

**CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY FACILITIES DISTRICT NO. 5**

**CONTINUING DISCLOSURE REPORT
FOR FISCAL YEAR 2009/10**



Report Date:
FEBRUARY 2011

Prepared by:
PUBLIC WORKS DEPARTMENT
SPECIAL DISTRICTS DIVISION

LIST OF PARTICIPANTS

**City of Moreno Valley
Community Facilities District No. 5
2007 Special Tax Bonds**

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I. INTRODUCTION

A. DESCRIPTION OF PROCEEDINGS

The City of Moreno Valley ("City") is located in the western portion of Riverside County, surrounded by the cities of Riverside and Perris, March Air Reserve Base, and Lake Perris.

Community Facilities District No. 5 of the City of Moreno Valley ("CFD No. 5" or "District") was formed on October 25, 2005. On May 8, 2007, the City Council adopted a resolution to issue debt in order to finance a portion of the public facilities related to the District. The City issued the CFD No. 5, 2007 Special Tax Bonds ("Bonds") in the amount of \$5,870,000 in May 2007. The Bonds are payable solely from revenues derived from annual Special Taxes levied and collected from the properties within the District.

The Bonds were issued to provide funds to finance the cost of constructing and acquiring certain public improvements needed to develop property located within the District, pay costs related to the issuance of the Bonds, and fund the Reserve Fund and capitalized interest on the Bonds. In addition to financing the cost of constructing and acquiring certain public improvements, proceeds were also used to finance Eastern Municipal Water District ("EMWD") fees imposed pursuant to EMWD fee programs for financing master planned capital facilities.

The District consists of approximately 64 gross acres, of which 33 are net taxable acres, located at the southeast corner of the intersection of State Route 60 and Nason Street within the City.

For further information concerning the City, District, or Bonds, reference is made to the Official Statement of the Bonds.

The following table shows a list of pertinent proceedings with regards to the District and the Bonds.

Table 1: Description of Proceedings

CFD No. 5		
Document	Number	Date
Resolution Approving a Boundary Map	2005-78	September 13, 2005
Resolution of Intention to Establish the District	2005-79	September 13, 2005
Resolution Declaring the Necessity to Incur Bonded Indebtedness	2005-80	September 13, 2005
Resolution Forming and Establishing the District	2005-104	October 25, 2005
Ordinance Authorizing the Levy of a Special Tax	701	November 8, 2005
Resolution Authorizing the Issuance of Bonds	2007-51	May 8, 2007

CFD No. 5, 2007 Special Tax Bonds	
Date of Bond Issue (Dated Date)	May 31, 2007
Date of Bond Maturity	September 1, 2037
Amount of Bond Issue	\$5,870,000
Bond Rating	Not Rated

Table 2: Bond Principal

CFD No. 5, 2007 Special Tax Bonds					
Maturity Date (September 1)	CUSIP*	Principal Amount	Maturity Date (September 1)	CUSIP*	Principal Amount
2009	616865 CV1	\$15,000	2017	616865 DD0	\$85,000
2010	616865 CW9	20,000	2018	616865 DE8	95,000
2011	616865 CX7	30,000	2019	616865 DF5	110,000
2012	616865 CY5	35,000	2020	616865 DG3	120,000
2013	616865 CZ2	45,000	2021	616865 DH1	135,000
2014	616865 DA6	55,000	2022	616865 DJ7	150,000
2015	616865 DB4	65,000	2027	616865 DK4	1,010,000
2016	616865 DC2	75,000	2037	616865 DL2	3,825,000

* Committee on Uniform Security Identification Procedures

II. FINANCIAL AND OPERATING INFORMATION

A. FINANCIAL INFORMATION

The City's audited financial statements for the period ended June 30, 2010, will be filed separately with the Electronic Municipal Market Access ("EMMA") service provided by the Municipal Securities Rulemaking Board (www.emma.msrb.org) and are hereby incorporated by reference into this report. The audited financial statements shall also be available through the City's Financial & Administrative Services Department and available for review on the City's website at www.moval.org. The City's audited financial statements are provided solely to comply with the Continuing Disclosure Agreement. No funds or assets of the City have been pledged or are required to be allocated for the payment of debt service on the Bonds.

B. PRINCIPAL AMOUNT OUTSTANDING

The principal amount outstanding for the Bonds following the September 1, 2010, payment date was \$5,835,000. For a complete principal payment schedule, please refer to Appendix A: Debt Service Schedule.

C. FUND BALANCES

Table 3: Fund Balances

Fund / Account	Balance as of September 30, 2010
Improvement Fund	
Acquisition and Construction Account	-
EMWD Account	-
Special Tax Fund	-
Bond Fund ⁽¹⁾	\$ 6,417.76
Interest Account	300.45
Principal Account	-
Special Prepayment Account	-
Reserve Fund ⁽¹⁾	522,539.95
Excess Reserve Account	-
Administration Expense Fund	126.40
Rebate Fund	-
Cost of Issuance Fund	-

⁽¹⁾ For FY 2010/11 the Special Tax levy included \$5,042.14 for transfer to the Reserve Fund. On February 17, 2011, \$5,042.14 was transferred from the Bond Fund to the Reserve Fund to meet the FY 2011/12 Reserve Fund Requirement.

D. PUBLIC IMPROVEMENTS ACQUIRED

Table 4 sets forth the public improvements listed in Table 1 of the Official Statement that have been acquired and paid from Bond proceeds.

Table 4: Public Improvements

Facilities/Fees	Acquired/Paid From Bond Proceeds
Street Improvements	
Nason Street	Yes
Eucalyptus Avenue	Yes
Fir Avenue	Yes
Dracaea Avenue	Yes
Traffic Signals	
Nason Street at Fir Avenue	Yes
Nason Street at Eucalyptus Avenue	Yes
Nason Street at Dracaea Avenue	Yes
Fir Avenue at Eucalyptus Avenue	Yes
Stoneridge Fir Entrance	Yes
Stoneridge Eucalyptus Entrance	Yes
EMWD Fees (Phase 1)	Yes

In compliance with the Acquisition/Financing Agreement (AFA) and the Fiscal Agent Agreement, Bond proceeds have been used to pay for certain facilities and fees.

E. RATE AND METHOD OF APPORTIONMENT

There have been no changes to the Rate and Method of Apportionment of the Special Taxes approved or submitted to the qualified electors for approval, prior to the date of this report.

F. PREPAYMENTS

There have been no prepayments of the Special Tax obligation for any parcels within the District.

G. ASSESSED VALUATION

Table 5: Valuation

Assessor's Parcel Number	Property Owner	Development Status	Parcel Acreage	2010/11 Assessed Land Value	2010/11 Assessed Structure Value	Total 2010/11 Assessed Value	FY 10/11 Special Tax ⁽¹⁾	2010/11 Maximum Special Tax	Bonded Indebtedness ^(2,3)
488-090-032	Stoneridge Centre Partners	Developed	0.66	\$ 86,691	\$ 1,184,974	\$ 1,271,665	\$ 7,609.80	\$ 7,609.80	\$ 116,700
488-090-037	Stoneridge Centre Partners	Undeveloped	2.02	84,695	-	84,695	22,627.80	23,290.60	357,173
488-090-038	Stoneridge Centre Partners	Undeveloped	1.87	78,405	-	78,405	20,947.52	21,561.10	330,650
488-090-039	Stoneridge Centre Partners	Undeveloped	1.75	73,375	-	73,375	19,603.30	20,177.50	309,432
488-090-040	Stoneridge Centre Partners	Undeveloped	2.00	83,857	-	83,857	22,403.78	23,060.00	353,636
488-090-043	Stoneridge Centre Partners/ Washington Mutual Bank	Undeveloped	0.59	523,036	-	523,036	6,609.10	6,802.70	104,323
488-090-047	Stoneridge Centre Partners	Developed	1.91	334,479	2,609,162	2,943,641	22,022.30	22,022.30	337,723
488-090-048	Stoneridge Centre Partners	Developed	1.53	267,667	2,398,827	2,666,494	17,640.90	17,640.90	270,532
488-090-049	Stoneridge Centre Partners	Developed	0.37	47,435	23,943	71,378	4,266.10	4,266.10	65,423
488-090-050	Stoneridge Centre Partners	Developed	0.72	125,840	64,107	189,947	8,301.60	8,301.60	127,309
488-090-052	Stoneridge Centre Partners	Developed	0.31	39,554	1,956,352	1,995,906	3,574.30	3,574.30	54,814
488-090-053	Stoneridge Centre Partners	Developed	0.26	68,584	1,849,558	1,918,142	2,997.80	2,997.80	45,973
488-090-054	Stoneridge Centre SS Venture	Developed	1.36	173,079	2,459,157	2,632,236	15,680.80	15,680.80	240,473
488-090-055	Stoneridge Centre Partners	Undeveloped	0.79	32,156	-	32,156	8,849.48	9,108.70	139,686
488-090-056	Stoneridge Centre Partners	Developed	0.58	151,823	1,342,394	1,494,217	6,687.40	6,687.40	102,555
488-090-057	Stoneridge Centre Partners	Developed	1.06	277,192	836,858	1,114,050	12,221.80	12,221.80	187,427
488-090-064	Stoneridge Centre Partners	Developed	0.92	160,683	1,011,374	1,172,057	10,607.60	10,607.60	162,673
488-090-071	Stoneridge Centre Partners	Developed	5.31	811,644	6,432,444	7,244,088	61,224.30	61,224.30	938,905
488-090-073	Stoneridge Centre Partners	Undeveloped	0.78	32,284	-	32,284	8,737.46	8,993.40	137,918
488-090-074	Stoneridge Centre Partners	Undeveloped	2.44	101,914	-	101,914	27,332.60	28,133.20	431,436
488-090-076	Stoneridge Centre Partners	Undeveloped	1.43	59,930	-	59,930	16,018.70	16,487.90	252,850
488-090-082	Stoneridge Centre Partners	Developed	0.52	95,067	912,770	1,007,837	5,995.60	5,995.60	91,945
488-090-083	Stoneridge Centre Partners	Developed	1.89	338,728	2,578,023	2,916,751	21,791.70	21,791.70	334,186
488-090-084	Stoneridge Centre Partners	Developed	0.06	2,514	5,486	8,000	691.80	691.80	10,609
488-090-085	Stoneridge Centre Partners	Developed	1.87	322,625	2,535,530	2,858,155	21,561.10	21,561.10	330,650
Total ⁽⁴⁾			33.00	\$ 4,373,257	\$ 28,200,959	\$ 32,574,216	\$ 376,004.64	\$ 380,490.00	\$ 5,835,000

(1) Developed parcels are levied at 100% of the Maximum Special Tax then Undeveloped parcels are levied proportionally up to the Maximum Special Tax.

(2) The Bonded Indebtedness is calculated based on proration of each parcels' Maximum Special Tax multiplied by the Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District.

(3) The City has not issued any additional land secured debt for the parcels within the District.

(4) Excludes exempt parcels, which include the Kohl's and Target parcels. Kohl's Dept Stores Inc. and Target Corporation paid their improvement costs prior to the issuance of the Bonds.

Source: Riverside County Secured Property Tax Roll.

The taxable property owners in the District are not delinquent on any special tax installments through 2009/10. As set forth in the Official Statement for the Bonds, the Developer plans to lease the properties within the District to various commercial tenants, and each tenant may be generally responsible to pay its pro rata share of ad valorem taxes and special taxes. For information concerning the tenants and lease information, reference is made to the Developer Continuing Disclosure Report required to be filed semi-annually with EMMA.

H. DEVELOPMENT RESTRICTIONS

As of the date of this report, the City is not aware of any significant events which have occurred and resulted in a reduction of the taxable acreage within the District or a moratorium of future building within the District.

I. DELINQUENCIES

Fiscal Year 2007/08 was the first year the District was levied.

Table 6: Delinquencies

Fiscal Year	Amount Levied	Amount Delinquent ⁽¹⁾	Percent Delinquent
2007/08	\$198,306.00	\$0.00	0.00%
2008/09	\$344,701.00	\$0.00	0.00%
2009/10	\$362,123.50	\$0.00	0.00%

⁽¹⁾ Amount delinquent as of June 2010.

Source: Riverside County Tax Collector

I. FORECLOSURE ACTIONS

Because there are no delinquent parcels, no foreclosure actions or sales are pending in the District. In the event of any delinquency in the payment of any Special Tax or receipt by the City of Special Tax in an amount which is less than the Special Tax due, the City has covenanted that within sixty days after each interest payment date it will commence foreclosure proceedings.

J. DEVELOPER CONTINUING DISCLOSURE

The Developer has entered into a Continuing Disclosure Agreement, which requires the filing of semi-annual disclosure reports with EMMA on or prior to March 1 and September 1 of each year. For further information on the Developer or the development, reference is hereby made to the Developer's Continuing Disclosure Reports.

K. SIGNIFICANT EVENTS

The City is currently not aware of any of the following material events pertaining to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) An event of default under Fiscal Agent Agreement other than as described in (1) above;
- (3) Unscheduled draws on the Reserve Fund reflecting financial difficulties;
- (4) Unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;
- (5) Any change in the provider of any letter of credit or any municipal bond insurance policy securing the Bond or any failure by the providers of such letters of credit or municipal bond insurance policies to perform on the letter of credit or municipal bond insurance policy;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) Modifications to the rights of Bond Owners;
- (8) Unscheduled redemption of any Bond;
- (9) Defeasances;
- (10) Any release, substitution, or sale of property securing repayment of the Bonds; and
- (11) Rating changes.

Appendix A: Debt Service Schedule

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 5 2007 SPECIAL TAX BONDS

Dated Date 31-May-07 Last Maturity 01-Sep-37
 Issue Date 31-May-07 First Coupon 01-Sep-07
 First Maturity 01-Sep-09

Date	Principal Due	Interest Rate	Interest Due	Total Debt Service	Annual Debt Service	Principal Remaining
01-Sep-07	\$ -		\$ 72,954.83	\$ 72,954.83	\$ 72,954.83	\$ 5,870,000
01-Mar-08	-		144,306.25	144,306.25	-	5,870,000
01-Sep-08	-		144,306.25	144,306.25	288,612.50	5,870,000
01-Mar-09	-		144,306.25	144,306.25	-	5,870,000
01-Sep-09	15,000	4.000%	144,306.25	159,306.25	303,612.50	5,855,000
01-Mar-10	-		144,006.25	144,006.25	-	5,855,000
01-Sep-10	20,000	4.000%	144,006.25	164,006.25	308,012.50	5,835,000
01-Mar-11	-		143,606.25	143,606.25	-	5,835,000
01-Sep-11	30,000	4.000%	143,606.25	173,606.25	317,212.50	5,805,000
01-Mar-12	-		143,006.25	143,006.25	-	5,805,000
01-Sep-12	35,000	4.100%	143,006.25	178,006.25	321,012.50	5,770,000
01-Mar-13	-		142,288.75	142,288.75	-	5,770,000
01-Sep-13	45,000	4.200%	142,288.75	187,288.75	329,577.50	5,725,000
01-Mar-14	-		141,343.75	141,343.75	-	5,725,000
01-Sep-14	55,000	4.300%	141,343.75	196,343.75	337,687.50	5,670,000
01-Mar-15	-		140,161.25	140,161.25	-	5,670,000
01-Sep-15	65,000	4.400%	140,161.25	205,161.25	345,322.50	5,605,000
01-Mar-16	-		138,731.25	138,731.25	-	5,605,000
01-Sep-16	75,000	4.500%	138,731.25	213,731.25	352,462.50	5,530,000
01-Mar-17	-		137,043.75	137,043.75	-	5,530,000
01-Sep-17	85,000	4.500%	137,043.75	222,043.75	359,087.50	5,445,000
01-Mar-18	-		135,131.25	135,131.25	-	5,445,000
01-Sep-18	95,000	4.500%	135,131.25	230,131.25	365,262.50	5,350,000
01-Mar-19	-		132,993.75	132,993.75	-	5,350,000
01-Sep-19	110,000	4.600%	132,993.75	242,993.75	375,987.50	5,240,000
01-Mar-20	-		130,463.75	130,463.75	-	5,240,000
01-Sep-20	120,000	4.700%	130,463.75	250,463.75	380,927.50	5,120,000
01-Mar-21	-		127,643.75	127,643.75	-	5,120,000
01-Sep-21	135,000	4.750%	127,643.75	262,643.75	390,287.50	4,985,000
01-Mar-22	-		124,437.50	124,437.50	-	4,985,000
01-Sep-22	150,000	4.750%	124,437.50	274,437.50	398,875.00	4,835,000
01-Mar-23	-		120,875.00	120,875.00	-	4,835,000
01-Sep-23	165,000	5.000%	120,875.00	285,875.00	406,750.00	4,670,000
01-Mar-24	-		116,750.00	116,750.00	-	4,670,000
01-Sep-24	185,000	5.000%	116,750.00	301,750.00	418,500.00	4,485,000
01-Mar-25	-		112,125.00	112,125.00	-	4,485,000
01-Sep-25	200,000	5.000%	112,125.00	312,125.00	424,250.00	4,285,000
01-Mar-26	-		107,125.00	107,125.00	-	4,285,000
01-Sep-26	220,000	5.000%	107,125.00	327,125.00	434,250.00	4,065,000
01-Mar-27	-		101,625.00	101,625.00	-	4,065,000
01-Sep-27	240,000	5.000%	101,625.00	341,625.00	443,250.00	3,825,000
01-Mar-28	-		95,625.00	95,625.00	-	3,825,000
01-Sep-28	265,000	5.000%	95,625.00	360,625.00	456,250.00	3,560,000
01-Mar-29	-		89,000.00	89,000.00	-	3,560,000
01-Sep-29	285,000	5.000%	89,000.00	374,000.00	463,000.00	3,275,000
01-Mar-30	-		81,875.00	81,875.00	-	3,275,000
01-Sep-30	310,000	5.000%	81,875.00	391,875.00	473,750.00	2,965,000
01-Mar-31	-		74,125.00	74,125.00	-	2,965,000
01-Sep-31	335,000	5.000%	74,125.00	409,125.00	483,250.00	2,630,000
01-Mar-32	-		65,750.00	65,750.00	-	2,630,000
01-Sep-32	360,000	5.000%	65,750.00	425,750.00	491,500.00	2,270,000
01-Mar-33	-		56,750.00	56,750.00	-	2,270,000
01-Sep-33	390,000	5.000%	56,750.00	446,750.00	503,500.00	1,880,000
01-Mar-34	-		47,000.00	47,000.00	-	1,880,000
01-Sep-34	420,000	5.000%	47,000.00	467,000.00	514,000.00	1,460,000
01-Mar-35	-		36,500.00	36,500.00	-	1,460,000
01-Sep-35	455,000	5.000%	36,500.00	491,500.00	528,000.00	1,005,000
01-Mar-36	-		25,125.00	25,125.00	-	1,005,000
01-Sep-36	485,000	5.000%	25,125.00	510,125.00	535,250.00	520,000
01-Mar-37	-		13,000.00	13,000.00	-	520,000
01-Sep-37	520,000	5.000%	13,000.00	533,000.00	546,000.00	-
Total	\$ 5,870,000		\$ 6,498,394.83	\$ 12,368,394.83	\$ 12,368,394.83	

