City of Moreno Valley Finance Department
 County of Riverside Auditor-Controller

City of Moreno Valley
Property Tax Rates
Direct and Overlapping Governments
Last Five Fiscal Years
(per \$100 of assessed value)

Fiscal Year	(1)	2003-04	2004-05	2005-06	2006-07	2007-08
City Direct Rates:		\$0.00124	\$0.00116	\$0.00131	\$0.00140	\$0.00143
Redevelopment Agency Direct Rate:		0.00517	0.00572	0.00643	0.00672	0.00838
Total City Direct Rate:		0.00188	0.00187	0.00210	0.00226	0.00264
Eastern Municipal Water Imp Dist U-13		0.02900	0.03000	0.01400	0.00900	0.00800
Metro Water Dist East-1301999		0.00610	0.05780	0.00520	0.00470	0.00450
Moreno Valley Unified School District		0.00000	0.03395	0.00000	0.02271	0.03066
Riverside Community College		0.00000	0.00000	0.01800	0.01800	0.01259
Total Tax Rate		<u>\$0.03698</u>	<u>\$0.12362</u>	<u>\$0.03930</u>	<u>\$0.05667</u>	<u>\$0.05839</u>

NOTE:
In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Metropolitan Water District bonds, the Eastern Municipal Water District bonds and the Riverside Community College bonds.

(1) The tax rate detail prior to FY 2001-02 is not readily available

Source: City of Moreno Valley Finance Department
County of Riverside Auditor-Controller

City of Moreno Valley
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2007/08			Fiscal Year 1998/99		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Day-G Stonegate LLC	\$ 726,438	1	2.10%	\$ -	-	0.00%
Towngate Lot 12 Apartments	568,438	2	1.65%	-	-	0.00%
Ridge Moreno Valley	457,351	3	1.33%	-	-	0.00%
BRE Properties Inc.	342,008	4	0.99%	-	-	0.00%
Homart Newco Two Inc.	328,824	5	0.95%	253,982	1	3.13%
Cactus Commerce	285,278	6	0.83%	-	-	0.00%
TSC	258,872	7	0.75%	117,375	2	1.45%
Broadstone at Valley View	254,980	8	0.74%	-	-	0.00%
Walgreen Company	193,402	9	0.56%	-	-	0.00%
Wal Mart Real Estate Business Trust	170,650	10	0.49%	-	-	0.00%
Dayton Hudson Corporation	-	-	0.00%	76,017	3	0.94%
Sears Roebuck & Company	-	-	0.00%	68,459	4	0.84%
May Department Stores Company	-	-	0.00%	67,572	5	0.83%
TCI Cablevision of California Inc	-	-	0.00%	66,052	6	0.81%
Harris Company	-	-	0.00%	65,722	7	0.81%
Hemlock Properties	-	-	0.00%	64,529	8	0.80%
Moreno Corporate Center	-	-	0.00%	61,602	9	0.76%
JC Penney Properties Inc.	-	-	0.00%	58,315	10	0.72%
	<u>\$ 3,586,241</u>		<u>10.39%</u>	<u>\$ 899,625</u>		<u>11.09%</u>

The amounts shown above include assessed value data for both the City and the Redevelopment Agency

Source: Hdl Coren & Cone

City of Moreno Valley
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent years	Total Collections to Date	
		Year of Levy	Percent of Levy		Amount	Percent of Levy
1999	19,219,429	18,408,137	95.78%	2,801	18,410,938	95.79%
2000	20,369,660	19,153,769	94.03%	1,435	19,155,204	94.04%
2001	19,628,161	19,816,928	100.96%	-	19,816,928	100.96%
2002	21,302,107	19,936,925	93.59%	11,514	19,948,439	93.65%
2003	22,594,477	22,876,331	101.25%	-	22,876,331	101.25%
2004	26,353,337	24,884,530	94.43%	11,609	24,896,139	94.47%
2005	28,865,321	26,775,299	92.76%	7,922	26,783,221	92.79%
2006	30,426,678	32,347,436	106.31%	37,812	32,385,248	106.44%
2007	35,606,935	39,141,295	109.93%	64,980	39,206,275	110.11%
2008	41,349,349	43,457,010	105.10%	104,898	43,561,908	105.35%

The City began participating in the "Teeter Plan" in FY 1993-94 which resulted in a lower amount of subsequent delinquent tax collections.

Source: County of Riverside Auditor-Controller
City of Moreno Valley Finance Department

City of Moreno Valley
Direct and Overlapping Debt

Fiscal Year 2007/08 Assessed Valuation	\$ 13,478,604,526
Redevelopment Incremental Valuation	<u>2,141,734,838</u>
Adjusted Assessed Valuation	\$ 11,336,869,688

	Total Debt 6/30/2008	% Applicable(1)	City's Share of Debt 6/30/08
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Metropolitan Water District	\$ 327,215,000	0.642%	\$ 2,100,720
Eastern Municipal Water District I.D. No U-3	80,000	99.071	79,257
Eastern Municipal Water District I.D. No U-13	393,000	100.	393,000
Eastern Municipal Water District I.D. No U-22	3,087,000	100.	3,087,000
Riverside Community College District	148,596,109	16.850	25,038,444
Moreno Valley Unified School District	49,213,521	94.565	46,538,766
San Jacinto Unified School District	45,092,083	0.468	211,031
Moreno Valley Unified School District Community Facilities District No. 88-1	14,350,000	100.	14,350,000
Moreno Valley Unified School District Community Facilities District No. 2002-1	8,465,000	100.	8,465,000
Moreno Valley Unified School District Community Facilities District No. 2003-1&2	10,990,000	100.	10,990,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	3,140,000	100.	3,140,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,560,000	100.	5,560,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	4,000,000	100.	4,000,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,995,000	100.	4,995,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	27,865,000	100.	27,865,000
Moreno Valley Unified School District Community Facilities District No. 2005 2&3	15,495,000	100.	15,495,000
Val Verde Unified School District Community Facilities District No. 98-1	30,050,000	100.	30,050,000
Val Verde Unified School District Community Facilities District No. 2003-1	2,825,000	100.	2,825,000
Eastern Municipal Water District Community Facilities District	13,020,000	100.	13,020,000
City of Moreno Valley 1915 Act Bonds	605,000	100.	605,000
City of Moreno Valley Community Facilities District No. 3	4,185,000	100.	4,185,000
City of Moreno Valley Community Facilities District No. 87-1	10,665,000	100.	10,665,000
City of Moreno Valley Community Facilities District No. 87-1 and I.A. No. 1	4,075,000	100.	4,075,000
Riverside County Flood Control District 1915 Act Bonds	85,000	100.	85,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 237,818,219</u>
Less: Moreno Valley Community Facilities District No. 87-1 (100% self-supporting from tax increment revenues)			14,850,000
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 222,968,219</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	701,562,556	6.525%	45,776,957
Riverside County Pension Obligations	387,995,000	6.525	25,316,674
Riverside County Board of Education Certificates of Participation	9,275,000	6.525	605,194
Mt. San Jacinto Community College District General Fund Obligations	12,995,000	0.019	2,469
Moreno Valley Unified School District Certificates of Participation	24,515,000	94.565	23,182,610
San Jacinto Unified School District Certificates of Participation	46,460,000	0.468	217,433
Val Verde Unified School District Certificates of Participation	101,565,000	42.983	43,655,684
City of Moreno Valley General Fund Obligations	83,070,000	100.	83,070,000 (1)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 221,827,020</u>
Less: Riverside County self-supporting obligations			1,142,141
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 220,684,879</u>
GROSS COMBINED TOTAL DEBT			\$ 459,645,238 (2)
NET COMBINED DEBT			\$ 443,653,097

Notes:

- (1) Percentage of each overlapping agencies assessed valuation located within the boundaries of the city.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations

Ratios to FY 2007-08 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt	1.76%
Total Net Overlapping Tax and Assessment Debt	1.65%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$83,070,000)	0.73%
Gross Combined Total Debt	4.05%
Net Combined Total Debt	3.91%

State School Building Aid Repayable as of 6/30/08 \$ -

Source: California Municipal Statistics

City of Moreno Valley
 Legal Debt Margin
 Last Four Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2008	
Assessed Value	\$13,374,229
Debt Limit (15% of assessed value)	2,006,134
Debt applicable to limit:	
General Obligation Bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>\$ -</u>

	Fiscal Year ⁽¹⁾			
	2005	2006	2007	2008
Assessed Valuation (in thousands)	\$ 7,227,360	\$ 9,075,495	\$ 11,220,188	\$ 13,374,229
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation (in thousands)	\$ 1,806,840	\$ 2,268,874	\$ 2,805,047	\$ 3,343,557
Debt limit percentage	15%	15%	15%	15%
Debt Limit (in thousands)	\$ 271,026	\$ 340,331	\$ 420,757	\$ 501,534
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -
Legal debt margin (in thousands)	\$ 271,026	\$ 340,331	\$ 420,757	\$ 501,534
Total net debt applicable to the limit as a percentage of the debt limit	\$ -	\$ -	\$ -	\$ -

1) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

Source: City of Moreno Valley Finance Department
 County of Riverside Auditor-Controller

City of Moreno Valley
Ratios of Outstanding Debt by Type
Last Three Fiscal Years

Fiscal Year Ended June 30 (2)	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Debt per Capita
	Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	Notes and Other	Governmental Activities			
2005	\$ 25,130,000	\$ 7,625,000	\$ 4,590,000	\$ 4,660,558	\$ 42,005,558	\$ 42,005,558	1.40%	\$ 254
2006	23,345,000	7,115,000	47,988,000	4,866,378	\$ 83,314,378	\$ 87,961,378	2.77%	\$ 504
2007	21,415,000	6,590,000	47,393,000	4,696,689	\$ 80,094,689	\$ 110,461,689	3.38%	\$ 612

Notes:

- 1) These ratios are calculated using personal income and population for the prior year.
- 2) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

Source: City of Moreno Valley Finance Department
City of Moreno Valley Economic Development Department
Riverside County Economic Development Agency

City of Moreno Valley
Ratio of Bonded Debt
Last Three Fiscal Years

Fiscal Year Ended June 30, ⁽²⁾	Special Tax	Certificates of	Lease Revenue	Total	Percent of	Per Capita
	Bonds	Participation	Bonds	Governmental Activities	Assessed Value (1)	\$
2005	\$ 25,130,000	\$ 7,625,000	\$ 4,590,000	\$ 37,345,000	0.52%	\$ 226
2006	23,345,000	7,115,000	47,988,000	78,448,000	0.86%	449
2007	21,415,000	6,590,000	47,393,000	75,398,000	0.67%	418

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

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

2) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

Data Source: City of Moreno Valley Finance Department

City of Moreno Valley
Pledged Revenue Coverage
Last Nine Years

Fiscal Year Ended June 30,	Community Facilities District No. 3, AutoMall Refinancing				Community Facilities District No. 5 of the City of Moreno Valley (Stoneridge)				Towngate Community Facilities District No. 87-1, 2007 Special Tax Refunding Bonds				Towngate Community Facilities District No. 87-1, 1, Improvement No. 1 Special Tax Refunding			
	Special Tax Levy	Property Tax	Debt Service Principal	Debt Service Interest	Special Tax Levy	Property Tax	Debt Service Principal	Debt Service Interest	Property Tax Increment	Debt Service Principal	Debt Service Interest	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2001	751,542	129,858	200,000	561,400	-	-	-	-	-	-	-	-	-	-	-	-
2002	1,029,290	135,550	465,000	550,900	-	-	-	-	-	-	-	-	-	-	-	-
2003	1,074,499	114,766	515,000	525,325	-	-	-	-	-	-	-	-	-	-	-	-
2004	1,067,950	145,265	575,000	489,275	-	-	-	-	-	-	-	-	-	-	-	-
2005	1,121,094	116,871	640,000	449,025	-	-	-	-	-	-	-	-	-	-	-	-
2006	1,189,465	73,700	710,000	404,225	-	-	-	-	-	-	-	-	-	-	-	-
2007	1,179,479	108,986	785,000	354,525	-	-	-	-	-	-	-	-	-	-	-	-
2008	1,088,427	190,425	865,000	299,575	198,306	-	217,261	0.91	2,072,568	-	531,351	3.90	429,990	135,000	200,851	1.28

Community Redevelopment Agency 2007 Tax
Allocation Bonds

Fiscal Year Ended June 30,	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2008	\$23,890,555	\$ -	\$359,683	66.42

1) The interest payment related to the CFD 5 - Stoneridge was paid from the capitalized interest account but in future years this will be paid from the special tax

Data Source: City of Moreno Valley Finance Department
City of Moreno Valley Community Redevelopment Agency
City of Moreno Valley Special Districts

City of Moreno Valley
 Demographic and Economic Statistics
 Last four years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2005	165,328	2,998,568	18,137	5.30% (3),A
2006	174,565	3,176,449	18,196	4.90% (3),A
2007	180,466	3,264,593	17,257	5.34% B
2008	183,860	3,423,011	17,997	5.34% B

Source: 1- Californai Department of Finance

2-City of Moreno Valley Economic Development Department

3-California Employment Development Department

A- This is data for the Riverside, San Bernardino, Ontario Metro area.

B- This data is for the Moreno Valley area.

City of Moreno Valley
Principal Employers
Current Year and Two Years Ago

Employer	Sector	Business Type	2008		2006	
			Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
March Air Reserve Base	Military/Public Sector	Military Reserve Base	9,000	25.54%	9,167	29.46%
Moreno Valley Unified School District	Public Sector	Public Schools	3,752	10.65%	3,447	11.08%
Riverside County Regional Medical Center	Medical Facilities	County Hospital	2,215	6.29%	2,000	6.43%
Moreno Vally Mall/General Growth	Retail	Retail Mall	1,669	4.74%	1,000	3.21%
Riverside Community College/Moreno Valley Campus	Public Sector	Higher Education	1,038	2.95%	515	1.65%
City of Moreno Valley/Police/Fire Depts	Public Sector	Municipal Government	746	2.12%	833	2.68%
Val Verde Unified School District (MV only)	Public Sector	Public Schools	734	2.08%	695	2.23%
Walgreens Co.	Distribution	Retail Merchandise	650	1.84%	600	1.93%
Riverside County DPSS	Public Sector	Social Services	432	1.23%	-	-
Moreno Valley Community Hospital, a Kaiser Foundation Hospital	Medical Facilities	Hospital	430	1.22%	-	-

Note: Employee count data by major employer was not available for periods prior to FY 06

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: City of Moreno Valley Economic Development Department

City of Moreno Valley
 Full-time and Part-time City Employees by Function
 Past Four Years

Function	Fiscal Year (2)			
	2005	2006	2007	2008
General Government	132	143	153	150
Public Works	118	126	134	141
Community Development	66	71	74	74
Parks and Community Services	119	123	184 (2)	240
Animal Services	21	24	26	27
Redevelopment Agency	16	17	17	18
Public Safety (1)	306	329	356	383
Total	<u>778</u>	<u>833</u>	<u>944</u>	<u>1033</u>

This data represents a count of people employed by the City not the number of approved full time equivalents.

(1) The City contracts with the County of Riverside for Police and Fire services

2) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

Source: City of Moreno Valley Finance Department

(2) In 2007 the Parks and Community Services Department received a grant from the State of California related to the After School Education and Safety Grant. This grant resulted in an increase in staffing to achieve the grant growth objectives.

City of Moreno Valley
 Capital Asset Statistics
 Last Four Fiscal Years

	2005	2006	2007	2,008
Lane miles of streets	-	1,081	1,127	1,076
Number of street lights	9,771	10,041	10,710	11,027
Number of traffic signals	126	138	148	162
Fire protection:				
Number of stations	6	6	6	6
Police protection:				
Number of neighborhood policing/report writing stations	3	3	3	5
Recreation and culture:				
Parks	29	32	36	38
Maintained acreage of parks	353	377	519.94	529.55
Parks under construction	2	1	6	7
Acreage of parks under construction	24	1.3	19.97	27.07
Multi-use athletic fields	21	21	21	21
Conference/Recreation centers	1	1	1	1
Square footage of recreation centers	42,413	42,413	42,413	42,413
Senior Centers	1	1	1	1
Square footage of senior centers	14,700	14,700	14,700	14,700
Equestrian centers	1	1	1	1
Maintained acreage of equestrian centers	45	45	45	45
Multi-use equestrian trails maintained	7 Miles	8 Miles	10 Miles	10 Miles
Community centers	4	4	4	4
Square footage of community centers	38,758	38,758	38,758	38,758
Sports courts	44	44	44	44
Skate parks/Roller hockey rinks	1	1	1	1
Square footage of skate parks	850	850	850	850
Nine-hole golf courses	1	1	1	1
Play apparatus	23	23	23	23
Water play features	2	2	2	2
Utilities:				
Residential utility meters	1,807	3,327	4,229	4,702
Commercial utility meters	67	279	383	499

1) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

City of Moreno Valley
 Operating Indicators by Function
 Last Four Fiscal Years

	2005	2006	2007	2,008
Square mileage of area	50	50	51	52
Fire protection:				
Provided by the County of Riverside in cooperation with the State Department of Forestry and Fire:				
Sworn personnel	71	73	70	85
Volunteers	50	30	30	25
Non-sworn personnel	7	7	11	10
Responses to emergency calls	12,162	12,155	12,525	13,011
Inspections and Permits	5,358	5,257	4,834	4,269
Plan checks	1,647	1,442	1,445	1,482
School life safety inspections	2	13	74	10
Counter/Public inquires	2,456	5,172	8,264	7,932
Police protection:				
Provided through contract with the County of Riverside Sheriff's Department:				
Sworn officers	147	162	174	211
Classified personnel	45.5	47.5	49.5	56
City support personnel	3.0	3.5	3.5	4
Volunteers	99	30	25	39
Responses to Calls:				
Priority 1	391	579	891	429
Priority 1A	949	1,095	1,210	1,271
Priority 2	23,662	24,774	25,046	24,819
Priority 3	24,673	23,613	25,295	24,859
Priority 4	15,311	16,869	17,304	16,932
Priority 5	103	38	276	2
Priority 6	0	0	0	0
Priority 7	0	0	0	0
Priority 8	0	0	0	0
Priority 9	25	10	76	174
Cancelled	6,185	5,628	6,826	5,983
Disp/ Arr Time Missing	8,146	7,836	9,841	9,437
Same Disp/ Arr Time	40,920	39,857	49,490	50,516
T. R. U. Calls	44	22	54	32
Building and Safety:				
Building permits issued	4,999	4,608	3,363	2,413
Counter requests for service	13,426	14,289	12,276	11,249
Planning:				
Planning applications processed	1,840	1,440	1,261	1,100
Counter requests for service	8,696	10,191	8,639	6,550
Recreation and culture:				
Rounds of golf played	17,027	17,453	14,008	12,000
Facility rentals	1,438	2,148	1,302	971
Participants in recreation programs (See Note 1)	34,479	48,027	-	-
Participants in recreation programs (See Note 2)	-	-	256,023	228,556
Utilities:				
Average residential daily consumption (kilowatt hours)	11.5	14.4	19.2	18
Average commercial daily consumption (kilowatt hours)	61.1	219.1	396.0	171
New residential connections	1,753	1,620	1,033	473
New commercial connections	64	215	78	118
Employees:				
Members of City Council	5	5	5	5
Members of the Planning Commission	7	7	7	7
Full-time career status (FTE)	325	360	388	406
Part-time career status (FTE)	18	16	15	

1) In previous years the measurement of participants in recreation programs was measured as a count of individual participants. If a participant registered for more than one class or event they only accounted for one in the count.

2) Beginning in FY 2007 the number of participants in recreation programs is measured by the number of enrollments in classes or events. If one participant enrolls in more than one class or event then the count will reflect one for each class or event registered in.

3) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.