

CITY OF PERRIS, CALIFORNIA



Comprehensive Annual Financial Report

For the Fiscal Year
Ended June 30, 2014

CITY OF PERRIS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014

PREPARED BY THE FINANCE DEPARTMENT



INTRODUCTORY SECTION



**CITY OF PERRIS,
CALIFORNIA**

City of Perris, California
Comprehensive Annual Financial Report
Year Ended June 30, 2014

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City of Perris

California

December 29, 2014

Honorable Mayor, Members of the City Council, and Citizens of the City of Perris:

It is with great pleasure that I submit the City of Perris' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed both to 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 accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement.

Teaman, Ramirez & Smith, Inc. Certified Public Accountants, have issued an unqualified opinion on the City of Perris' financial statements for the fiscal year ended June 30, 2014. The opinion states that the financial statements are presented fairly and are in conformity with generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this 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 the MD&A and should be read in conjunction with it. The City of Perris' MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Perris

Perris covers approximately 33 square miles and is located 70 miles east of Los Angeles and 20 miles southwest of Riverside. The City offers a temperate Mediterranean climate with warm dry summers and mild winters. Demographically, Perris is an ethnically diverse community of approximately 72,103 residents, of which 72% are of Hispanic origin, and the average household size is 4.24 people.

The City of Perris was incorporated in 1911 under the general laws of the State of California and enjoys all the rights and privileges afforded to a general law city. The City is governed by a five member City Council under the Mayor-Council-Manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of the Mayor and four other members. Council Members are elected at-large and do not represent any one district or area within the City. The Mayor and Council Members are elected to a four-year term and the City does not have term limits. Regular elections are conducted in November of even numbered years. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City

Manager is responsible for carrying out the policy direction of the City Council and for overseeing the day-to-day operations of the government.

The City of Perris employs approximately 97 employees. Services include construction and maintenance of City streets, economic development, parks, recreation and senior services, animal control, disaster preparation, as well as community development activities such as urban planning, building permits and inspections, and business licensing. The City contracts for police and fire protection and water and waste water services. The Perris Public Financing Authority, Utility Authority Housing Authority, Joint Powers Authority, and newly formed Community Economic Development Corporation are also included as an integral part of the City's financial statements.

Budgets are adopted bi-annually by the City Council through resolution. As provided by City ordinance, the Director of Finance is responsible for preparing the budget and for its implementation after adoption. All appropriations lapse at year end, except those approved for carryover. The City Manager has the legal authority to transfer budget appropriations within a fund. Changes to total fund appropriations require the majority approval of the City Council. The City maintains budgetary controls to ensure compliance with legal provisions specified in the budget adopted by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

Local Economy

Perris, like most cities in the Inland Empire, is beginning to show signs of recovery from the economic slowdown that began in 2008. Existing home sale prices are up 13% over October 2013 which is a positive economic indicator. The City's number of building permits issued increased from 1,027 in the prior fiscal year to 1,408, and residential building permits represent 93% of that total increase. An increase in new home construction from national developers like KB, Richmond American, and Pulte Homes has shown that the Perris new housing market is recovering.

Retail sales tax is a principal revenue source for the City. Sales tax revenues for the 2nd quarter of 2014 increased 3.7% in total over the same quarter of 2013. Local retail sales, the primary source of sales tax revenues, continued to experience strong growth shown by the local point of sale activity increasing by 3.4%. Retail businesses are attracted to the area for a variety of reasons: a solid income base; growing residential population; and easy freeway access for shoppers. Construction of the 520,000 square foot Perris Marketplace broke ground on June 23, 2014 and is anchored by a Wal-Mart Supercenter. The retail center is located on the west side of Perris Boulevard, just north of Nuevo Road, and includes six retail pads to be located in front of the Wal-Mart Supercenter for use by other retail establishments and restaurants.

The Perris Community Economic Development Corporation (the "Perris CEDC") was incorporated on April 16, 2014. The Corporation was formed as a nonprofit public benefit corporation under Section 501(c)(3) of the Internal Revenue Code. The specific and primary purpose of this corporation is to provide physical, economic, and educational development and revitalization efforts resulting in expanded employment, economic prosperity, and business and housing opportunities for businesses and residents. The Perris CEDC is attracting new businesses to the downtown area, namely, the Perris Station Apartments mixed-use building and will continue revitalizing the Perris community with a commercial façade program, restaurant incentive program, and restoring the Perris Theatre.

Long Range Financial Planning

Annually, the City updates a five year capital improvement program. All funds operate under a two year budget. Strong financial reporting practices, conservative budgeting, and vigilance over costs have resulted in the City maintaining a healthy financial position. Perris, like all cities in Riverside County, has felt the financial impact over the past years of the global economic slowdown. Responsible financial management, however, has left the City of Perris able to withstand challenging fiscal times and maintain a position of readiness as the national and local economies enter the current recovery phase.

Relevant Financial Policies

Cash Management Policies and Practices. The City Council annually adopts an investment policy with the intention of minimizing credit and market risks while maintaining a competitive yield on its investments. During 2013-14, the City's funds were invested primarily in demand deposit accounts, the State of California Local Agency Investment Fund (LAIF), U.S. Government Treasuries, Agency securities, and commercial paper. Investments are made from pooled cash of all funds and earnings are allocated to the various funds in proportion to their relative cash book balance.

Risk Management. The City maintains a self-insurance program for workers' compensation. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence, amounts in excess of \$250,000 are covered through PERMA. The limits of the coverage are \$200,000 per accident for workers' compensation and \$5,000,000 each accident for employers' liability. More details regarding specific coverage levels may be found in the notes to the financial statements.

The City's risk management program focuses on proactive identification of risk exposures to eliminate any potential negative impacts to public safety and welfare. This is accomplished through effectively monitoring City activities and providing clear guidance to remedy those situations where an exposure to risk has been identified. Additional risk control techniques, including employee accident prevention training, have been developed to minimize accident related losses.

Pension and Other Post-employment Benefits. The City of Perris has a defined benefit pension plan that provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The City contributes to the California Public Employees Retirement System (CalPERS), an agent, multiple-employer public employees defined benefit pension plan for its regular employees.

The City also provides post-retirement health care benefits for its retired employees according to the employee agreements for each of the employee groups. As of the end of the current fiscal year, there were 49 retired employees receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information regarding the City of Perris' pension arrangements and post-employment benefits can be found in the notes to the financial statements.

Major Initiatives

The City plans to maintain an ongoing commitment to several major initiatives as described below.

City Infrastructure and other Capital Improvements. The five year capital improvement program has committed in excess of \$84 million in funding for transportation, parks, community facilities, and other projects.

Public Safety. More General Fund dollars are devoted to public safety than for any other purpose. The City's general fund budget has set aside over \$17 million for Police and Fire services.

Parks. The City experienced a slowdown of park development impact fees throughout the economic downturn. The challenge for the department at that time was to generate new revenue sources to maintain existing parks, facilities, and programs to keep up with the increased demand for more affordable recreational activities. In 2013, Mercado Park was completed and added an additional 2 acres to the City's parkland acreage. The park was financed entirely by an award of a \$3.4 million grant from the State of California. The City's total parkland acreage is now approximately 146 and the department continues to seek out new revenue sources.

There are other funded or developer conditioned park projects that are under construction and expected to be completed in the next fiscal year including the following:

- Metropolitan Water District Linear Park
- Metz Park Improvements
- Patriot Park Soccer Complex

There are other funded or developer conditioned park projects that are anticipated to go forward to construction in the next year including the following:

- Monument Ranch Park
- Enchanted Hills Park Improvements

Other long term projects that are in design but not ready for construction include:

- Perris Valley Storm Channel Trail
- San Jacinto River Trail

Financial Management. The City is committed to the highest standards of financial management and stewardship of public resources.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded the ninth Certificate of Achievement for Excellence in Financial Reporting to the City of Perris for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2013. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current 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.

Completion of the City's Comprehensive Annual Financial Report is a significant accomplishment. Special recognition is due to the entire staff of the Finance Department. Special thanks go to Jennifer Erwin, Assistant Director of Finance, Melinda Ward, Accounting Supervisor and Jim Raia, Accountant. Only through the efforts and cooperation of all of the Finance Department staff, was the preparation of this document possible. I would also like to express my appreciation to the Mayor, the City Council, and the City Manager for their interest and support in planning and conducting the financial activities of the City in a responsible and progressive manner.

Sincerely,



Ron Carr
Assistant City Manager & Finance Director

City of Perris

Elected Officials

Daryl Busch	Mayor
Rita Rogers	Mayor Pro Tem
Julio Rodriguez	Council Member
Tonya Burke	Council Member
David Starr Rabb	Council Member
Nancy Salazar	City Clerk

Management

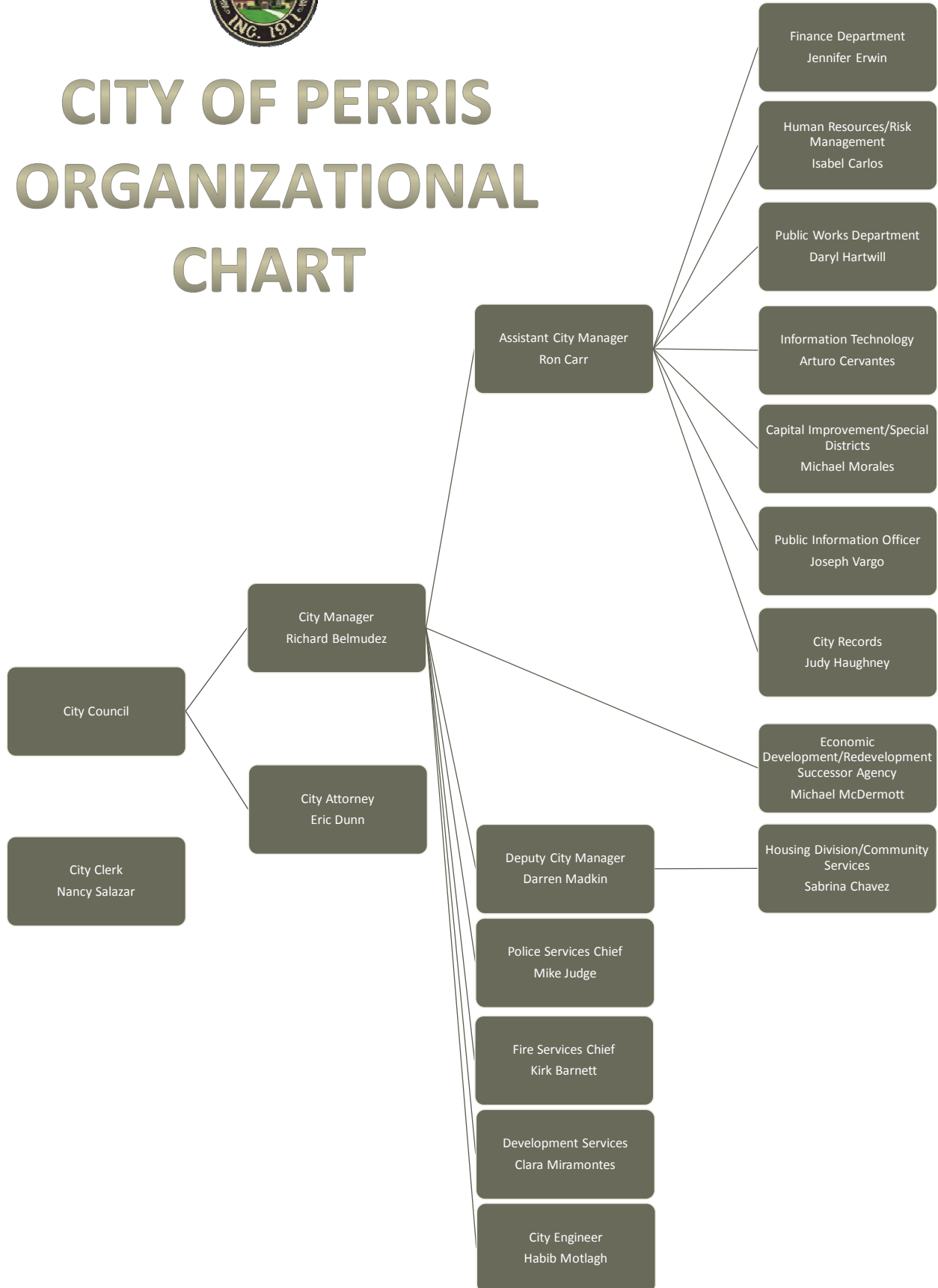
Richard Belmudez	City Manager
Ron Carr	Assistant City Manager
Darren Madkin	Deputy City Manager
Isabel Carlos	Administrative Services Manager
Arturo Cervantes	Information Technology Manager
Sabrina Chavez	Assistant Director of Community Services & Housing
Jennifer Erwin	Assistant Director of Finance
Daryl Hartwill	Assistant Director of Public Works
Michael McDermott	Redevelopment and Economic Development Manager
Clara Miramontes	Director of Development Services
Michael Morales	Capital Improvements Project Manager

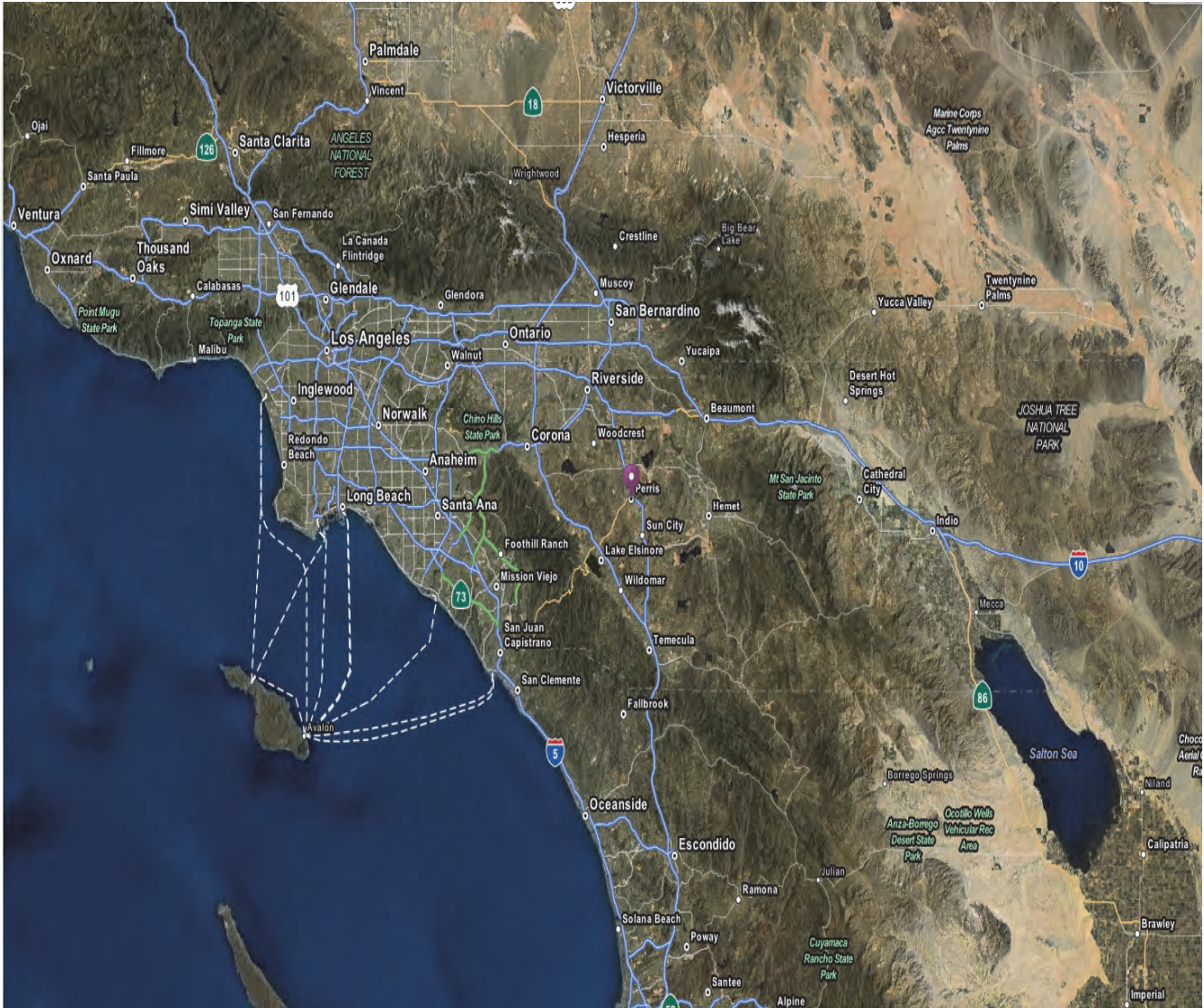
Contractors

Eric Dunn	City Attorney
Habib Motlagh	City Engineer
Mike Judge	Police Captain
Kirk Barnett	Battalion Chief



CITY OF PERRIS ORGANIZATIONAL CHART





City of Perris, CA



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Perris
California**

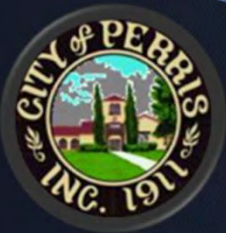
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



FINANCIAL SECTION



**CITY OF PERRIS,
CALIFORNIA**

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of The City Council
City of Perris
Perris, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Perris, California (the "City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Perris, California, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 through 12 and 72 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Riverside, California

December 29, 2014

CITY OF PERRIS
Management's Discussion and Analysis

This section of the City's Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with City's financial statements beginning on page 13. All amounts are expressed in thousands of dollars.

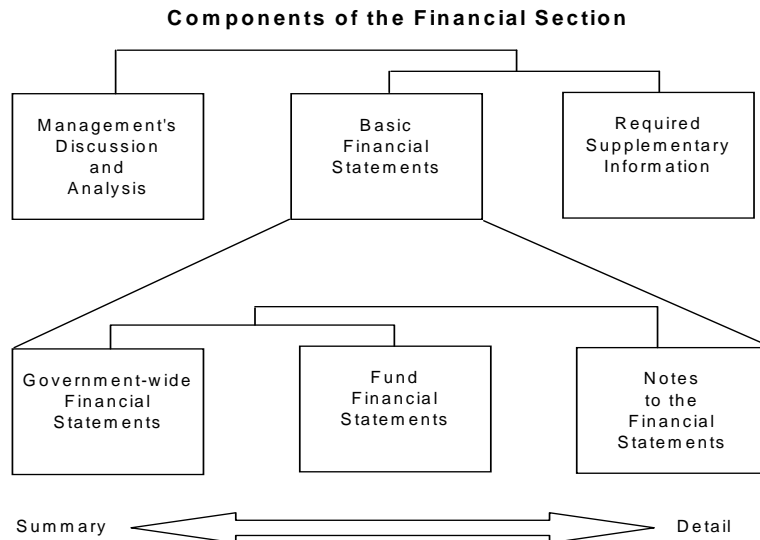
Financial Highlights

The following are some key financial highlights for the fiscal year:

- The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$252,461 (net position). Of this amount, \$25,711 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$6,174 for fiscal year 2013-2014.
- As of June 30, 2014, the City's governmental funds reported combined fund balances of \$210,330, an increase of \$7,194 in comparison with the prior year.
- At the end of the current fiscal year, assigned fund balance for the General Fund was \$6,200 and unassigned fund balance for the General Fund was \$9,493, totaling \$15,693 or 58% of total general fund expenditures.
- The City of Perris' total long-term debt decreased by \$1,163 for fiscal year 2013-2014.

Overview of the Financial Statements

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



CITY OF PERRIS

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

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 position* presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 affect cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish 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 of Perris include general government, public safety, public works, parks and recreation, and interest on long-term debt. The *business-type activities* of the City of Perris include a Water, Sewer, Public Utility Authority, Housing Authority, and Solid Waste Utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also four legally separate entities, the Perris Public Utility Authority, the Perris Public Financing Authority, the Perris Joint Powers Authority, and the Perris Community Economic Development Corporation. The Perris Redevelopment Agency has since been abolished and its activities are reported as a separate Successor Agency trust fund. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 13 of this report.

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 City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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. Such information may be useful in evaluating the City's near-term financial requirements.

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 City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF PERRIS

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

The City maintains thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Public Financing Authority Debt Service Fund, Joint Powers Authority Debt Service Fund, Storm Drain Development Capital Project Fund, and the Capital Improvements Projects Fund, each of which are considered to be major funds. Data from the other twenty-six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *non-major governmental funds supplementary information* section of this report.

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

The governmental fund financial statements can be found beginning on page 16 of this report.

Proprietary Funds. The City maintains several proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Water Enterprise Fund, Sewer Enterprise Fund, Public Utility Authority Enterprise Fund, and the Solid Waste Enterprise Fund, and the Housing Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the maintenance and operation of the City's water services, sewer services and solid waste disposal services for residents. These are considered to be Business-type activities in the government-wide financial statements. The Water Enterprise, Sewer Enterprise, Public Utility Authority Enterprise, Solid Waste Enterprise, and Housing Authority Funds are aggregated and presented as a major fund in the financial statements.

The basic proprietary fund financial statements can be found beginning on page 22 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Perris' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 30 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 32 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and a comparison of budgeted to actual results for the general and major special revenue funds. *Required supplementary information* can be found beginning on page 72 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 75 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In this case, the City's assets and deferred outflows exceeded liabilities by \$252,461 at June 30, 2014. A summary of the government-wide statement of net position at June 30, 2014 follows:

CITY OF PERRIS
Management's Discussion and Analysis

City of Perris Net Position
June 30, 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 246,521	\$ 236,935	\$ 10,963	\$ 12,727	\$ 257,484	\$ 249,662
Capital assets	166,664	166,747	18,405	19,022	185,069	185,769
Total assets	413,185	403,682	29,368	31,749	442,553	435,431
Deferred Outflows of Resources:						
Deferred Charge on Refunding	190	1,071	-	-	190	1,071
Total deferred outflows of resources	190	1,071	-	-	190	1,071
Liabilities:						
Current and other liabilities	35,956	34,977	1,630	1,379	37,586	36,356
Long-term liabilities	140,127	141,372	12,569	12,487	152,696	153,859
Total liabilities	176,083	176,349	14,199	13,866	190,282	190,215
Net position:						
Net investment in Capital Assets	166,664	166,747	6,030	6,607	172,694	173,354
Restricted	48,033	41,397	6,023	8,716	54,056	50,113
Unrestricted	22,595	20,260	3,116	2,560	25,711	22,820
Total net position	\$ 237,292	\$ 228,404	\$ 15,169	\$ 17,883	\$ 252,461	\$ 246,287

The largest portion of the City's net position (\$172,694) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt used to acquire those assets that is still outstanding. 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.

A portion of the City's net position (\$54,056) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, if any, may be used to meet the government's ongoing obligations to citizens and creditors. The 2013 restricted and unrestricted amounts have been reclassified to be comparative to the current year.

At the end of the current fiscal year, the City is able to report a positive balance in all three categories of net position for the City as a whole as well as for its governmental activities.

Governmental and Business-type Activities. Governmental and Business-type activities increased the City's net position by \$6,174 thereby accounting for the 2.5% increase in the net position of the City. Key elements of this increase are as follows:

- Governmental activities increased the City's net position by \$8,888 primarily from an increase in capital grants and contributions of \$2,925, charges for services of \$589, and a special item for the gain on CFD investments of \$2,194. The

CITY OF PERRIS
Management's Discussion and Analysis

change in capital grants and contributions is from an increase in developer contributed capital assets and contributions of \$2,936 and a decrease in public safety state mandate reimbursements received of \$11. Charges for services in the general government category changed due to an increase in building permit revenue of \$589. General revenues increased from the prior year primarily due to a sales and use tax revenue increase of \$1,006 and an increase in miscellaneous revenue of \$1,263.

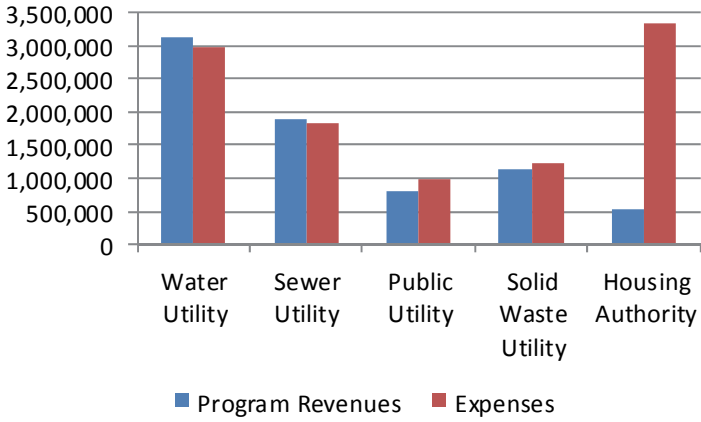
- Business-type activities decreased the City of Perris net position by \$2,715 which is mostly from an increase in expenses of \$3,420 and a decrease in the capital grants and contributions of \$2,333 in the Housing Authority.

City of Perris, Change in Net Position
June 30, 2014

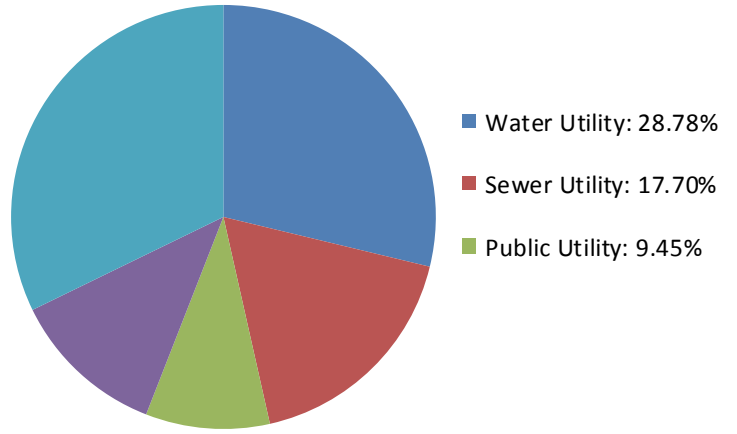
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 12,146	\$ 11,557	\$ 7,010	\$ 6,010	\$ 19,156	\$ 17,567
Operating grants and Contributions	11,864	11,633	400	-	12,264	11,633
Capital grants and Contributions	7,468	4,542	61	2,332	7,529	6,874
General revenues:						
Property taxes	4,345	4,271	-	-	4,345	4,271
Sales and Use taxes	6,688	5,682	-	-	6,688	5,682
Sales Tax in Lieu Tax	2,080	1,808	-	-	2,080	1,808
Motor Vehicle	30	36	-	-	30	36
Vehicle License in Lieu Tax	4,370	4,143	-	-	4,370	4,143
Franchise taxes	2,474	2,293	-	-	2,474	2,293
Transient occupancy taxes	66	72	-	-	66	72
Real property taxes	174	168	-	-	174	168
Investment earnings	1,147	4,417	52	(16)	1,199	4,401
Miscellaneous	1,621	358	-	-	1,621	358
Total revenues	54,473	50,980	7,523	8,326	61,996	59,306
Expenses:						
General government	8,480	7,363	-	-	8,480	7,363
Public safety	18,618	17,072	-	-	18,618	17,072
Public works	10,177	12,897	-	-	10,177	12,897
Parks and recreation	3,071	2,471	-	-	3,071	2,471
Interest on long term debt	7,343	7,689	-	-	7,343	7,689
State ERAF	-	-	-	-	-	-
Water utility	-	-	2,972	2,750	2,972	2,750
Sewer utility	-	-	1,828	1,760	1,828	1,760
Public Utility	-	-	976	1,088	976	1,088
Solid Waste Utility	-	-	1,223	890	1,223	890
Housing Authority	-	-	3,329	420	3,329	420
Total Expenses	47,689	47,492	10,328	6,908	58,017	54,400
Increase (decrease) in net position before special item and transfers	6,784	3,488	(2,805)	1,419	3,979	4,906
Special Item	2,194	-	-	-	2,194	-
Transfers	(90)	-	90	-	-	-
Change in net position	8,888	3,488	(2,715)	1,419	6,173	4,906
Net position, July 1, 2013	228,404	224,916	17,884	16,465	246,288	241,381
Net position, June 30, 2014	\$ 237,292	\$ 228,404	\$ 15,169	\$ 17,884	\$ 252,461	\$ 246,287

CITY OF PERRIS
Management's Discussion and Analysis

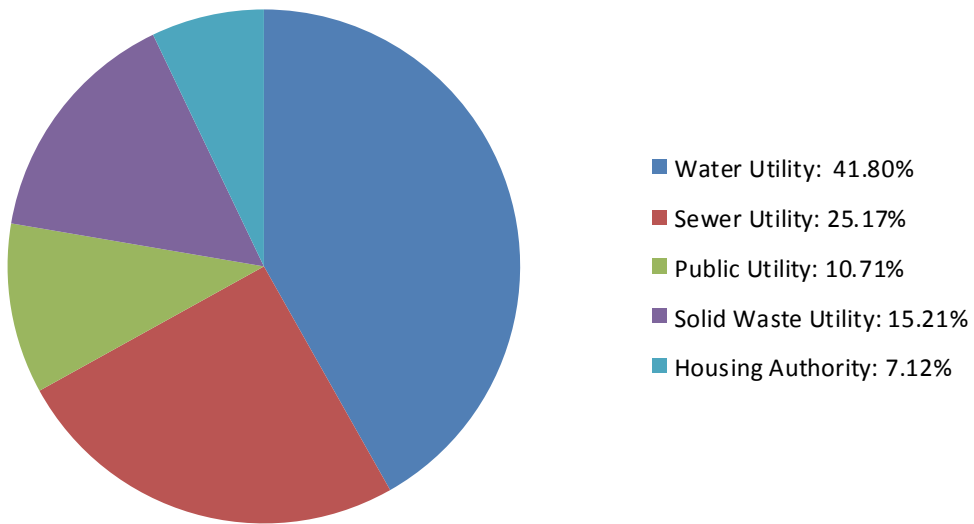
**Program Revenues and Expenses
 Business-Type Activities**



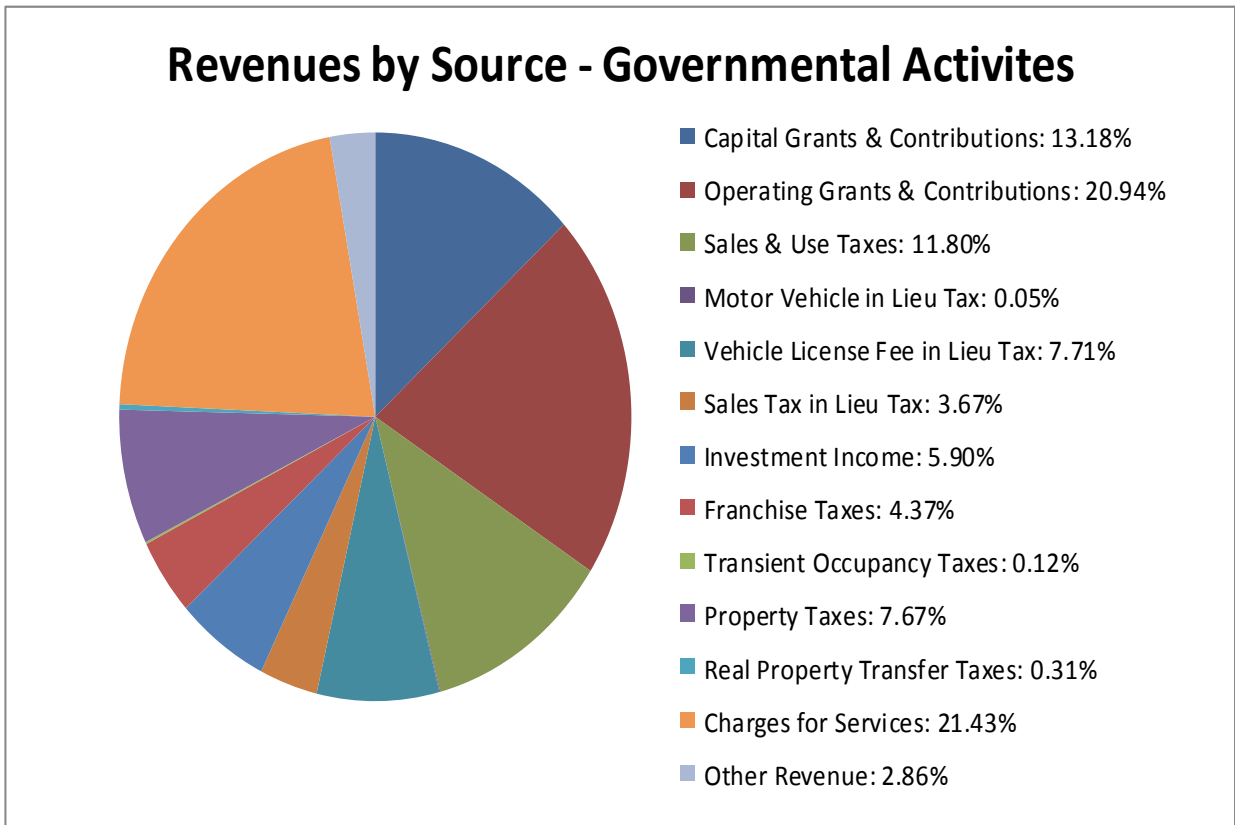
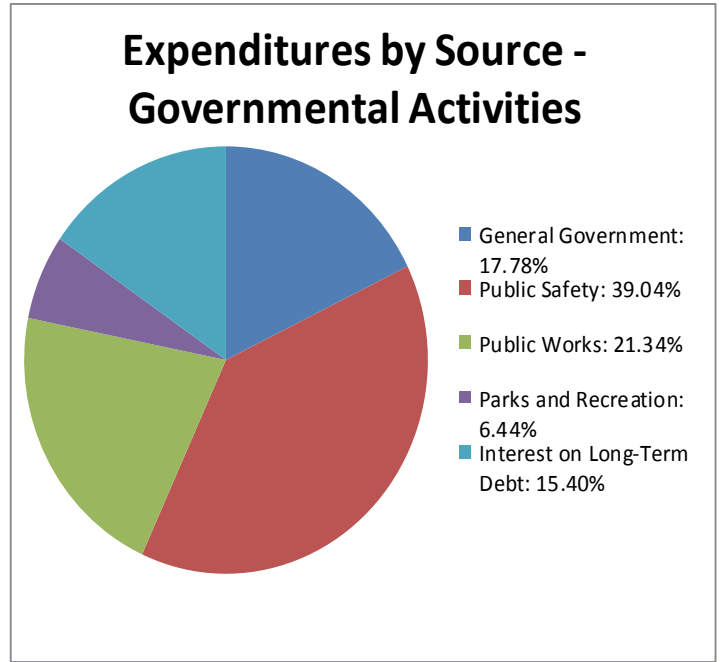
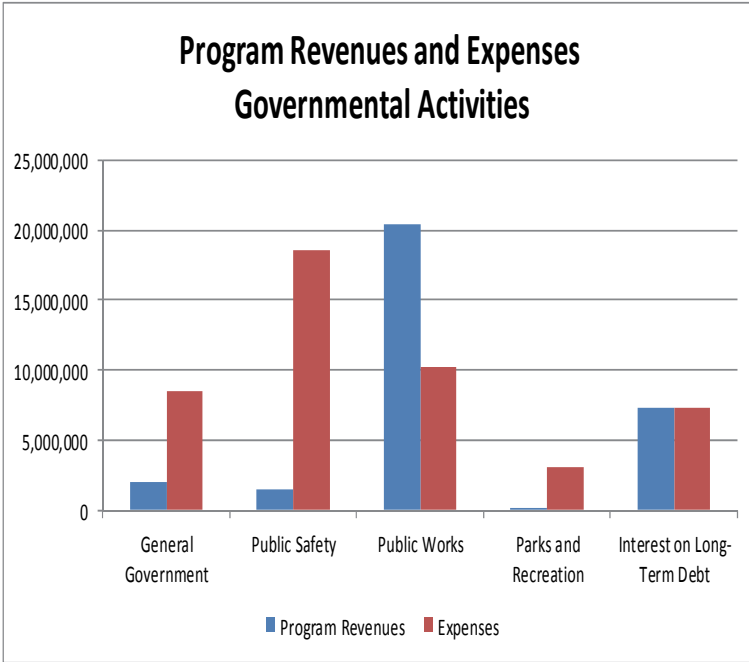
Expenditures by Source - Business-Type Activities



Revenues by Source - Business-Type Activities



CITY OF PERRIS
Management's Discussion and Analysis



CITY OF PERRIS **Management's Discussion and Analysis**

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$210,330. The City's governmental funds report a surplus of \$9,493 *unassigned fund balance*. The remainder of the fund balances are either non-spendable, restricted, committed or assigned to indicate amounts to be used for a specific purpose or in a non-spendable form 1) for deposits with other agencies (\$1,159), 2) for advances (\$1,419), 3) for prepaid items (\$4), 4) restricted resources (\$183,424), 5) committed amounts (\$8,631) and 6) for assigned amounts (\$6,200).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned and assigned fund balance of the General Fund was \$16,795, while the total fund balance reached \$26,906. As a measure of General Fund liquidity, it may be useful to compare the unassigned and assigned fund balances to total fund revenues. General fund balance represents 98% of total general fund revenues of \$27,487.

The fund balance of the City's General Fund increased by \$826 during the current fiscal year. The increase in the fiscal year can be attributed primarily to an increase in taxes and licenses, permits, and fees, and an increase in public safety expenditures. Taxes increased \$1,671 and licenses, permits, and fees increased \$746 from the prior year. Public safety expenditures increased by \$1,464.

The Public Financing Authority (PFA) Debt Service Fund had a decrease of \$16,520 and the Joint Powers Authority (JPA) Debt Service Fund had an increase of \$16,403. The Joint Powers Authority issued Local Agency Revenue Bonds Series 2014A and 2014B to advance refund the Perris Public Financing Authority 2003 Revenue Bonds, Series A and Perris Public Financing Authority 2007 Revenue Bonds, Series C. The JPA Debt Service Fund refunded obligations in the PFA Debt Service Fund and as part of the refunding, the PFA Debt Service Fund transferred over certain investments in Community Facility Districts to the JPA Debt Service Fund.

The Capital Improvements Projects Capital Project Fund had an increase of \$55,546, which can be attributed to interest earnings.

The Storm Drain Development Capital Project Fund is used to account for the capital improvements of upgrading the storm drains within the City. The fund balance of the Storm Drain Development Capital Project Fund did not have a change in fund balance due to no construction occurring in the current fiscal year.

The Other Governmental Funds fund balance increased \$6,431 primarily due to excess revenues received over expenditures and transfers out in the following funds: Traffic Safety Special Revenue Fund, Flood Control Maintenance District Special Revenue Fund, Gas Tax Special Revenue Fund, Proposition "A" Special Revenue Fund, Road and Bridge Benefit District Special Revenue Fund, and the Development Fees Special Revenue Fund. The Development Fees Special Revenue Fund also had a gain on the sale of an asset, specifically a fire truck purchased with prior year development fees collected. The fund balance of each of these funds is restricted to specific uses.

General Fund Budget. During the year, there was a \$528 increase in the original and final expenditure budget, and a \$1,638 increase in the original and final revenue budget.

Special Revenue Funds. The City's special revenue funds are governmental funds used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes. The total fund balance of all special revenue funds is \$38,653.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF PERRIS
Management's Discussion and Analysis

Enterprise Funds. Unrestricted net position of the enterprise funds totaled \$3,116 which represents an increase of \$555 from the prior fiscal year.

The fund balance of the Sewer Utility and Water Utility Funds increased by \$71 and \$153, respectively. This was primarily due to operating revenues exceeding operating expenses, as well as capital asset contributions from developers.

The fund balance of the Public Utility Authority and Solid Waste Utility Funds decreased by \$175 and \$71, respectively. This was primarily due to operating expenses exceeding operating revenues.

The fund balance of the Housing Authority Fund decreased \$3,197 from the prior year primarily due to the completion of a major housing project, the Verano Apartments.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities amounts to \$185,069 (net of accumulated depreciation of \$175,181) as of June 30, 2014. This investment in capital assets includes buildings, building improvements, infrastructure (roads, sidewalks, streetlights, etc.), and machinery/equipment, vehicles and water and sewer infrastructures and equipment. The net increase in the City's investment in capital assets for the current fiscal year was \$5,884 before depreciation.

Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 39,808	\$ 39,755	\$ 301	\$ 301	\$ 40,109	\$ 40,056
Buildings	23,835	23,645	-	-	23,835	23,645
Building Improvements	9,531	8,525	-	-	9,531	8,525
Improvements other than Buildings	-	-	315	315	315	315
Machinery	1,897	1,387	-	-	1,897	1,387
Vehicles	2,191	2,676	203	236	2,394	2,912
Infrastructure	244,839	238,613	-	-	244,839	238,613
Major equipment	-	-	543	543	543	543
Boosters	-	-	36	36	36	36
Reservoirs	-	-	2,068	2,068	2,068	2,068
Mains	-	-	16,560	16,544	16,560	16,544
Services	-	-	2,406	2,403	2,406	2,403
Meters	-	-	1,406	1,406	1,406	1,406
Hydrants	-	-	1,272	1,272	1,272	1,272
Manholes	-	-	869	827	869	827
Wells	-	-	996	996	996	996
Construction in progress	11,174	12,818	-	-	11,174	12,818
Total	333,275	327,419	26,975	26,947	360,250	354,366
Less: Accumulated Depreciation	166,611	160,673	8,570	7,925	175,181	168,598
Total net capital assets	\$ 166,664	\$ 166,746	\$ 18,405	\$ 19,022	\$ 185,069	\$ 185,768

The City's increase in capital assets was primarily due to the completion of the Mercado Park Improvements Project that added \$2,315 to Governmental Activities-Infrastructure, Perris Boulevard-Phase II and Mapes Road Projects that added \$1,388 to Governmental Activities-Infrastructure, and the Home Depot Distribution Center Project that added \$1,128 to

CITY OF PERRIS
Management's Discussion and Analysis

Governmental Activities-Infrastructure. Infrastructure improvements are performed on parks, sidewalks, pavement, storm drains, pipelines, bridges, curbs and gutters, and street lights.

Additional information on the City's capital assets can be found in note 4 to the basic financial statements on page 49 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$132,855 which represents revenue and tax allocation bonds issued for Redevelopment projects and bonds issued by the Public Financing Authority and Joint Powers Authority to purchase CFD and assessment district bonds. The City of Perris' total bonded debt decreased by \$1,840 during the fiscal year due to the issuance of Local Agency Revenue Bonds of \$14,990, payoff of previously issued Local Agency Revenue Bonds of \$14,380, and regular principal payments on all revenue bonds reducing the principal owed to date by \$2,450.

Additional information on the City's outstanding debt can be found in note 5 to the basic financial statements on page 51 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is \$586 which is significantly in excess of the City's outstanding general obligation debt.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Interim Finance Director, 101 North "D" Street, Perris, CA.

BASIC FINANCIAL STATEMENTS

City of Perris, California
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Perris CEDC
ASSETS				
Cash and Investments	\$ 92,095,978	\$ 3,542,584	\$ 95,638,562	\$ 6,855,447
Restricted Cash and Investments	73,293,395		73,293,395	
Receivables:				
Accounts	3,804,706	2,043,828	5,848,534	
Interest	2,121,063	1,467	2,122,530	2,795
Taxes	1,833,502		1,833,502	
Grants	295,080		295,080	
Loans	70,610,000	6,123,241	76,733,241	
Other	264,122		264,122	
Internal Balances	747,713	(747,713)	0	
Due from Other Governments	292,138		292,138	
Prepaid Items	4,200			66,000
Deposits	1,159,075		1,159,075	
Land and Construction in Progress, Not Being Depreciated	50,981,810	300,564	51,282,374	
Capital Assets, Net of Depreciation	115,682,608	18,103,930	133,786,538	
 Total Assets	413,185,390	29,367,901	442,553,291	6,924,242
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding (Net)	190,662		190,662	
 Total Deferred Outflows of Resources	190,662	0	190,662	0
LIABILITIES				
Accounts Payable and Accrued Liabilities	5,895,235	1,369,834	7,265,069	
Deposits and Other Liabilities	19,292,338	260,343	19,552,681	
Unearned Revenues	8,685,401		8,685,401	
Interest Payable on Long-term Liabilities	2,083,657		2,083,657	
Long-term Liabilities:				
Due Within One Year	3,605,808	80,711	3,686,519	
Due in More Than One Year	136,521,043	12,488,399	149,009,442	
 Total Liabilities	176,083,482	14,199,287	190,282,769	0
NET POSITION				
Net Investment in Capital Assets	166,664,418	6,029,909	172,694,327	
Restricted for:				
Low & Moderate Housing		6,023,047	6,023,047	
Other Purposes	48,032,879		48,032,879	
Unrestricted	22,595,273	3,115,658	25,710,931	6,924,242
 Total Net Position	\$ 237,292,570	\$ 15,168,614	\$ 252,461,184	\$ 6,924,242

The accompanying notes are an integral part of this statement.

City of Perris, California
Statement of Activities
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 8,479,935	\$ 1,858,952	\$ 134,722	\$
Public Safety	18,617,739	1,038,759	510,043	1,175
Public Works	10,177,002	9,104,156	3,842,839	7,466,872
Parks and Recreation	3,071,134	144,425	23,696	
Interest on Long-term Debt	7,342,886		7,353,141	
Total Governmental Activities	47,688,696	12,146,292	11,864,441	7,468,047
Business-type Activities:				
Sewer Utility	1,828,381	1,832,035		48,850
Public Utility	976,117	799,887		
Water Utility	2,971,953	3,110,376		12,500
Solid Waste Utility	1,223,019	1,136,356		
Housing Authority	3,328,451	131,722	400,000	
Total Business-type Activities	10,327,921	7,010,376	400,000	61,350
Total Primary Government	\$ 58,016,617	\$ 19,156,668	\$ 12,264,441	\$ 7,529,397
Component Unit:				
Perris CEDC	\$ 0	\$ 0	\$ 6,900,000	\$ 0
Total Component Unit	\$ 0	\$ 0	\$ 6,900,000	\$ 0

General Revenues:
Property Taxes
Sales and Use Taxes
Motor Vehicle in Lieu Tax (Intergovernmental/Unrestricted)
Vehicle License Fee in Lieu Tax
Sales Tax in Lieu Tax
Franchise Taxes
Transient Occupancy Taxes
Real Property Transfer Taxes
Investment Earnings
Miscellaneous
Transfers
Special Item - Gain on CFD Investments

Total General Revenues, Transfers and Special Item

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-type Activities	Total	Perris CEDC
\$ (6,486,261)	\$	\$ (6,486,261)	\$
(17,067,762)		(17,067,762)	
10,236,865		10,236,865	
(2,903,013)		(2,903,013)	
10,255		10,255	
<u>(16,209,916)</u>	<u>0</u>	<u>(16,209,916)</u>	<u>0</u>
	52,504	52,504	
	(176,230)	(176,230)	
	150,923	150,923	
	(86,663)	(86,663)	
	<u>(2,796,729)</u>	<u>(2,796,729)</u>	
<u>0</u>	<u>(2,856,195)</u>	<u>(2,856,195)</u>	<u>0</u>
<u>(16,209,916)</u>	<u>(2,856,195)</u>	<u>(19,066,111)</u>	
			<u>6,900,000</u>
			<u>6,900,000</u>
4,345,347		4,345,347	
6,687,880		6,687,880	
30,106		30,106	
4,369,517		4,369,517	
2,080,007		2,080,007	
2,474,209		2,474,209	
65,729		65,729	
173,770		173,770	
1,146,700	51,680	1,198,380	24,242
1,620,760		1,620,760	
(89,791)	89,791		
<u>2,194,554</u>			
<u>25,098,788</u>	<u>141,471</u>	<u>23,045,705</u>	<u>24,242</u>
8,888,872	(2,714,724)	6,174,148	6,924,242
<u>228,403,698</u>	<u>17,883,338</u>	<u>246,287,036</u>	<u>0</u>
<u>\$ 237,292,570</u>	<u>\$ 15,168,614</u>	<u>\$ 252,461,184</u>	<u>\$ 6,924,242</u>

The accompanying notes are an integral part of this statement.

City of Perris, California
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Debt Service	
		Public Financing Authority	Joint Powers Authority
ASSETS			
Cash and Investments	\$ 30,505,527	\$	\$ 49,420
Cash and Investments with Fiscal Agent		47,829,756	25,046,316
Receivables:			
Accounts	444,379		
Interest	11,437	92	49
Taxes	1,277,111		
Grants			
Loans		70,610,000	
Other	264,122		
Due from Other Funds	19,934		
Due from Other Governments	15,115		
Advances to Other Funds	1,419,199		
Prepaid Items	4,200		
Deposits with Other Agencies	1,159,075		
	<u>1,159,075</u>	<u></u>	<u></u>
Total Assets	<u>\$ 35,120,099</u>	<u>\$ 118,439,848</u>	<u>\$ 25,095,785</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 5,096,912	\$ 6,000	\$ 3,500
Deposits and Other Liabilities	3,033,362	6,128,909	
Due to Other Funds			
Advances from Other Funds			
Unearned Revenues		1,855,587	
	<u></u>	<u>1,855,587</u>	<u></u>
Total Liabilities	<u>8,130,274</u>	<u>7,990,496</u>	<u>3,500</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Taxes and Special Assessments	83,782		
Unavailable Revenue - Intergovernmental			
	<u>83,782</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>83,782</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Nonspendable	2,582,474		
Restricted		110,449,352	25,092,285
Committed	8,630,968		
Assigned	6,200,000		
Unassigned	9,492,601		
	<u>9,492,601</u>	<u></u>	<u></u>
Total Fund Balances	<u>26,906,043</u>	<u>110,449,352</u>	<u>25,092,285</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,120,099</u>	<u>\$ 118,439,848</u>	<u>\$ 25,095,785</u>

The accompanying notes are an integral part of this statement.

Capital Project			
Storm Drain Development	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$ 10,127,811	\$ 4,771,376	\$ 46,641,844	\$ 92,095,978
		417,323	73,293,395
	2,807,116	553,211	3,804,706
4,056	1,892	19,880	37,406
		556,391	1,833,502
		295,080	295,080
			70,610,000
			264,122
			19,934
		277,023	292,138
			1,419,199
			4,200
			1,159,075
<u>\$ 10,131,867</u>	<u>\$ 7,580,384</u>	<u>\$ 48,760,752</u>	<u>\$ 245,128,735</u>
\$ 1,800	\$ 144,726	\$ 642,297	\$ 5,895,235
10,130,067			19,292,338
		19,934	19,934
		671,486	671,486
	5,552,963	1,276,851	8,685,401
<u>10,131,867</u>	<u>5,697,689</u>	<u>2,610,568</u>	<u>34,564,394</u>
		124,130	207,912
		26,103	26,103
<u>0</u>	<u>0</u>	<u>150,233</u>	<u>234,015</u>
			2,582,474
	1,882,695	45,999,951	183,424,283
			8,630,968
			6,200,000
			9,492,601
<u>0</u>	<u>1,882,695</u>	<u>45,999,951</u>	<u>210,330,326</u>
<u>\$ 10,131,867</u>	<u>\$ 7,580,384</u>	<u>\$ 48,760,752</u>	<u>\$ 245,128,735</u>

The accompanying notes are an integral part of this statement.

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City of Perris, California
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

Fund Balances of Governmental Funds	\$	210,330,326
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
Interest accrued on loans receivable from the Successor Agency to the Perris Redevelopment Agency and investments in Community Facility Districts		2,083,657
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.		166,664,418
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		234,015
Liabilities that are not due and payable in the current period and are not reported in the funds.		
Interest Payable on Long-term Liabilities		(2,083,657)
Long-term Liabilities		(140,126,851)
Deferred Charge on Refunding		190,662
		190,662
Net Position of Governmental Activities	\$	237,292,570

The accompanying notes are an integral part of this statement.

City of Perris, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General Fund	Debt Service	
		Public Financing Authority	Joint Powers Authority
REVENUES			
Taxes	\$ 20,142,783	\$	\$
Licenses, Permits and Fees	1,823,658		
Intergovernmental Revenues	13,054		
Charges for Services	933,006		
Fines, Forfeitures and Penalties	505,302		
Developer Fees	42,195		
Investment Earnings	359,313	7,569,606	299,762
Special Assessments			
Contributions	3,368,539	277,486	1,072,342
Miscellaneous	299,021		
Total Revenues	<u>27,486,871</u>	<u>7,847,092</u>	<u>1,372,104</u>
EXPENDITURES			
Current:			
General Government	5,329,107	127,883	539,033
Public Safety	17,513,387		
Public Works	1,402,863		
Parks and Recreation	2,559,671		
Capital Outlay	304,989		
Debt Service:			
Debt Issuance Costs			809,754
Principal Retirement		2,630,000	
Interest and Fiscal Charges		7,244,166	255,009
Total Expenditures	<u>27,110,017</u>	<u>10,002,049</u>	<u>1,603,796</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>376,854</u>	<u>(2,154,957)</u>	<u>(231,692)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	850,000		14,365,473
Transfers Out	(428,412)	(14,365,473)	
Refunding Bonds Issued			14,990,000
Payment to Escrow Agent			(14,915,772)
Gain (Loss) on Sale of Property	27,240		
Total Other Financing Sources (Uses)	<u>448,828</u>	<u>(14,365,473)</u>	<u>14,439,701</u>
SPECIAL ITEM - Gain on CFD Investments			<u>2,194,554</u>
Net Change in Fund Balances	825,682	(16,520,430)	16,402,563
Fund Balances, Beginning	<u>26,080,361</u>	<u>126,969,782</u>	<u>8,689,722</u>
Fund Balances, Ending	<u>\$ 26,906,043</u>	<u>\$ 110,449,352</u>	<u>\$ 25,092,285</u>

The accompanying notes are an integral part of this statement.

Capital Project			
Storm Drain Development	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$ 20,142,783
			1,823,658
	1,655,489	4,875,730	6,544,273
			933,006
		240,360	745,662
		4,216,788	4,258,983
	55,543	467,279	8,751,503
		4,209,889	4,209,889
			4,718,367
		128,334	427,355
<u>0</u>	<u>1,711,032</u>	<u>14,138,380</u>	<u>52,555,479</u>
		134,608	6,130,631
		834,118	18,347,505
		3,347,392	4,750,255
			2,559,671
	1,655,486	2,960,073	4,920,548
			809,754
			2,630,000
			7,499,175
<u>0</u>	<u>1,655,486</u>	<u>7,276,191</u>	<u>47,647,539</u>
<u>0</u>	<u>55,546</u>	<u>6,862,189</u>	<u>4,907,940</u>
		338,621	15,554,094
		(850,000)	(15,643,885)
			14,990,000
			(14,915,772)
		79,823	107,063
<u>0</u>	<u>0</u>	<u>(431,556)</u>	<u>91,500</u>
			2,194,554
<u>0</u>	<u>55,546</u>	<u>6,430,633</u>	<u>7,193,994</u>
<u>0</u>	<u>1,827,149</u>	<u>39,569,318</u>	<u>203,136,332</u>
<u>\$ 0</u>	<u>\$ 1,882,695</u>	<u>\$ 45,999,951</u>	<u>\$ 210,330,326</u>

The accompanying notes are an integral part of this statement.

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City of Perris, California
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 7,193,994

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.

Capital Outlay	4,490,286
Developer Contributions	1,934,975
Depreciation	(6,159,929)
Gain (Loss) on Sale of Capital Assets	(347,651)

Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.

Long-term Debt Principal Payments	2,630,000
Compensated Absences	44,799
Net OPEB Obligation	(909,665)
Issuance of Long-term Debt	(14,990,000)
Accrued Interest	138,812
Amortization of Bond Premium	11,245
Amortization of Deferred Charges on Refunding	6,232
Payment to Bond Escrow Agent	14,915,772

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Unavailable Revenues	234,015
Accrued Interest	(304,013)
	(304,013)

Change in Net Position of Governmental Activities \$ 8,888,872

City of Perris, California
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities Enterprise Funds			
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,701,698	\$ 120,271	\$ 302,331	\$ 1,418,284
Receivables:				
Accounts	418,282	353,932	650,964	595,656
Loans				
Interest	691	47	128	601
Total Current Assets	<u>2,120,671</u>	<u>474,250</u>	<u>953,423</u>	<u>2,014,541</u>
Noncurrent Assets:				
Land, Not Being Depreciated		300,564		
Capital Assets, Net of Depreciation	<u>5,575,052</u>	<u>9,318,720</u>	<u>3,210,158</u>	
Total Noncurrent Assets	<u>5,575,052</u>	<u>9,619,284</u>	<u>3,210,158</u>	<u>0</u>
Total Assets	<u>7,695,723</u>	<u>10,093,534</u>	<u>4,163,581</u>	<u>2,014,541</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	122,624	341,347	361,922	524,272
Advances from Other Funds		425,031	322,682	
Deposits		96,589	163,754	
Notes Payable - Current Portion	41,806			
Compensated Absences - Current Portion	<u>6,421</u>	<u>4,102</u>	<u>6,421</u>	<u>857</u>
Total Current Liabilities	<u>170,851</u>	<u>867,069</u>	<u>854,779</u>	<u>525,129</u>
Noncurrent Liabilities:				
Notes Payable	974,998	11,357,781		
Compensated Absences Payable	<u>25,684</u>	<u>16,408</u>	<u>25,684</u>	<u>3,429</u>
Total Noncurrent Liabilities	<u>1,000,682</u>	<u>11,374,189</u>	<u>25,684</u>	<u>3,429</u>
Total Liabilities	<u>1,171,533</u>	<u>12,241,258</u>	<u>880,463</u>	<u>528,558</u>
NET POSITION				
Net Investment in Capital Assets	4,558,248	(1,738,497)	3,210,158	
Restricted for Low & Moderate Housing				
Unrestricted	<u>1,965,942</u>	<u>(409,227)</u>	<u>72,960</u>	<u>1,485,983</u>
Total Net Position	<u>\$ 6,524,190</u>	<u>\$ (2,147,724)</u>	<u>\$ 3,283,118</u>	<u>\$ 1,485,983</u>

The accompanying notes are an integral part of this statement.

<u>Housing Authority</u>	<u>Totals</u>
\$	\$ 3,542,584
24,994	2,043,828
6,123,241	6,123,241
	1,467
6,148,235	11,711,120
	300,564
	18,103,930
0	18,404,494
6,148,235	30,115,614
19,669	1,369,834
	747,713
	260,343
	41,806
21,104	38,905
40,773	2,458,601
	12,332,779
84,415	155,620
84,415	12,488,399
125,188	14,947,000
	6,029,909
6,023,047	6,023,047
	3,115,658
\$ 6,023,047	\$ 15,168,614

The accompanying notes are an integral part of this statement.

City of Perris, California
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2014

	Business-type Activities Enterprise Funds			
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility
OPERATING REVENUES				
Charges for Services	\$ 1,755,860	\$ 795,027	\$ 2,996,298	\$ 1,136,356
Miscellaneous	76,175	4,860	114,078	
Total Operating Revenues	<u>1,832,035</u>	<u>799,887</u>	<u>3,110,376</u>	<u>1,136,356</u>
OPERATING EXPENSES				
Maintenance and Operations	155,285	122,455	166,075	32,137
Contractual Services	1,428,893	299,689	2,549,098	1,183,958
Materials and Supplies	780		33,880	
Repairs and Maintenance			547	
Administrative and General	7,665	232,894	64,320	6,924
Depreciation	199,601	321,079	158,033	
Housing Assistance				
Loan Amortization Expense				
Miscellaneous Expense				
Total Operating Expenses	<u>1,792,224</u>	<u>976,117</u>	<u>2,971,953</u>	<u>1,223,019</u>
Operating Income (Loss)	<u>39,811</u>	<u>(176,230)</u>	<u>138,423</u>	<u>(86,663)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	18,202	1,393	1,744	16,119
Interest Expense	(36,157)			
Developer Noncapital Contributions				
Total Nonoperating Revenues (Expenses)	<u>(17,955)</u>	<u>1,393</u>	<u>1,744</u>	<u>16,119</u>
Income before Capital Contributions and Transfers	21,856	(174,837)	140,167	(70,544)
Capital Contributions Transfers In	48,850		12,500	
Change in Net Position	70,706	(174,837)	152,667	(70,544)
Total Net Position, Beginning	<u>6,453,484</u>	<u>(1,972,887)</u>	<u>3,130,451</u>	<u>1,556,527</u>
Total Net Position, Ending	<u>\$ 6,524,190</u>	<u>\$ (2,147,724)</u>	<u>\$ 3,283,118</u>	<u>\$ 1,485,983</u>

The accompanying notes are an integral part of this statement.

<u>Housing Authority</u>	<u>Totals</u>
\$ 63,934	\$ 6,747,475
67,788	262,901
<u>131,722</u>	<u>7,010,376</u>
	475,952
2,556	5,464,194
	34,660
	547
622,128	933,931
	678,713
2,512,313	2,512,313
143,093	143,093
48,361	48,361
<u>3,328,451</u>	<u>10,291,764</u>
<u>(3,196,729)</u>	<u>(3,281,388)</u>
14,222	51,680
	(36,157)
<u>400,000</u>	<u>400,000</u>
<u>414,222</u>	<u>415,523</u>
(2,782,507)	(2,865,865)
	61,350
<u>89,791</u>	<u>89,791</u>
(2,692,716)	(2,714,724)
<u>8,715,763</u>	<u>17,883,338</u>
<u>\$ 6,023,047</u>	<u>\$ 15,168,614</u>

The accompanying notes are an integral part of this statement.

City of Perris, California
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2014

	Business-type Activities			
	Enterprise Funds			
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,820,023	\$ 740,094	\$ 3,100,910	\$ 1,092,017
Cash Payments for Employee Services	(151,607)	(107,952)	(164,120)	(34,660)
Cash Payments to Suppliers for Goods and Services	(1,440,321)	(514,316)	(2,519,075)	(1,036,944)
Net Cash Provided by (Used for) Operating Activities	228,095	117,826	417,715	20,413
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from Other Funds				
Advances to Other Funds		(99,194)	(117,114)	
Net Cash Provided by (Used for) Noncapital Financing Activities	0	(99,194)	(117,114)	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Capital Debt	(40,424)			
Interest Payments on Capital Debt	(36,158)			
Net Cash Provided by (Used for) Capital and Related Financing Activities	(76,582)	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Earnings	19,046	1,450	1,730	17,010
Net Cash Provided by (Used for) from Investing Activities	19,046	1,450	1,730	17,010
Net Increase (Decrease) in Cash and Cash Equivalents	170,559	20,082	302,331	37,423
Cash and Cash Equivalents - Beginning of the Year	1,531,139	100,189	0	1,380,861
Cash and Cash Equivalents - End of the Year	\$ 1,701,698	\$ 120,271	\$ 302,331	\$ 1,418,284

The accompanying notes are an integral part of this statement.

<u>Housing Authority</u>	<u>Totals</u>
\$ 321,021	\$ 7,074,065
(518,758)	(977,097)
<u>(2,239,640)</u>	<u>(7,750,296)</u>
<u>(2,437,377)</u>	<u>(1,653,328)</u>
98,697	98,697
<u>98,697</u>	<u>(216,308)</u>
98,697	(117,611)
<u>98,697</u>	<u>(117,611)</u>
0	(40,424)
<u>0</u>	<u>(36,158)</u>
0	(76,582)
<u>0</u>	<u>(76,582)</u>
18,861	58,097
<u>18,861</u>	<u>58,097</u>
18,861	58,097
<u>18,861</u>	<u>58,097</u>
(2,319,819)	(1,789,424)
<u>(2,319,819)</u>	<u>(1,789,424)</u>
2,319,819	5,332,008
<u>2,319,819</u>	<u>5,332,008</u>
<u>\$ 0</u>	<u>\$ 3,542,584</u>

The accompanying notes are an integral part of this statement.

City of Perris, California
Statement of Cash Flows - Continued
Proprietary Funds
Year Ended June 30, 2014

	Business-type Activities Enterprise Funds			
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility
	Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for)			
Operating Activities:				
Operating Income (Loss)	\$ 39,811	\$ (176,230)	\$ 138,423	\$ (86,663)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	199,601	321,079	158,033	
Developer Noncapital Contributions				
Changes in Assets and Liabilities:				
Accounts and Other Receivables (Increase) Decrease	(12,012)	(64,132)	(36,490)	
Accounts Payable and Accrued Liabilities Increase (Decrease)	(2,500)	19,598	127,530	(44,339)
Loans Receivables (Increase) Decrease				153,992
Deposits Increase (Decrease)		4,339	27,024	
Compensated Absences Payable Increase (Decrease)	3,195	13,172	3,195	(2,577)
TOTAL CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 228,095	\$ 117,826	\$ 417,715	\$ 20,413
 Schedule of Non-cash Capital and Related Financing Activities:				
Contributions of Capital Assets	\$ 48,850	\$	\$ 12,500	\$

The accompanying notes are an integral part of this statement.

<u>Housing Authority</u>	<u>Totals</u>
\$ (3,196,729)	\$ (3,281,388)
	678,713
400,000	400,000
	(24,994)
(78,559)	21,730
357,386	511,378
	31,363
<u>105,519</u>	<u>122,504</u>
<u>\$ (2,437,377)</u>	<u>\$ (1,653,328)</u>
\$	\$ 61,350

The accompanying notes are an integral part of this statement.

City of Perris
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Successor Agency Private-purpose Trust Fund	Agency Funds
ASSETS		
Cash and Investments	\$ 5,142,579	\$ 4,455,495
Cash and Investments with Fiscal Agent		24,276,365
Receivables:		
Assessments		408,659
Interest		1,523
Loans	2,932,309	
Other		17,683
Deposits with Other Agencies	6,128,909	
Land Held for Resale	1,820,940	
Land	335,048	
Total Assets	16,359,785	29,159,725
LIABILITIES		
Accounts Payable and Accrued Liabilities	171,128	2,445,390
Deposits		826,427
Interest Payable	1,011,560	
Due to Other Government Agencies	459,434	
Pass-through Agreements Payable	13,991	
Loans Payable	70,610,000	
Due to Bondholders		25,887,908
Total Liabilities	72,266,113	\$ 29,159,725
NET POSITION		
Net Position Held in Trust for Redevelopment (Deficit)	(55,906,328)	
Total Net Position	\$ (55,906,328)	

The accompanying notes are an integral part of this statement.

City of Perris
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2014

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 6,009,086
Investment Earnings	132,260
Contributions from Other Governments	100,599
Total Additions	6,241,945
DEDUCTIONS	
Administration	478,219
Contractual/Professional Services	63,969
Project Improvement Costs	814,635
Capital Outlay	217,281
Contributions to Other Governments	7,252,910
Interest Expense	4,062,878
Total Deductions	12,889,892
Change in Net Position	(6,647,947)
Net Position - Beginning of Year	(49,258,381)
Net Position - End of Year	\$ (55,906,328)

The accompanying notes are an integral part of this statement.

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City of Perris, California
Notes to Financial Statements
June 30, 2014

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City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Perris (the “City”) was incorporated in 1911 as a General Law City. The City operates under a Council - Manager form of government, and provides the following services: general administrative services; public safety services; highway and street repairs and maintenance; water, sanitation, and sewer services.

The financial statements of the City of Perris include the financial activities of the City, the Perris Public Utility Authority, the Perris Public Financing Authority, the Perris Housing Authority, the Perris Joint Powers Authority and Perris Community Economic Development Corporation. In accordance with GASB Statement No. 14, the basic criteria for including an agency, institution, authority or other organization in a governmental unit's financial reporting entity is financial accountability. Financial accountability includes, but is not limited to 1) selection of the governing body, 2) imposition of will, 3) ability to provide a financial benefit to or impose financial burden on and 4) fiscal dependency.

There may, however, be factors other than financial accountability that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include scope of public service and special financing relationships.

Based upon the application of these criteria, an agency, institution or authority, may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There is one discretely presented component unit in these financial statements. All the component units, except for the Perris Community Economic Development Corporation, are blended in these financial statements. The governing bodies of these component units are comprised of the City Council and the services they provide almost exclusively benefits the City of Perris. Each component unit presented has a June 30 year end. The following is a brief review of each component unit included in the primary government's reporting entity.

The Perris Public Utility Authority

The City of Perris (City) and the Perris Redevelopment Agency (Agency) formed a Joint Powers Authority, pursuant to a Joint Exercise of Powers Agreement, dated as of December 29, 1999, by and between the Agency and the City. The Perris Public Utility Authority (Utility Authority) was created to assist the City in its financing objectives by purchasing and operating the Sewer and Water systems from the City. The governing body of the Utility Authority is comprised of the City Council. On February 1, 2012, the Perris Redevelopment Agency was dissolved.

The City and the Utility Authority entered into a “Purchase Agreement”, dated March 16, 2000, to sell the Sewer and Water Enterprise from the City to the Utility Authority. The sale price was based upon the completion of an appraisal of the Enterprise, which was not completed until November 2000. On August 28, 2001, the original purchase agreement was rescinded and replaced by a new purchase agreement. This agreement was subsequently rescinded on February 12, 2002. Therefore transactions related to the sale have not been enacted nor are they presented in these financial statements. The Utility Authority in December 2008, purchased the McCanna Ranch Water Company. The Utility Authority's activities are blended with those of City in these financial statements and are reported as an enterprise fund. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92507.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Reporting Entity - Continued

The Perris Public Financing Authority

The Perris Public Financing Authority (the “Authority”) is a joint powers authority organized pursuant to the State of California Government Code, Section 6500. The Authority exists under a Joint Exercise of Power Agreement dated August 28, 1989, between the City of Perris and the Perris Redevelopment Agency. Its purpose is to facilitate financing for public capital improvements of the City and the Agency. The Authority’s activities are blended with those of the City in these financial statements and are reported as a debt service fund. On February 1, 2012, the Perris Redevelopment Agency was dissolved. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

The Perris Housing Authority

The Perris Housing Authority (Housing Authority) was formed on March 29, 2011 and operates as a public authority whose primary goal is to provide decent, safe and sanitary housing in a suitable living environment for families that cannot afford private housing that comply with housing quality standards. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

The Perris Joint Powers Authority

The Perris Joint Powers Authority (the “Authority”) is a joint exercise of powers between the City of Perris (the “City”) and the Perris Housing Authority (the “Authority”), created by a joint powers agreement dated March 26, 2013. The purpose of the Authority is to provide financing for public capital improvements and other programs within the City. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

The Perris Community Economic Development Corporation

The Perris Community Economic Development Corporation (the “Perris CEDC”) was incorporated on April 16, 2014. The Corporation was formed as a nonprofit public benefit corporation under Section 501(c)(3) of the Internal Revenue Code. The specific and primary purpose of this corporation is to provide physical, economic, and educational development and revitalization efforts resulting in expanded employment, economic prosperity and, business and housing opportunities, for businesses and residents to provide such services that are associated with such specific purpose as allowed by the law. The governing body of the Perris CEDC is comprised of the City Council. Upon dissolution, any assets remaining shall be distributed to the City of Perris or a designated nonprofit fund, foundation or corporation by the governing body. The Perris CEDC activities are discretely presented in these financial statements. The Perris CEDC, currently, has no separate component unit financial statements.

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 67

In June of 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans - an Amendment of GASB Statement No. 25*. This statement was issued to improve the financial reporting by state and local governmental

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 67 - Continued

pension plans. The statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trust or equivalent arrangements that meet certain criteria.

The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trust covered by the scope of this statement and to defined contribution plans that provide postemployment benefits other than pensions. Statement No. 67 is effective for periods beginning after June 15, 2013. Currently, this statement has no effect on the City's financial statements.

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

Governmental Accounting Standards Board Statement No. 69

In January of 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement was issued to improve the financial reporting by state and local governments for government combinations and disposals of government operations. The term *government combinations* is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfer of operations may be present in shared service arrangements, reorganizations, redistricting, annexations and arrangements in which an operation is transferred to a new government created to provide those services. In addition to providing guidance for reporting such activity, this Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. Statement No. 69 is effective for periods beginning after December 15, 2013. The City has elected not to early implement GASB No. 69 and has not determined its effect on the City's financial statements.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 70

In April of 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement was issued to improve the recognition, measurement and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. As used in this Statement, a nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. Statement No. 70 is effective for periods beginning after June 15, 2013. Currently, this statement has no effect on the City's financial statements.

Governmental Accounting Standards Board Statement No. 71

In November of 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement 68*. This statement was issued to address an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributions entities. At the beginning of the period in which the provisions of Statement 68 are adopted, there may be circumstances in which it is not practical for a government to determine the amounts of all applicable deferred inflows of resources and deferred outflows of resources related to pensions. In such circumstances, the government should recognize a beginning deferred outflow of resources only for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year. Additionally, in those circumstances, no beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions should be recognized. Statement No. 71 is effective for periods beginning after June 15, 2014 and should be implemented simultaneously with the provisions of GASB Statement No. 68. The City has elected not to early implement GASB No. 68 and 71 and has not determined its effect on the City's financial statements.

C) Basis of Presentation

The basic financial statements of the City of Perris have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting and financial reporting purposes.

These statements require that the financial statements described below be presented:

Government-wide Statements: The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Basis of Presentation - Continued

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 expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City 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 that are properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary 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. All remaining governmental funds are aggregated and reported as non-major funds.

D) 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, private-purpose trust funds and fiduciary fund financial statements except for agency funds which have no measurement focus. 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 providers have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The *Public Financing Authority Debt Service Fund* is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs of the Authority.

The *Joint Powers Authority Debt Service Fund* is used to provide financing and account for the accumulation of resources for, and the repayment of long-term debt principal, interests and related costs for capital improvements and other programs within the City.

The *Storm Drain Development Capital Project Fund* is used to account for the capital improvements of upgrading the storm drains within the City.

The *Capital Improvement Projects Capital Project Fund* is used to account for miscellaneous improvement projects which are financed primarily from developer contributions and transportation uniform mitigation fees.

The City reports the following major proprietary funds:

The *Sewer Utility* accounts for the activities of the City's sewer utility distribution operations.

The *Public Utility Authority* accounts for the water and wastewater activities of McCanna Ranch area.

The *Water Utility* accounts for the activities of the City's water utility distribution operations.

The *Solid Waste Utility* accounts for the activities of the City's solid waste utility distribution operations.

The *Housing Authority* accounts for the activities of the City's housing operations.

Additionally, the City reports the following fund types:

The *Enterprise Funds* are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Revenues are fully accrued to include unbilled services at year end.

The *Fiduciary Funds* are used to account for resources held in the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used by the fiduciary funds is much like that used for proprietary funds.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The City reports the following activities:

The *Private-purpose Trust Fund* is used to report resources held in trust for the Successor Agency to the Perris Redevelopment Agency.

The *Agency Funds* are used to account for money received by the City as an agent for individuals, other governments and other entities. These funds account for the following activities:

- 1) The City receives deposits from other organizations or private individuals in a custodial nature.
- 2) Special taxes and assessments are receipted to the City to make principal and interest payments for Community Facilities Districts and Assessment District 86-1 bonds. The City has no obligations to these debt issues.

The City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated.

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. 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 City's policy to use restricted resources first, and then use unrestricted resources as they are needed.

E) Encumbrances

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations is employed as an extension of formal budgetary integration in all governmental funds. Unencumbered appropriations of the governmental funds automatically lapse at year end.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value.

In applying GASB 31, the City utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC-registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General Fund to the extent its cash and investments' balance exceeds the cumulative value of those investments subject to GASB 31;
- 4) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds. For Proprietary Fund Types the gain/loss from valuation will be reported within the "investment earnings" account on the Statement of Activities and the Statement of Revenues, Expenses and Changes in Net Position for Proprietary Funds.

G) Capital Assets

Capital assets, which include land, buildings, building improvements, machinery, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Capital assets purchased in excess of \$5,000, and buildings and building improvements purchased in excess of \$20,000 are capitalized if they have an expected useful life of 2 years or more. Infrastructure is capitalized if cost is in excess of \$50,000 and it has an expected useful life of 2 years or more. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated capital assets are valued at their estimated fair market value at the date of donation.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G) Capital Assets - Continued

The range of lives used for depreciation purposes for each capital asset class is as follows:

Buildings	30 - 45 years
Building Improvements	7 - 30 years
Machinery	6 - 15 years
Vehicles	5 - 15 years
Infrastructure	20 - 40 years
Structures and Improvements	35 - 40 years
Reservoirs and Manholes	50 - 60 years
Boosters	25 years
Other Equipment and Services	35 - 60 years

H) Appropriations Limit

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2014, proceeds of taxes did not exceed appropriations.

I) Fund Equity

Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (ordinance) by the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Fund Equity - Continued

Assigned Fund Balance - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given. The City Council has by resolution authorized the Finance Director to assign fund balance. The City Council may also assign fund balance, however, unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

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

J) General Fund Reserve Policy

The City adopted a policy to commit a General Fund Reserve amount consisting of 35% of the proposed budgeted revenues for any given fiscal year for specific uses such as economic uncertainty, declaration of a local, state or federal emergency/disaster, or another other emergency expenditure deemed appropriate by the City Council. This commitment can only be modified or removed by an action of the City Council.

K) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from those amounts.

L) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Water, Sewer and Solid Waste Enterprise Funds consider all cash and investments with original maturities of 90 days or less to be cash or cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

M) Inter-fund Activity

In the governmental fund financial statements, 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 inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Noncurrent portions of long-term inter-fund loan receivables are reported as advances and such amounts are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

In the government-wide financial statements, these activities have been eliminated.

City of Perris, California
Notes to Financial Statements
June 30, 2014

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N) Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1. Such taxes are delinquent on December 10 and April 10, respectively. Any unpaid amounts at the end of the fiscal year are recorded as accounts receivable. The County of Riverside bills and collects the property taxes and subsequently remits the amount due to the City in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied.

The County is permitted by State Law (Article XIII B of the California Constitution) to levy taxes at one percent (1%) of full market value (at time of purchase) and can increase the property's value no more than two percent (2%) per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

O) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The City has one item that qualifies for reporting in this category. It is a deferred charge on refunding that resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred charge on refunding is net of \$429,662 of deferred gains on refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Perris, California
Notes to Financial Statements
June 30, 2014

2) CASH AND INVESTMENTS

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Primary Government	
Cash and Investments	\$ 95,638,562
Restricted Cash and Investments	73,293,395
Component Unit - Perris CEDC	
Cash and Investments	6,855,447
Statement of Fiduciary Assets and Liabilities:	
Cash and Investments	9,598,074
Cash and Investments with Fiscal Agent	<u>24,276,365</u>
 Total Cash and Investments	 <u>\$ 209,661,843</u>

Cash and Investments consist of the following:

Petty Cash	\$ 2,100
Deposits with Financial Institutions	689,720
Investments	<u>208,970,023</u>
 Total Cash and Investments	 <u>\$ 209,661,843</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity ⁽¹⁾	Maximum Percentage Of Portfolio ⁽²⁾	Maximum Investment In One Issuer
Local Agency Bonds	5 years	10%	None
U.S. Treasury Obligations	5 years	80%	None
U.S. Agency Securities	5 years	80%	None
Banker's Acceptances	180 days	40% of market value	5%
Commercial Paper	270 days	15% of market value	5%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	92 days	20%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	80%	None
Bank / Time Deposits	5 years	25%	None

⁽¹⁾No more than 50% of the portfolio shall have maturity dates in excess of 2 years at any given time.

⁽²⁾Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

City of Perris, California
Notes to Financial Statements
June 30, 2014

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

Investment of debt proceeds held by 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.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, one of the ways that the City manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>			
	<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Local Agency Bonds	\$ 10,819,090	\$ 1,481,083	\$ 4,036,291	\$ 5,301,716
Federal Agency Securities	58,947,298	9,703,805	16,724,414	32,519,079
U.S. Treasury Bills	10,121,311	952,004	3,848,401	5,320,906
Commercial Paper	1,423,607	1,423,607		
Certificates of Deposit	4,493,680	982,600	492,555	3,018,525
Money Market Fund	22,246,416	22,246,416		
State Investment Pool - LAIF	3,348,861	3,348,861		
Held By Bond Trustee:				
Guaranteed Investment Contract	640,000			640,000
Federal Agency Securities	6,829,928	803,317	466,898	5,559,713
Commercial Paper	534,362	534,362		
Money Market Fund	29,656,073	29,656,073		
Certificates of Deposit	757,134	757,134		
Local Obligation Bonds	<u>59,152,264</u>	<u>1,733,648</u>	<u>1,748,648</u>	<u>6,205,943</u>
Total	<u>\$ 208,970,023</u>	<u>\$ 73,622,909</u>	<u>\$ 27,317,207</u>	<u>\$ 57,925,882</u>
			<u>\$ 50,104,025</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

City of Perris, California
Notes to Financial Statements
June 30, 2014

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk - Continued

Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating as of year end for each investment type.

		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End			
				AAA	P-1	AA	Not Rated
Local Agency Bonds	\$ 10,819,090		\$	\$ 938,633	\$	\$ 9,129,039	\$ 751,418
Federal Agency Securities	58,947,298	N/A		54,398,752			4,548,546
U.S. Treasury Bills	10,121,311	N/A		10,121,311			
Commercial Paper	1,423,607				1,423,607		
Certificates of Deposit	4,493,680						4,493,680
Money Market Fund	22,246,416	N/A		3,584,210			18,662,206
State Investment Pool - LAIF	3,348,861	N/A					3,348,861
Held By Bond Trustee:							
Guaranteed Investment							
Contract	640,000	N/A					640,000
Federal Agency Securities	6,829,928	N/A		6,829,928			
Commercial Paper	534,362	N/A			534,362		
Money Market Fund	29,656,072	N/A		29,656,072			
Certificates of Deposit	757,134	N/A					757,134
Local Obligation Bonds	<u>59,152,264</u>	N/A					<u>59,152,264</u>
Total	<u>\$208,970,023</u>		<u>\$ 0</u>	<u>\$105,528,906</u>	<u>\$ 1,957,969</u>	<u>\$ 9,129,039</u>	<u>\$ 92,354,109</u>

Concentration of Credit Risk

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal Agency Securities	\$ 11,625,989
Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$ 16,745,942
Federal Home Loan Bank	Federal Agency Securities	\$ 20,540,652
First American Prime Obligations Fund	Money Market Fund	\$ 31,832,229
CFD 2001-1 Special Tax Bonds, 2007 Series D	Local Obligations Bonds	\$ 12,542,236
CFD 2001-1 Special Tax Bonds (IA1, IA2 and IA3), 2014 Refunding Bonds	Local Obligations Bonds	\$ 12,349,536

City of Perris, California
Notes to Financial Statements
June 30, 2014

2) CASH AND INVESTMENTS - Continued

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2014, \$689,719 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts, and none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to buy the securities.

Local Agency Investment Fund (LAIF)

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The City may invest up to \$50,000,000 in the fund for the City and \$50,000,000 for each eligible component unit. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended June 30, 2014 was 0.22%. The carrying value and estimated market value of the LAIF Pool at June 30, 2014 was \$64,850,840,279 and \$64,870,214,443, respectively. The City's share of the Pool at June 30, 2014 was approximately 0.0052 percent.

The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of asset-backed securities totaling \$1,205,901,000. LAIF's and the City's exposure to risk (credit, market or legal) is not currently available.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by Statute. LAIF is also regulated by California Government Code Section 16429.

Investment in Bonds

The Perris Public Financing Authority has purchased various Assessment District (AD) and Community Facilities District (CFD) Bonds from the proceeds of revenue bonds issued by the Authority to facilitate the respective bond issues of the Districts. Due to the long-term nature of these investments, a portion of fund balance has been reserved in the Governmental Fund Financial Statements.

City of Perris, California
Notes to Financial Statements
June 30, 2014

2) CASH AND INVESTMENTS - Continued

Investment in Bonds - Continued

The CFD and Assessment District Bonds are secured solely by assessments on property owners within the Districts. The repayment schedules of the bonds, and interest thereon, to the Authority are concurrent and sufficient to satisfy the debt service requirements of the respective Authority revenue bonds.

The CFD and Assessment District Bonds investments are summarized below.

Investment	Fair Value
CFD 2004-3 Improvement Refunding Bonds, 2005 Series A	\$ 7,767,271
CFDs 88-1, 88-3 and 90-1 Special Tax Bonds, 2007 Series A and B	7,805,000
CFD 2001-1 Special Tax Bonds, 2007 Series D	12,542,236
CFD 2005-4 Special Tax Bonds, 2008 Series A	4,787,604
CFD 2005-1 Special Tax Bonds, 2008 Series B	3,663,708
CFD 93-2 Revised Special Tax Bonds, 2013 Series	2,755,000
CFD 2002-1 Special Tax Bonds, 2013 Series	4,859,986
CFD 2001-1 Special Tax Bonds (IA1, IA2 and IA3), 2014 Refunding Bonds	12,349,536
CFD 2006-1 Special Tax Bonds, 2014 Refunding Bonds	2,621,923
	\$ 59,152,264

Cash and Investments with Fiscal Agent

Included in cash and investments with fiscal agent are the debt securities issued by some of the City's Assessment Districts and Community Facilities Districts. These are special assessment obligations and, therefore, are not obligations of the Public Financing Authority or the City.

3) LOANS RECEIVABLE

The Perris Public Financing Authority has entered into loan agreements with the Perris Redevelopment Agency (Agency) whereby the Authority loaned the proceeds of the 2001 Series A and B Revenue Bonds, the 2002 Series A, B and C Revenue Bonds, the 2006 Tax Allocation Bonds, the 2009 Series A, B and C Revenue Bonds, and the 2010 Series A Revenue Bond issued by the Authority to retire debt and provide funds for certain public improvements in Agency project areas. As of February 1, 2012, the Perris Redevelopment Agency was dissolved (see Note 1) and the Successor Agency of the Perris Redevelopment Agency oversees the remaining activities of the former Perris Redevelopment Agency. The balance of these loans is \$70,610,000 as of June 30, 2014. The Authority retained \$6,128,909 to fund reserve accounts for the above related debt issues.

City of Perris, California
Notes to Financial Statements
June 30, 2014

4) CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 39,755,270	\$ 75,000	\$ 22,651	\$ 39,807,619
Construction in Progress	<u>12,818,074</u>	<u>3,863,158</u>	<u>5,507,041</u>	<u>11,174,191</u>
Total Capital Assets Not Depreciated	<u>52,573,344</u>	<u>3,938,158</u>	<u>5,529,692</u>	<u>50,981,810</u>
Capital Assets Being Depreciated:				
Buildings	23,644,781	190,000		23,834,781
Building Improvements	8,525,534	1,005,563		9,531,097
Machinery	1,387,153	510,076		1,897,229
Vehicles	2,675,586	350,075	834,532	2,191,129
Infrastructure	<u>238,613,458</u>	<u>6,225,681</u>	<u> </u>	<u>244,839,139</u>
Total Capital Assets Being Depreciated	<u>274,846,512</u>	<u>8,281,395</u>	<u>834,532</u>	<u>282,293,375</u>
Less Accumulated Depreciation:				
Buildings	(4,891,250)	(576,790)		(5,468,040)
Building Improvements	(2,902,597)	(403,362)		(3,305,959)
Machinery	(1,098,277)	(113,183)		(1,211,460)
Vehicles	(1,527,426)	(169,615)	(222,281)	(1,474,760)
Infrastructure	<u>(150,253,569)</u>	<u>(4,896,979)</u>	<u> </u>	<u>(155,150,548)</u>
Total Accumulated Depreciation	<u>(160,673,119)</u>	<u>(6,159,929)</u>	<u>(222,281)</u>	<u>(166,610,767)</u>
Total Capital Assets Being Depreciated, Net	<u>114,173,393</u>	<u>2,121,466</u>	<u>612,251</u>	<u>115,682,608</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 166,746,737</u>	<u>\$ 6,059,624</u>	<u>\$ 6,141,943</u>	<u>\$ 166,664,418</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 381,747
Public Safety	270,234
Public Works	4,996,485
Parks and Recreation	<u>511,463</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,159,929</u>

City of Perris, California
Notes to Financial Statements
June 30, 2014

4) CAPITAL ASSETS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 300,564	\$	\$	\$ 300,564
Total Capital Assets Not Depreciated	300,564	0	0	300,564
Capital Assets Being Depreciated:				
Major Equipment	542,732			542,732
Structures and Improvements	315,186			315,186
Boosters	35,845			35,845
Reservoirs	2,068,567			2,068,567
Mains	16,544,227	16,354		16,560,581
Services	2,402,776	3,000		2,405,776
Meters	1,405,617			1,405,617
Hydrants	1,271,892			1,271,892
Manholes	826,868	42,000		868,868
Wells	996,071			996,071
Vehicles	236,097		32,972	203,125
Total Capital Assets Being Depreciated	26,645,878	61,354	32,972	26,674,260
Less Accumulated Depreciation:				
Major Equipment	(138,099)	(27,342)		(165,441)
Structures and Improvements	(73,248)	(7,386)		(80,634)
Boosters	(35,008)	(346)		(35,354)
Reservoirs	(460,731)	(44,945)		(505,676)
Mains	(4,902,964)	(405,836)		(5,308,800)
Services	(802,268)	(71,093)		(873,361)
Meters	(435,039)	(41,133)		(476,172)
Hydrants	(463,248)	(34,058)		(497,306)
Manholes	(251,787)	(17,022)		(268,809)
Wells	(127,197)	(28,459)		(155,656)
Vehicles	(235,000)	(1,093)	(32,972)	(203,121)
Total Accumulated Depreciation	(7,924,589)	(678,713)	(32,972)	(8,570,330)
Total Capital Assets Being Depreciated, Net	18,721,289	(617,359)	0	18,103,930
Business-type Activities Capital Assets, Net of Depreciation	\$ 19,021,853	\$ (617,359)	\$ 0	\$ 18,404,494

Depreciation was charged to functions/programs as follows:

Business-type Activities:	
Sewer Utility	\$ 158,033
Public Utility Authority	199,601
Water Utility	321,079
Total Depreciation Expense - Business-type Activities	\$ 678,713

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES

Governmental Activities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Notes Payable	\$ 781,370	\$	\$	\$ 781,370	\$
Revenue Bonds	134,695,000	14,990,000	16,830,000 ⁽¹⁾	132,855,000	3,405,000
Compensated Absences (Note 6)	1,048,837	164,968	209,767	1,004,038	200,808
Net OPEB Obligation (Note 13)	4,576,778	1,313,526	403,861	5,486,443	
Premiums on Revenue Bonds	269,885		269,885	0	
Total	\$ 141,371,870	\$ 16,468,494	\$ 17,713,513	\$ 140,126,851	\$ 3,605,808

⁽¹⁾This amount includes bond refunding of \$14,200,000 and bond calls of \$140,000.

Business-type Activities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Notes Payable	\$ 12,415,009	\$	\$ 40,424	\$ 12,374,585	\$ 41,806
Compensated Absences (Note 6)	72,021	136,910	14,406	194,525	38,905
Total	\$ 12,487,030	\$ 136,910	\$ 54,830	\$ 12,569,110	\$ 80,711

Notes Payable

Governmental Activities:

The Perris Redevelopment Agency entered into a promissory note with the City of Perris for \$2,192,000 on October 26, 2004. The note was to reimburse the Agency's cost to acquire a property for a new sheriff station and other facilities. Interest is accrued at a rate of 4% per annum. Payments are solely made from police and community facilities development impact fees. The balance of this note is \$781,370 as of June 30, 2014. During the 2012 fiscal year, the Perris Redevelopment Agency was dissolved and the note is now with the Successor Agency to the Perris Redevelopment Agency. Currently, this note payable has no debt service schedule available.

\$ 781,370

Business-type Activities:

On July 23, 2002, the City of Perris entered into an installment sale agreement for \$1,600,000, payable to the California Infrastructure and Economic Development Bank. The agreement is to provide funding for the removal, replacement and upgrading of existing sewer mains under the Indian Hills/Enchanted Heights Reach II Sewer Upgrade Project. Interest on the agreement is payable August 1st and February 1st of each year. Interest on the agreement accrues at 3.42% per annum. Principal on the agreement is payable in annual installments ranging from \$30,888 to \$74,048 commencing February 1, 2004, through February 1, 2032. The agreement requires a maintenance of system revenues that (a) pledged net system revenues are in an amount which will be sufficient to be at least equal to one hundred ten percent (110%) of the annual debt service for such fiscal year and (b) if pledged net system revenues are insufficient to comply with (a) then the City has 180 days following the date the pledged net system revenues failure to meet the requirement to increase rent, rates, fees, charges and/or assessments.

1,016,804

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES - Continued

Notes Payable - Continued

Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2015	\$ 41,806	\$ 34,775	\$ 76,580
2016	43,236	33,345	76,581
2017	44,714	31,866	76,580
2018	46,243	30,337	76,581
2019	47,825	28,756	76,581
2020-2024	264,807	118,096	382,903
2025-2029	313,294	69,609	382,903
2030-2032	<u>214,879</u>	<u>14,862</u>	<u>229,741</u>
Total	<u>\$ 1,016,804</u>	<u>\$ 361,646</u>	<u>\$ 1,378,450</u>

On December 12, 2008, the Perris Public Utility Authority entered into a promissory note with McCanna Ranch Water Company for \$9,360,000. The note is for the acquisition of the company's capital assets and operations. Interest on the note accrues at 2% per annum. The note is secured by the issuance of bonds. The first bond is required to equal or exceed \$4,950,000. The remaining \$4,410,000 shall be determined by the subsequent issuance of bonds according to the promissory note covenants. As of June 30, 2014, the Utility Authority has not issued bonds to finance the promissory note. The promissory note currently has no debt service schedule available.

\$ 9,360,000

The Perris Redevelopment Agency loaned the Perris Public Utility Authority \$1,997,781. The loan was used to assist the Perris Public Utility Authority in acquiring the McCanna Ranch Water Company. As of February 1, 2012, the Perris Redevelopment Agency was dissolved and the Successor Agency to the Perris Redevelopment Agency oversees the remaining activities of the former Perris Redevelopment Agency. This loan is not expected to be collected within one year. Currently, this note has no debt service schedule available.

1,997,781

Total Notes Payable

\$ 12,374,585

Revenue Bonds

On June 20, 2001, the Public Financing Authority issued \$10,745,000 2001 Revenue (Tax Allocation) Bonds, Series A, to enable the Redevelopment Agency to refund its previously issued 1987 Tabs 91 Parity Bonds and 1992 Series D Revenue (Tax Allocation) Bonds. Interest on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at rates varying from 3.10% to 5.75% per annum. Principal on serial bond is payable in annual installments ranging from \$165,000 to \$695,000 commencing October 1, 2001 through October 1, 2031. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$751,963 which is sufficient to cover the Bond Indenture Reserve Requirement.

\$ 8,100,000

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES - Continued

Revenue Bonds - Continued

On June 20, 2001, the Public Financing Authority issued \$1,280,000 2001 Revenue (Tax Allocation) Bonds, Series B, to enable the Redevelopment Agency to refund its previously issued 1996 Series A Parity Bonds. Interest on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at a rate of 6.50% per annum. Principal on serial bonds is payable in annual installments ranging from \$30,000 to \$105,000 commencing October 1, 2010 through October 1, 2031. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$115,459 which is sufficient to cover the Bonds Indenture Reserve Requirement. \$ 1,155,000

On July 9, 2002, the Public Financing Authority issued \$6,335,000 2002 Revenue (Tax Allocation) Bonds, Series A, to provide loans to the Redevelopment Agency. The proceeds of these new loans will be used to refund loans related to the 1992 Revenue (Tax Allocation) Bonds, Series B, which in turn will allow the Authority to refund those bonds. Interest on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at rates varying from 3.00% to 5.25% per annum. Principal on the serial bonds is payable in annual installments ranging from \$120,000 to \$390,000 commencing October 1, 2003 through October 1, 2031. The reserve requirement is covered by a Surety Bond. 4,805,000

On August 14, 2002, the Public Financing Authority issued \$3,505,000 2002 Revenue (Tax Allocation) Bonds, Series B, to provide loans to the Redevelopment Agency. The proceeds of these loans will facilitate the refunding of the 1992 Revenue (Subordinate Tax Allocation) Bonds, Series C. Interest on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.85% per annum. Principal on the serial bonds is payable in annual installments ranging from \$55,000 to \$215,000 commencing October 1, 2003 through October 1, 2031. The reserve requirement is covered by a Surety Bond. 2,650,000

On August 14, 2002, the Public Financing Authority issued \$3,235,000 2002 Revenue (Tax Allocation) Bonds, Series C, to provide loans to the Redevelopment Agency. The proceeds of these loans will be used to finance capital projects of the Redevelopment Agency. Interest on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at rates varying from 3.125% to 5.625% per annum. Principal on the serial bonds is payable in annual installments ranging from \$55,000 to \$210,000 commencing October 1, 2003 through October 1, 2031. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$232,067 which is sufficient to cover the Bond Indenture Reserve Requirement. 2,500,000

On July 20, 2005, the Public Financing Authority issued \$8,955,000 2004 Revenue Bonds Series A to acquire CFD 2004-3 (Monument Ranch) Improvement Area 1 Bonds. The Authority purchased the CFD Bonds as an investment to provide funding to the District. Interest on the Authority Bonds is payable September 1 and March 1 of each year. Interest on the bonds accrue at rates varying from 4.00% to 6.125% per annum. Principal on the Bonds is payable in annual installments ranging from \$5,000 to \$810,000 commencing September 1, 2007 through September 1, 2034. At June 30, 2014 the Authority has a cash reserve balance for debt service of \$858,639 which is sufficient to cover the Bond Indenture Reserve Requirement. 8,615,000

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES - Continued

Revenue Bonds - Continued

On April 19, 2006, the Public Financing Authority issued \$31,005,000 2006 Revenue (Tax Allocation) Bonds, to provide loans to the Redevelopment Agency. The proceeds of these loans will be used to finance capital projects and the low and moderate income housing program of the Redevelopment Agency. Interest on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at rates varying from 4.000% to 5.350% per annum. Principal on the serial bonds is payable in annual installments ranging from \$175,000 to \$3,355,000 commencing October 1, 2007 through October 1, 2036. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$2,773,137 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ 28,090,000

On August 7, 2007, the Public Financing Authority issued \$11,895,000 2007 Revenue Refunding Bonds, Series A, to refund a portion of the 1996 Revenue Bonds, Series F. Interest on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 4.000% to 5.000% per annum. Principal on the serial bonds is payable in annual installments ranging from \$395,000 to \$1,115,000 commencing September 1, 2008 through September 1, 2024. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$601,529 which is sufficient to cover the Bond Indenture Reserve Requirement. 6,465,000

On November 2, 2007, the Public Financing Authority issued \$14,630,000 2007 Revenue Bonds, Series D, to acquire CFD 2001-1 (May Farms) Improvement Areas Nos. 6 and 7 Special Tax Bonds. The Authority purchased the CFD Bonds as an investment to provide funding to the District. Interest on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 4.500% to 5.500% per annum. Principal on the serial bonds is payable in annual installments ranging from \$10,000 to \$1,395,000 commencing September 1, 2010 through September 1, 2038. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$1,453,430 which is sufficient to cover the Bond Indenture Reserve Requirement. 14,055,000

On March 11, 2008, the Public Financing Authority issued \$5,640,000 2008 Revenue Bonds, Series A, to acquire CFD 2005-4 (Stratford Ranch) Special Tax Bonds. The Authority purchased the CFD Bonds as an investment to provide funding to the District. Interest on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 4.250% to 5.700% per annum. Principal on the serial bonds is payable in annual installments ranging from \$5,000 to \$500,000 commencing September 1, 2011 through September 1, 2038. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$555,359 which is sufficient to cover the Bond Indenture Reserve Requirement. 5,435,000

On March 26, 2008, the Public Financing Authority issued \$4,375,000 2008 Revenue Bonds, Series B, to acquire CFD 2005-1 (Perris Valley Vistas) Improvement Area 3 Special Tax Bonds. The Authority purchased the CFD Bonds as an investment to provide funding to the District. Interest on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 4.750% to 6.150% per annum. Principal on the serial bonds is payable in annual installments ranging from \$10,000 to \$385,000 commencing September 1, 2012 through September 1, 2038. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$405,025 which is sufficient to cover the Bond Indenture Reserve Requirement. 4,180,000

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES - Continued

Revenue Bonds - Continued

On February 3, 2009, the Public Financing Authority issued \$4,055,000 2009 Revenue (Tax Allocation) Bonds, Series A, to provide loans to the Redevelopment Agency. The proceeds of these loans will be used to finance the 1987 Project Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.250% to 6.100% per annum. Principal on the serial bonds is payable in annual installments ranging from \$60,000 to \$875,000 commencing October 1, 2009 through October 1, 2037. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$416,011 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ 3,745,000

On February 25, 2009, the Public Financing Authority issued \$7,605,000 2009 Revenue (Tax Allocation) Bonds, Series B, to provide loans to the Redevelopment Agency. The proceeds of these loans will be used to finance the 1994 Project Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.250% to 6.150% per annum. Principal on the serial bonds is payable in annual installments ranging from \$65,000 to \$1,310,000 commencing October 1, 2009 through October 1, 2039. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$779,585 which is sufficient to cover the Bond Indenture Reserve Requirement. 7,270,000

On June 19, 2009, the Public Financing Authority issued \$5,490,000 2009 Revenue (Tax Allocation) Bonds, Series C, to provide loans to the Redevelopment Agency. The proceeds of these loans will be used to finance the Central North Project Loan and to pay related expenses to the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.000% to 6.375% per annum. Principal on the serial bonds is payable in annual installations ranging from \$60,000 to \$1,380,000 commencing October 1, 2010 through October 1, 2035. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$562,512 which is sufficient to cover the Bond Indenture Requirement. 5,235,000

On April 19, 2010, the Public Financing Authority issued \$7,180,000 2010 Revenue (Tax Allocation) Bonds, Series A, to provide loans to the Redevelopment Agency. The proceeds of these loans will be used to finance the Housing Loans and to pay related expenses to the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.000% to 5.500% per annum. Principal on the serial bonds is payable in annual installations ranging from \$25,000 to \$1,200,000 commencing October 1, 2010 through October 1, 2040. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$736,024 which is sufficient to cover the Bond Indenture Requirement. 7,060,000

On May 8, 2013, the Perris Joint Powers Authority issued \$2,775,000 2013 Local Agency Revenue Bonds, Series A, to refund a portion of the Perris Public Financing Authority 1995 Revenue Bonds, Series D and to acquire CFD 93-2 (Perris Plaza) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$195,000 to \$280,000 commencing September 1, 2014 through September 1, 2025. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$275,512 which is sufficient to cover the Bond Indenture Reserve Requirement. 2,755,000

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES - Continued

Revenue Bonds - Continued

On June 12, 2013, the Perris Joint Powers Authority issued \$5,750,000 2013 Local Agency Revenue Bonds, Series B to acquire CFD 2002-1 (Willowbrook Refunding) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$125,000 to \$540,000 commencing September 1, 2014 through September 1, 2033. At June 20, 2014, the Authority has a cash reserve balance for debt service of \$568,380 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ 5,750,000

On January 16, 2014, the Authority issued \$12,165,000 2014 Local Agency Revenue Bonds, Series A, to refund a portion of the Perris Public Financing Authority 2003 Revenue Bonds, Series A and to acquire CFD 2001-1 (May Farms IA 1, 2 & 3) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.375% per annum. Principal on serial bonds is payable in annual installments ranging from \$405,000 to \$905,000 commencing September 1, 2014 through September 1, 2033. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$953,644 which is sufficient to cover the Bond Indenture Reserve Requirement. 12,165,000

On June 4, 2014, the Authority issued \$2,825,000 2013 Local Agency Revenue Bonds, Series B, to refund a portion of the Perris Public Financing Authority 2007 Revenue Bonds, Series C and to acquire CFD 2006-1 (Meritage Homes) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$45,000 to \$120,000 commencing September 1, 2014 through September 1, 2038. At June 30, 2014, the Authority has a cash reserve balance for debt service of \$222,500 which is sufficient to cover the Bond Indenture Reserve Requirement. 2,825,000

Total Revenue Bonds \$ 132,855,000

The future debt requirements of the Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 3,405,000	\$ 7,219,365	\$ 10,624,365
2016	3,365,000	7,080,079	10,445,079
2017	3,585,000	6,929,973	10,514,973
2018	3,825,000	6,765,406	10,590,406
2019	4,090,000	6,583,072	10,673,072
2020-2024	22,280,000	29,768,365	52,048,365
2025-2029	27,245,000	23,217,783	50,462,783
2030-2034	34,800,000	14,510,525	49,310,525
2035-2039	27,775,000	4,807,472	32,582,472
2040-2041	2,485,000	119,709	2,604,709
Total	\$ 132,855,000	\$ 107,001,749	\$ 239,856,749

City of Perris, California
Notes to Financial Statements
June 30, 2014

5) LONG-TERM LIABILITIES - Continued

Revenues Pledged

The City has pledged a portion of future sewer revenues to repay a note payable to the California Infrastructure and Economic Development Bank. The note payable is secured solely by operating revenues from the sewer fund. Total principal and interest remaining on the note payable is \$1,378,450 payable through fiscal year 2032. For the current year, principal and interest paid by the sewer operating revenues were \$40,423 and \$36,157, respectively.

Advance Refunding

Perris Public Financing Authority 2003 Revenue Bonds, Series A

In 2014, the Perris Joint Powers Authority issued \$12,165,000 in Local Agency Revenue Bonds Series 2014A with interest rates of 2% to 5.375% to advance refund \$11,450,000 of the Perris Public Financing Authority 2003 Revenue Bonds, Series A. The net proceeds of \$10,440,402 (after payment of \$1,724,598 in underwriting fees and other issuance costs) plus an additional \$1,911,469 of prior funds were deposited in an irrevocable trust to provide funds for the future debt service payment on the refunded bonds. As a result, the Perris Public Financing Authority 2003 Revenue Bonds, Series A, are considered to be defeased and the liability of this bond has been removed from the long-term debt of the Perris Public Financing Authority.

The reacquisition price exceeded the net carrying amount of the old debt by \$901,871. As part of the refunding, the Perris Joint Powers Authority purchased CFD 2001-1 (May Farms) Improvement Areas 1, 2 and 3 Special Tax Bonds from the Perris Public Financing Authority and incurred a gain on debt refunding of \$1,970,771. At the time of the refunding, the investment in the local agency obligation was \$10,381,000, net of a \$1,068,900 amortized discount, and it was increased to \$12,351,871, which includes a \$186,871 premium for the current amount outstanding for Authority's Local Agency Bond Series 2014A. The advance refunded the Perris Public Financing Authority 2003 Revenue Bonds, Series A, to reduce its total debt service payments over 20 years by \$1,848,086 and to obtain an economic gain (difference between the present values of the debt service payments of the old debt and new debt) of \$1,032,877.

Perris Public Financing Authority 2007 Revenue Bonds, Series C

In 2014, the Authority issued \$2,825,000 in Local Agency Revenue Bonds Series 2014B with interest rates of 2.00% to 5.00% to advance refund \$2,750,000 of the Perris Public Financing Authority 2007 Revenue Bonds, Series C. The net proceeds of \$2,364,889 (after payment of \$460,111 in underwriting fees and other issuance costs) plus an additional \$257,035 of prior funds were deposited in an irrevocable trust to provide funds for the future debt service payment on the refunded bonds. As a result, the Perris Public Financing Authority 2007 Revenue Bonds, Series C, are considered to be defeased and the liability of this bond has been removed from the long-term debt of the Perris Public Financing Authority.

The net carrying amount of the old debt exceeded the reacquisition price by \$128,077. As part of the refunding, the Authority purchased CFD 2006-1 (Meritage Homes) Special Tax Bonds from the Perris Public Financing Authority and incurred a gain on debt refunding of \$223,783. At the time of the refunding, the investment in the local agency obligation was \$2,398,140, net of a \$351,859 amortized discount, and it was increased to \$2,621,923, net of a \$203,077 amortized discount for the current amount outstanding for Authority's Local Agency Bond Series 2014B. The advance refunded the Perris Public Financing Authority 2007 Revenue Bonds, Series C, to reduce its total debt service payments over 25 years by \$621,510 and to obtain an economic gain (difference between the present values of the debt service payments of the old debt and new debt) of \$361,436.

City of Perris, California
Notes to Financial Statements
June 30, 2014

6) COMPENSATED ABSENCES

For governmental funds and proprietary funds, accumulated vacation and sick leave benefits and compensatory time payable in future years when used by City employees amounted to \$1,004,038 and \$194,525, respectively at June 30, 2014. These amounts are payable from future resources and therefore have been recorded in long-term liabilities in the government-wide financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenditures in the related governmental fund financial statements when used. Upon retirement or termination, the expenditures are recorded in the fund which incurred the original obligation. Generally, in governmental activities, the general fund has liquidated compensated absences in prior years. Compensated absences payable for proprietary funds are reported within the respective funds.

7) ASSESSMENT DISTRICT AND COMMUNITY FACILITIES DISTRICT BONDS

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Municipal Improvement Acts of 1911, 1913 and 1915 are liabilities of the property owners and are secured by liens against the assessed property. The City Treasurer acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders.

Neither the faith and credit, nor the general taxing power, of the Perris Redevelopment Agency or the City of Perris have been pledged to the payment of the bonds. Therefore, none of the following special assessment bonds have been included in the accompanying financial statements.

<u>District Bonds</u>	<u>Amount of Issue</u>	<u>Outstanding at End of Year</u>
CFD 91-1	\$ 8,010,000	\$ 3,690,000
CFD 93-2 Refunding Bonds	6,200,000	2,755,000
CFD 93-1 2002 Refunding Bond	8,020,000	4,175,000
CFD 2004-2 2004 Series B Bonds	4,890,000	4,635,000
CFD 2004-1 2004 Series A Bonds	2,375,000	2,225,000
CFD 2003-1 2003 Series A Bonds	3,060,000	2,920,000
CFD 2004-3 2005 Series A Bonds	8,955,000	8,615,000
CFD 2004-3 2005 Series A Bonds	8,430,000	7,890,000
CFD 2004-5 2004 Series A Bonds	1,810,000	1,715,000
CFD 2001-2 2005 Series B Bonds	5,210,000	5,115,000
CFD 2005-2 2005 Series A Bonds	14,740,000	13,470,000
CFD 2001-1 2005 Series A Bonds	16,475,000	15,655,000
CFD 2001-1 2006 Series A Bonds	9,680,000	8,850,000
CFD 2005-1 2007 Series A Bonds	3,385,000	3,080,000
CFD 88-1 2007 Refunding Bonds	7,690,000	3,765,000
CFD 88-3 2007 Refunding Bonds	5,005,000	2,205,000
CFD 90-1 2007 Refunding Bonds	3,140,000	1,835,000
CFD 2001-1 IA6 2007 Series D Bonds	6,285,000	6,080,000
CFD 2001-1 IA7 2007 Series D Bonds	8,345,000	7,975,000
CFD 2005-4 2008 Series A Bonds	5,640,000	5,435,000
CFD 2005-1 2008 Series B Bonds	4,375,000	4,180,000
CFD 2002-1 2013 Refunding Bonds	5,750,000	5,750,000
CFD 2001-2 2014 Refunding Series A Bonds	16,215,000	16,215,000
CFD 2001-1 IA1 2014 Refunding Bonds	1,505,000	1,505,000
CFD 2001-1 IA2 2014 Refunding Bonds	4,270,000	4,270,000
CFD 2001-1 IA3 2014 Refunding Bonds	6,390,000	6,390,000
CFD 2006-1 2014 Refunding Bonds	2,825,000	2,825,000
	<u>\$ 178,675,000</u>	<u>\$ 153,220,000</u>

City of Perris, California
Notes to Financial Statements
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8) SINGLE FAMILY MORTGAGE REVENUE BONDS

The City has issued mortgage revenue bonds as follows:

	Outstanding Balance End of Year
City of Perris Single Family Mortgage Revenue Bonds	
1988 Series A	\$ 28,090,000
1988 Series B	13,145,000
1989 Series A	9,315,000
Total	\$ 50,550,000

The Bonds are special obligations payable solely from payments made on the loans and are secured by a pledge of such loans. Neither the faith and credit nor the taxing power of the City of Perris or the Perris Redevelopment Agency have been pledged to the payment of the bonds, and, therefore, the bond indebtedness is not shown in the financial statements of the City.

9) INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of normal operations, the City enters into numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying governmental fund financial statements generally reflect such transactions as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as transfers. Inter-fund transactions and inter-fund payables/receivables at year-end are not eliminated in the governmental fund financial statements.

		DUE TO Non-major Governmental Funds		Total
DUE FROM	General Fund	\$ 19,934	\$ 19,934	
	Total	\$ 19,934	\$ 19,934	

Advances to/from other funds are as follows:

		ADVANCES TO			
		Other Governmental Funds	Public Utility Authority	Water Utility	Total
ADVANCES FROM	General Fund	\$ 671,486	\$ 425,031	\$ 322,682	\$ 1,419,199
	Total	\$ 671,486	\$ 425,031	\$ 322,682	\$ 1,419,199

City of Perris, California
Notes to Financial Statements
June 30, 2014

9) INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The Public Utility Authority has a balance of \$425,031 from the General Fund. This balance is to assist the fund with general operations.

The General Fund has advances of \$671,486 to other governmental funds to assist those funds in paying expenditures until amounts are received from outside sources to pay for those expenditures.

The General Fund advanced the Water Utility Fund \$322,682 on October 9, 2007. This advance was used by the Water Utility Fund to make a final payment on its note payable to the California Infrastructure and Economic Development Bank. The balance of the advance is \$322,682 as of June 30, 2014.

Transfers are used to provide services, construct assets, and debt service between funds. Inter-fund transfers are as follows:

	TRANSFERS OUT			Total
	General Fund	Public Financing Authority Debt Service Fund	Non-major Governmental Funds	
TRANSFERS IN:				
General Fund	\$	\$	\$ 850,000	\$ 850,000
Joint Powers Authority Debt Service Fund		14,365,473		14,365,473
Non-major Governmental Funds	338,621			338,621
Housing Authority Enterprise Funds	89,791			89,791
Total	\$ 428,412	\$ 14,365,473	\$ 850,000	\$ 15,643,885

The \$14,365,473 transfer from the Public Financing Authority Debt Service Fund was to the Joint Powers Authority Debt Service Fund to transfer CFD investments and remaining cash and investments with the fiscal agent as part of the advanced refunding of the 2003 Revenue Bonds, Series A, and 2007 Revenue Bonds, Series C.

10) NET POSITION AND FUND BALANCE

The details of the restricted other purposes in the Statement of Net Position are presented below:

	Statement of Net Position
Development	\$ 18,731,866
Air Quality Management	226,879
Traffic Safety	1,784,820
Lighting and Landscape Maintenance	5,111,937
Streets	18,804,151
Community Development	603,707
Construction	2,769,519
Total	\$ 48,032,879

City of Perris, California
Notes to Financial Statements
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10) NET POSITION AND FUND BALANCE - Continued

As noted in Note 1, restricted funds are used first as appropriate. Assigned fund balance is reduced to the extent that expenditure has been appropriated by City Council. Decreases in fund balance first reduce committed fund balance, in the event that committed fund balance becomes zero, then assigned and unassigned fund balances are used in that order.

The details of the fund balances as of June 30, 2014 are presented below:

	<u>General Fund</u>	<u>Public Financing Authority Debt Service Fund</u>	<u>Joint Powers Authority Debt Service Fund</u>	<u>Capital Improvement Projects Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances						
Nonspendable:						
Advances to Other Funds	\$ 1,419,199	\$	\$	\$	\$	\$ 1,419,199
Prepaid Items	4,200					4,200
Deposits	1,159,075					1,159,075
Restricted for:						
Development					18,731,866	18,731,866
Debt Service		110,449,352	25,092,285			135,541,637
Air Quality Management					204,018	204,018
Traffic Safety					1,781,578	1,781,578
Lighting and Landscape Maintenance					5,038,022	5,038,022
Streets and Flood Control					18,753,936	18,753,936
Community Development					603,707	603,707
Construction				1,882,695	886,824	2,769,519
Committed:						
General Fund Reserve	8,630,968					8,630,968
Assigned to:						
General Fund	6,200,000					6,200,000
Unassigned:	<u>9,492,601</u>					<u>9,492,601</u>
 Total Fund Balance	 <u>\$ 26,906,043</u>	 <u>\$ 110,449,352</u>	 <u>\$ 25,092,285</u>	 <u>\$ 1,882,695</u>	 <u>\$ 45,999,951</u>	 <u>\$ 210,330,326</u>

General Fund balance assignments are as follows:

Disaster Preparedness	\$ 3,400,000
Vehicle and Equipment Replacement	1,300,000
Major Capital Improvements and Repairs	1,300,000
Budget Contingency	<u>200,000</u>
 Total	 <u>\$ 6,200,000</u>

City of Perris, California
Notes to Financial Statements
June 30, 2014

11) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Total expenditures exceeded total appropriations in the following funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Difference</u>
Special Revenue Funds:			
Home Grant Program	\$ 0	\$ 143,393	\$ (143,393)
SB-821	\$ 0	\$ 48,931	\$ (48,931)
CDPH Prop 84	\$ 0	\$ 43,622	\$ (43,622)
Debt Service Funds:			
Public Financing Authority	\$ 9,779,507	\$ 10,002,049	\$ (202,542)
Joint Powers Authority	\$ 72,460	\$ 1,603,796	\$ (1,531,336)
Capital Project Funds:			
Community Facilities District 93-2	\$ 0	\$ 6,963	\$ (6,963)
Community Facilities District 06-1	\$ 0	\$ 11,632	\$ (11,632)
Community Facilities District VA	\$ 0	\$ 17,363	\$ (17,363)

The following had a deficit fund balance at June 30, 2014. These deficits are expected to be eliminated through future revenues.

<u>Fund</u>	<u>Amount</u>
Public Utility Authority	\$ (2,147,724)

12) CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

The City of Perris contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. As of fiscal year 2007, entities participating in the California Public Employees Retirement System (PERS) with less than one hundred members, are mandated by the State to be in a risk pool. The City of Perris has less than one hundred members participating in PERS and has presented information based on the requirements of cost-sharing multiple-employer defined benefits plans since certain information for an agent multiple-employer defined benefit plan are unavailable. Copies of the PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

City of Perris, California
Notes to Financial Statements
June 30, 2014

12) CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) - Continued

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The City makes half of the contributions required of City employees. Employees in fiscal year 2014 will be required to contribute their entire portion of PERS. The City is required to contribute at an actuarially determined rate. These rates were determined as part of the June 30, 2011 actuarial valuation: the current rate is 11.704% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Miscellaneous Employees

For 2013-14, the City's annual pension cost for miscellaneous employees, of \$484,391 for PERS was equal to the City's required and actual contributions. The required contribution for fiscal year 2013-14 was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value).

THREE YEAR TREND INFORMATION FOR PERS				
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
6/30/12	\$ 499,337	100%	\$	-0-
6/30/13	\$ 325,955	100%	\$	-0-
6/30/14	\$ 484,391	100%	\$	-0-

Safety Employees

At one time, the City of Perris had its own police force. It was disbanded and now the City contracts with the County Sheriff for police services. For 2013-14, the City's annual pension cost, for safety employees, of \$0 for PERS was equal to the City's required and actual contributions. The required contribution for fiscal year 2013-14 was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value).

THREE YEAR TREND INFORMATION FOR PERS				
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
6/30/12	\$ -0-	100%	\$	-0-
6/30/13	\$ -0-	100%	\$	-0-
6/30/14	\$ -0-	100%	\$	-0-

City of Perris, California
Notes to Financial Statements
June 30, 2014

13) OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City’s defined benefit postemployment healthcare plan, (City of Perris Retiree Healthcare Plan, CPRHP), provides medical benefits to eligible retired employees and qualified dependents. CPRHP is part of the Public Agency portion of the California Employers’ Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees’ Retirement System (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 is established by State statute within the Public Employees’ Retirement Law. CPRHP selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. Retirees hired prior to June 26, 2007 are covered by an “equal contribution method” resolution. The City contributes 100% of the retiree and dependent premiums up to the average of the family premiums for the two median-cost plans.

Retirees hired after June 25, 2007 are covered under a “vesting” resolution. A summary of the “vesting” resolution is as follows:

Contributions		
Employee Only	Employee and 1 Dependent	Employee and 2+ Dependents
\$471	\$886	\$1,129

Years of Service	Vesting %
Less than 10	0%
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or More	100%

The City is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. ARC rate is 28.3% of the annual covered payroll. The plan is financed on a pay-as-you-go basis.

City of Perris, California
Notes to Financial Statements
June 30, 2014

13) OTHER POST EMPLOYMENT BENEFITS - Continued

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$	1,348,842
Interest on Net OPEB Obligation		183,071
Adjustments to Annual Required Contribution		<u>(218,387)</u>
Annual OPEB Cost (Expense)		1,313,526
Contributions Made		<u>(403,861)</u>
Increase (Decrease) in Net OPEB Obligation		909,665
Net OPEB Obligation - Beginning of Year		<u>4,576,778</u>
Net OPEB Obligation - End of Year	\$	<u><u>5,486,443</u></u>

For 2014, the City's annual OPEB cost (expense) of \$1,313,526 for CPRHP was equal to the ARC. OPEB costs are typically charged to the General fund and to the Government-wide financial statements for governmental activities. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the three preceding years were as follows:

<u>THREE YEAR TREND INFORMATION FOR CPRHP</u>			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net Pension Obligation
6/30/12	\$ 1,184,112	23%	\$ 3,775,357
6/30/13	\$ 1,253,133	24%	\$ 4,576,778
6/30/14	\$ 1,313,526	24%	\$ 5,486,443

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$	12,740,036
Actuarial Value of Plan Assets	\$	0
Unfunded Actuarial Accrued Liability (UAAL)	\$	12,740,036
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0%
Covered Payroll (Active Plan Members)	\$	4,343,823
UAAL as a Percentage of Covered Payroll		293.29

City of Perris, California
Notes to Financial Statements
June 30, 2014

13) OTHER POST EMPLOYMENT BENEFITS - Continued

Funded Status and Funding Progress - Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions and methods:

Valuation Date	July 1, 2011
Funding Method	Entry Age Normal Cost, Level of Percentage of Pay, Closed
Amortization Period	30 years
Discount Rate	4.00%
Salary Increase	3.25% per year
Inflation Rate	3.25%
Mortality	CalPERS Public Agency Miscellaneous Mortality Tables
Turnover	CalPERS Public Agency Miscellaneous Tables
Retirement Rates	CalPERS Public Agency Miscellaneous Tables
Health Care Trend Rate	4.50% to 9.00%
Investment Rate of Return	4.00%

14) JOINT VENTURE

The March Joint Powers Authority (the "Authority") was formed November 14, 1993, under a joint exercise of powers agreement among the Cities of Perris, Moreno Valley and Riverside and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of March Air Force Base. In the event that the Authority is unable to sustain its operations, it may request contributions from its members.

The Authority's office and records are located on March Air Reserve Base (23555 Meyer Drive) Riverside, California 92518.

City of Perris, California
Notes to Financial Statements
June 30, 2014

14) JOINT VENTURE - Continued

As of June 30, 2014, the latest financial information obtained from the Authority is as follows:

Assets	\$ <u>209,309,388</u>
Liabilities	\$ <u>5,247,838</u>
Net Position	\$ <u>204,061,550</u>
Revenues	\$ 11,214,352
Expenditures	<u>7,833,891</u>
Changes in Net Position	<u>\$ 3,380,461</u>

15) RISK MANAGEMENT

The City maintains a self-insurance program for workers' compensation. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence, amounts in excess of \$250,000 are covered through PERMA. The limits of the coverage are \$200,000 per accident for workers' compensation and \$5,000,000 each accident for employers' liability. Estimates for all liabilities including an estimate for incurred but not reported claims, have been included in the long-term liabilities as claims payable (See Note 5).

PERMA was created under a joint exercise of powers agreement for the purpose of providing insurance coverage for its members. The governing Board of Directors consists of one member from each participating agency.

PERMA also provides a non-risk sharing "deductible", or banking, pool for claims within the SIR level. Annual contributions are deposited with the PERMA from which claims are paid. Any excess funds held by PERMA for the City at year-end are recorded as "Deposits with Other Agencies" within the general fund. Any deficit funds are recorded as a liability within the general fund. At June 30, 2014, the City had an excess of funds of \$716,746 for such claims.

Under the liability programs risk-sharing pool, each member's share of total claims liabilities, including IBNR's, is determined by the application of risk factors to specific characteristics of each member which provides the relative share of each member in total losses of PERMA. These losses are paid from premiums charged to the members which are established at levels to fund all claims costs.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30, 2014	Year Ended June 30, 2013
Claims Payable, Beginning of Year	\$ 0	\$ 0
Incurring Claims (Including IBNRs)	1,482	109
Claim Payments	<u>(1,482)</u>	<u>(109)</u>
Claims Payable, End of Year	<u>\$ 0</u>	<u>\$ 0</u>

City of Perris, California
Notes to Financial Statements
June 30, 2014

15) RISK MANAGEMENT - Continued

The workers' compensation insurance program is a non-risk sharing program. Therefore, each member is directly charged for any losses incurred. Each member's equity represents accumulated contributions held by PERMA on the member's behalf. Any deficits created for losses in excess of assets available for a given member is funded over a ten year period through an adjustment to required premiums.

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

The aforementioned information is not included in the accompanying financial statements. Separate financial statements of PERMA may be obtained at 77-670 Springfield Lane, Suite 1A, Palm Desert, California, 92211.

16) COMMITMENTS AND CONTINGENCIES

In April 1991, the Community Facilities District No. 91-1 (Perris Valley Spectrum) of the City of Perris issued \$8,010,000 1991 Special Tax Bonds. The bonds consist of \$1,790,000 serial bonds maturing in amounts ranging from \$80,000 to \$200,000 from 1993 to 2006, and term bonds of \$6,220,000 maturing in 2021. Interest is payable semiannually on March 1 and September 1 of each year at rates ranging from 6.20% to 8.75%. The bonds are payable from the proceeds of a special tax levied on property within the District, certain tax increment revenues and certain sales and use taxes.

As of June 30, 2014, there were no significant encumbrances.

17) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Perris (City) that previously had reported a redevelopment agency within the reporting entity as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On March 29, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 4383. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments. In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

City of Perris, California
Notes to Financial Statements
June 30, 2014

17) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY - Continued

Successor Agency Capital Assets

The remaining capital assets, as of June 30, 2014 is \$335,048 which consists of land.

Successor Agency Long-term Obligations

The following is a summary of the changes in the Successor Agency long-term obligations for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Pass-through Agreements	\$ 15,990	\$	\$ 1,999	\$ 13,991
Loans Payable to PFA	<u>72,025,000</u>	<u> </u>	<u>1,415,000</u>	<u>70,610,000</u>
	<u>\$ 72,040,990</u>	<u>\$ 0</u>	<u>\$ 1,416,999</u>	<u>\$ 70,623,991</u>

Pass-through Agreements Payables

The Agency has entered into pass-through agreements with several other units of local governments in order to lessen the fiscal impact of tax increment financing of redevelopment projects on these other governments. Amounts will be repaid as tax increment funds become available, therefore, a debt amortization schedule is not provided. The estimated portion due is \$1,999 based on the most recent activity.

Loans Payable to Public Financing Authority

The City of Perris Public Financing Authority (the "Authority") has issued Tax Allocation Revenue Bonds for financing projects of the Agency and to provide funds for the various debt obligations of the Agency. The Agency has entered into loan agreements with the Authority which mirror the bonds issued by the Authority. Concurrent with the execution and delivery of the loan agreements, the Authority issued the aggregate principal amount of its Tax Allocation Revenue Bonds to the Agency. The loans were made as an advance for the principal amount which was made from the proceeds of the bonds on the closing date of the bond. The principal and interest are payable in installment payments payable not less than three business days prior to the due date on the bonds. See Note 3 loans receivable for the related bond issues of the Authority.

City of Perris, California
Notes to Financial Statements
June 30, 2014

17) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY - Continued

The following table represents the balance of net proceeds loaned to the Successor Agency at the end of the year:

	Amount Issued	Loans Receivable End of Year
2001 Series A Issue	\$ 10,745,000	\$ 8,100,000
2001 Series B Issue	1,280,000	1,155,000
2002 Series A Issue	6,335,000	4,805,000
2002 Series B Issue	3,505,000	2,650,000
2002 Series C Issue	3,235,000	2,500,000
2006 Tax Allocation Bonds	31,005,000	28,090,000
2009 Series A Issue	4,055,000	3,745,000
2009 Series B Issue	7,605,000	7,270,000
2009 Series C Issue	5,490,000	5,235,000
2010 Series A Issue	7,180,000	7,060,000
Total	\$ 80,435,000	\$ 70,610,000

The balance at June 30, 2014, of the accounts with retained funds is \$6,128,909 by the Authority and is reflected as deposits in the fiduciary fund statements.

Contingencies

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorable to the City.

18) SUBSEQUENT EVENTS

On July 24, 2014, the Perris Joint Powers Authority issued \$8,615,000 2014 Local Agency Revenue Bonds, Series C, to refund a portion of the Perris Public Financing Authority 2004 Revenue Bonds, Series A and to acquire CFD 2004-3, Improvement Area 1 (Monument Ranch) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$315,000 to \$595,000, commencing September 1, 2015 through September 1, 2034.

On July 17, 2014, the Perris Joint Powers Authority issued \$4,695,000 2014 Local Agency Revenue Bonds, Series D, to refund a portion of CFD 2004-2, (CLC) 2004 Special Tax Bonds, Series B. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$170,000 to \$325,000, commencing September 1, 2015 through September 1, 2034.

City of Perris, California
Notes to Financial Statements
June 30, 2014

18) SUBSEQUENT EVENTS - Continued

On September 18, 2014, the Perris Joint Powers Authority issued \$13,925,000 2014 Local Agency Revenue Bonds, Series E, to refund a portion of Perris Public Financing Authority 2007 Revenue Bonds, Series D and to acquire CFD 2001-1, Improvement Areas 6 and 7 (May Farms) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$380,000 to \$890,000, commencing September 1, 2015 through September 1, 2038.

On October 9, 2014, the Perris Joint Powers Authority issued \$2,465,000 2014 Local Agency Revenue Bonds, Series F, to refund a portion of CFD 2004-1, (Amber Oaks) 2004 Special Tax Bonds, Series A. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$90,000 to \$165,000, commencing September 1, 2015 through September 1, 2034.

On November 13, 2014, the Perris Joint Powers Authority issued \$3,435,000 2014 Local Agency Revenue Bonds, Series G, to refund a portion of CFD 2003-1, (Chaparral Ridge) 2003 Special Tax Bonds, Series A. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on the serial bonds are payable in annual installments, ranging from \$105,000 to \$290,000, commencing September 1, 2015 through September 1, 2033.

19) SPECIAL ITEM

The Perris Joint Powers Authority advanced refunded the Perris Public Financing Authority's 2003 Local Agency Revenue Bonds, Series A, and 2007 Local Agency Revenue Bonds, Series C by issuing 2014 Series A and B Local Agency Bonds. As part of the refunding, the Perris Joint Powers Authority purchased CFD investments from the Perris Financing Authority that was restructured to coincide with the refunding bonds debt. The investments in CFD 2001-1 (May Farms) Improvement Areas 1, 2 and 3 incurred a gain of \$1,970,771 related to Perris Public Financing Authority's 2003 Local Agency Bonds, Series A, advanced refunding. The investment in CFD 2006-1 (Meritage Homes) incurred a gain of \$223,783 related to the Perris Public Financing Authority's 2007 Local Agency Bonds, Series C, advanced refunding.

REQUIRED SUPPLEMENTARY INFORMATION

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 18,291,317	\$ 19,386,278	\$ 20,142,783	\$ 756,505
Licenses, Permits and Fees	1,304,380	1,806,540	1,823,658	17,118
Intergovernmental Revenues	40,689	40,689	13,054	(27,635)
Charges for Services	618,788	554,408	933,006	378,598
Fines, Forfeitures and Penalties	437,150	454,400	505,302	50,902
Developer Fees	100,000	100,000	42,195	(57,805)
Investment Earnings	125,000	200,000	359,313	159,313
Contributions	1,850,000	1,850,000	3,368,539	1,518,539
Miscellaneous	254,844	267,594	299,021	31,427
Total Revenues	<u>23,022,168</u>	<u>24,659,909</u>	<u>27,486,871</u>	<u>2,826,962</u>
EXPENDITURES				
Current:				
General Government	5,674,658	5,915,586	5,329,107	586,479
Public Safety	17,731,250	17,761,140	17,513,387	247,753
Public Works	1,476,315	1,453,000	1,402,863	50,137
Parks and Recreation	2,250,301	2,531,515	2,559,671	(28,156)
Capital Outlay	29,248	29,248	304,989	(275,741)
Total Expenditures	<u>27,161,772</u>	<u>27,690,489</u>	<u>27,110,017</u>	<u>580,472</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,139,604)</u>	<u>(3,030,580)</u>	<u>376,854</u>	<u>3,407,434</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,000,000	1,000,000	850,000	(150,000)
Transfers Out	(386,889)	(386,889)	(428,412)	(41,523)
Gain (Loss) on Sale of Property			27,240	27,240
Total Other Financing Sources (Uses)	<u>613,111</u>	<u>613,111</u>	<u>448,828</u>	<u>(164,283)</u>
Net Change in Fund Balances	<u>\$ (3,526,493)</u>	<u>\$ (2,417,469)</u>	825,682	<u>\$ 3,243,151</u>
Fund Balance, Beginning			<u>26,080,361</u>	
Fund Balance, Ending			<u>\$ 26,906,043</u>	

City of Perris, California
Schedule of Funding Progress for CPRHP
Year Ended June 30, 2014

Schedule of Funding Progress for CPRHP

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
07/01/08	\$ -	\$ 11,276,502	\$ 11,276,502	0%	\$ 4,847,379	232.63%
07/01/11	\$ -	\$ 12,740,036	\$ 12,740,036	0%	\$ 4,343,823	293.29%

*GASB 45 was implemented prospectively in fiscal year 2010. There were no previous actuarial valuations.

City of Perris, California
Notes to Required Supplementary Information
June 30, 2014

1. BUDGETARY DATA

Revenues and expenditures accounted for in the governmental funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations.

Budgets have been adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for nearly all governmental funds.

Budgetary control is exercised at the departmental level. Accordingly, department heads are authorized to make transfers between budgeted line items within their respective departments. Interdepartmental transfers within funds require City Manager authorization; all other changes to the budget must be authorized by the City Council.

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SUPPLEMENTARY SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Asset Seizure Forfeiture - is used to account for proceeds from sales of assets seized during drug-related arrests and disburses these funds for authorized public safety activities.

AQMD Air Pollution Program - is used to account for AB2766 Subvention revenues and expenditures related to the reduction of vehicular emissions according to South Coast Air Quality Management District guidelines.

Traffic Safety - is used to account for monies received under federal and state programs to enforce traffic safety laws.

City-wide Lighting District - is used to account for funds received from assessment fees thru property tax collections from individual property owners and the expenditures for the lighting, maintenance and improvements of the City.

Lighting District No. 84-1 - is used to account for funds received from assessment fees thru property tax collections from individual property owners and the expenditures for lighting maintenance and improvements.

Landscape Maintenance District - is used to account for funds received from assessment fees thru property tax collections from individual property owners and the expenditures for the maintenance and new landscape improvements.

Flood Control Maintenance District - is used to account for funds received from assessment fees thru property tax collections from individual property owners and the expenditures for flood control maintenance and improvements.

Gas Tax - is used to account for the revenues and expenditures received from the State of California under the Street and Highway Code. The allocations must be spent for street maintenance and construction and a limited amount for engineering.

Proposition "A" - is used to account for the revenues and expenditures received for the portion of the half-cent County-wide sales surtax levied to fund transportation improvements to local streets.

CDBG Entitlement - is used to account for federal grant monies received directly from the Department of Housing and Urban Development

State Grants - is used to account for monies received for miscellaneous state grants and expenditures.

Road and Bridge Benefit District - is used to account for funds received from assessment fees through property tax collection from individual property owners and the expenditures for the maintenance and improvements of roads and bridges.

Development Fees - is used to account for funds received to mitigate the impact of new development on the City's infrastructure.

CDPH Prop 84 - is used to account for the receipt of Prop 84 disbursement funds from the California Department of Public Health. These funds will be used for the construction of the Enchanted Heights Sewer Project.

HUD NSP-3 - is used to account for the receipt of intergovernmental funds to stabilize and revitalize areas within the community.

HOME Grant Program - is used to account for the receipts of intergovernmental funds to provide affordable housing for low income individuals.

Special Revenue Funds - Continued

Local Health Grant - is used to account for the revenues received from the County of Riverside, Department of Public Health, to provide nutrition education services

SB-821 - is used to account for revenues and expenditures received from the California Department of Traffic for pedestrian walkways.

Capital Project Funds:

Community Facilities District 91-1 - is used to account for the capital projects for the 1991 Perris Valley Spectrum Special Tax Bonds.

Community Facilities District 93-2 - is used to account for the 1995 Perris Plaza Special Tax Bonds Series A.

Construction - is used to account for miscellaneous construction and rehabilitation projects.

Railway Depot Restoration - is used to account for the revenues and expenditures for the restoration of the historic Santa Fe Depot in downtown Perris, including a seismic retrofit, refurbishment of the roof, and other structural, mechanical, electrical, and aesthetic improvements.

Community Facilities District 04-3 - is used to account for the acquisition and construction for the 2004-3 Monument Ranch Improvement Area No. 1, 2005 Special Tax Revenue Bonds, Series A.

Community Facilities District 05-4 - is used to account for the capital projects for the 2005-4 Stratford Ranch, 2008 Special Tax Bonds, Series A.

Community Facilities District 06-1 - is used to account for the capital projects for the 2006-1 Meritage Homes, 2007 Special Tax Revenue Bonds, Series A.

Community Facilities District VA - is used to account for the acquisition and construction for the 2001-2 (Villages of Avalon), 2005 Special Tax Revenue Bonds, Series B.

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City of Perris, California
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2014

	Special Revenue			
	Asset Seizure Forfeiture	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District
ASSETS				
Cash and Investments	\$	\$ 203,927	\$ 1,758,065	\$ 1,110,422
Cash and Investments with Fiscal Agent				
Receivables:				
Accounts				
Interest		91	697	444
Taxes				12,127
Loans				
Due from Other Governments		22,861	59,426	
Total Assets	\$ 0	\$ 226,879	\$ 1,818,188	\$ 1,122,993
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$	\$	\$ 13,434	\$ 17,191
Due to Other Funds			19,934	
Advances from Other Funds				
Unearned Revenue				
Total Liabilities	0	0	33,368	17,191
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Special Assessments				5,180
Unavailable Revenue - Intergovernmental		22,861	3,242	
Total Deferred Inflows of Resources	0	22,861	3,242	5,180
FUND BALANCES				
Restricted		204,018	1,781,578	1,100,622
Total Fund Balances	0	204,018	1,781,578	1,100,622
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 0	\$ 226,879	\$ 1,818,188	\$ 1,122,993

Special Revenue

Lighting District No. 84-1	Landscape Maintenance District	Flood Control Maintenance District	Gas Tax	Proposition "A"	CDBG Entitlement
\$ 1,153,800	\$ 3,038,468	\$ 5,784,777	\$ 4,112,529	\$ 2,778,823	\$
449	1,226	2,285	1,575	1,085	
22,267	41,250	23,978	212,417	244,352	
					92,241
<u>\$ 1,176,516</u>	<u>\$ 3,080,944</u>	<u>\$ 5,811,040</u>	<u>\$ 4,326,521</u>	<u>\$ 3,024,260</u>	<u>\$ 92,241</u>
\$ 60,985	\$ 190,340	\$ 49,930	\$ 80	\$ 28,790	\$ 34,845
					57,396
<u>60,985</u>	<u>190,340</u>	<u>49,930</u>	<u>80</u>	<u>28,790</u>	<u>92,241</u>
42,008	26,727	15,598		34,617	
<u>42,008</u>	<u>26,727</u>	<u>15,598</u>	<u>0</u>	<u>34,617</u>	<u>0</u>
<u>1,073,523</u>	<u>2,863,877</u>	<u>5,745,512</u>	<u>4,326,441</u>	<u>2,960,853</u>	
<u>1,073,523</u>	<u>2,863,877</u>	<u>5,745,512</u>	<u>4,326,441</u>	<u>2,960,853</u>	<u>0</u>
<u>\$ 1,176,516</u>	<u>\$ 3,080,944</u>	<u>\$ 5,811,040</u>	<u>\$ 4,326,521</u>	<u>\$ 3,024,260</u>	<u>\$ 92,241</u>

Continued

City of Perris, California
Combining Balance Sheet - Continued
Non-major Governmental Funds
June 30, 2014

	Special Revenue			
	State Grants	Road and Bridge Benefit District	Development Fees	CDPH Prop 84
ASSETS				
Cash and Investments	\$ 1,330,282	\$ 5,718,953	\$ 18,953,596	\$
Cash and Investments with Fiscal Agent				
Receivables:				
Accounts				
Interest	439	2,328	7,383	
Taxes				
Loans				
Due from Other Governments	18,402			44,743
Total Assets	\$ 1,349,123	\$ 5,721,281	\$ 18,960,979	\$ 44,743
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$	\$ 151	\$ 229,113	\$ 112
Due to Other Funds				
Advances from Other Funds				43,964
Unearned Revenue	1,271,742			
Total Liabilities	1,271,742	151	229,113	44,076
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Special Assessments				
Unavailable Revenue - Intergovernmental				
Total Deferred Inflows of Resources	0	0	0	0
FUND BALANCES				
Restricted	77,381	5,721,130	18,731,866	667
Total Fund Balances	77,381	5,721,130	18,731,866	667
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,349,123	\$ 5,721,281	\$ 18,960,979	\$ 44,743

Special Revenue				Capital Project	
HUD NSP-3	HOME Grant Program	Local Health Grant	SB-821	Community Facilities District 91-1	Community Facilities District 93-2
\$ 228,863	\$ 33	\$	\$	\$ 342,612	\$
94	1,589			139	
	295,080	39,350			
<u>\$ 228,957</u>	<u>\$ 296,702</u>	<u>\$ 39,350</u>	<u>\$ 0</u>	<u>\$ 342,751</u>	<u>\$ 0</u>
\$	\$	\$ 17,326	\$	\$	\$
		16,915			
		5,109			
<u>0</u>	<u>0</u>	<u>39,350</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>228,957</u>	<u>296,702</u>			<u>342,751</u>	
<u>228,957</u>	<u>296,702</u>	<u>0</u>	<u>0</u>	<u>342,751</u>	<u>0</u>
<u>\$ 228,957</u>	<u>\$ 296,702</u>	<u>\$ 39,350</u>	<u>\$ 0</u>	<u>\$ 342,751</u>	<u>\$ 0</u>

Continued

City of Perris, California
Combining Balance Sheet - Continued
Non-major Governmental Funds
June 30, 2014

	Capital Project			
	Construction	Railway Depot Restoration	Community Facilities District 04-3	Community Facilities District 05-4
ASSETS				
Cash and Investments	\$	\$ 126,694	\$	\$
Cash and Investments with Fiscal Agent			398,230	19,093
Receivables:				
Accounts	553,211			
Interest		51	5	
Taxes				
Grants				
Due from Other Governments				
 Total Assets	<u>\$ 553,211</u>	<u>\$ 126,745</u>	<u>\$ 398,235</u>	<u>\$ 19,093</u>
 LIABILITIES				
Accounts Payable and Accrued Liabilities	\$	\$	\$	\$
Due to Other Funds				
Advances from Other Funds	553,211			
Unearned Revenue				
 Total Liabilities	<u>553,211</u>	<u>0</u>	<u>0</u>	<u>0</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Special Assessments				
Unavailable Revenue - Intergovernmental				
 Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 FUND BALANCES				
Restricted	<u>0</u>	<u>126,745</u>	<u>398,235</u>	<u>19,093</u>
 Total Fund Balances	<u>0</u>	<u>126,745</u>	<u>398,235</u>	<u>19,093</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 553,211</u>	<u>\$ 126,745</u>	<u>\$ 398,235</u>	<u>\$ 19,093</u>

Capital Project		Total
Community Facilities District 06-1	Community Facilities District VA	Non-major Governmental Funds
\$	\$	\$ 46,641,844
		417,323
		553,211
		19,880
		556,391
		295,080
		277,023
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,760,752</u>
\$	\$	\$ 642,297
		19,934
		671,486
		1,276,851
<u>0</u>	<u>0</u>	<u>2,610,568</u>
		124,130
		26,103
<u>0</u>	<u>0</u>	<u>150,233</u>
		45,999,951
<u>0</u>	<u>0</u>	<u>45,999,951</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,760,752</u>

City of Perris, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2014

	Special Revenue			
	Asset Seizure Forfeiture	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District
REVENUES				
Intergovernmental Revenues	\$	\$ 65,072	\$ 498,164	\$
Fines, Forfeitures and Penalties			240,360	
Developer Fees				
Investment Earnings		2,770	17,740	11,547
Special Assessments				263,204
Miscellaneous				
Total Revenues	<u>0</u>	<u>67,842</u>	<u>756,264</u>	<u>274,751</u>
EXPENDITURES				
Current:				
General Government				
Public Safety			458,536	
Public Works				154,346
Capital Outlay		108,576		
Total Expenditures	<u>0</u>	<u>108,576</u>	<u>458,536</u>	<u>154,346</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(40,734)</u>	<u>297,728</u>	<u>120,405</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	58			
Transfers Out				
Gain (Loss) on Sale of Property				
Total Other Financing Sources (Uses)	<u>58</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	58	(40,734)	297,728	120,405
Fund Balances - Beginning	<u>(58)</u>	<u>244,752</u>	<u>1,483,850</u>	<u>980,217</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 204,018</u>	<u>\$ 1,781,578</u>	<u>\$ 1,100,622</u>

Special Revenue

Lighting District No. 84-1	Landscape Maintenance District	Flood Control Maintenance District	Gas Tax	Proposition "A"	CDBG Entitlement
\$	\$	\$	\$ 2,210,555	\$ 1,264,973	\$ 458,938
11,209	29,335	58,965	41,172	26,357	
799,562	1,989,368	1,157,755			
15,750	32,864	29,750			
<u>826,521</u>	<u>2,051,567</u>	<u>1,246,470</u>	<u>2,251,727</u>	<u>1,291,330</u>	<u>458,938</u>
					375,582
738,993	1,814,288	275,487		669	
		12,161	464,330	176,730	83,356
<u>738,993</u>	<u>1,814,288</u>	<u>287,648</u>	<u>464,330</u>	<u>177,399</u>	<u>458,938</u>
<u>87,528</u>	<u>237,279</u>	<u>958,822</u>	<u>1,787,397</u>	<u>1,113,931</u>	<u>0</u>
			(850,000)		
<u>0</u>	<u>0</u>	<u>0</u>	<u>(850,000)</u>	<u>0</u>	<u>0</u>
87,528	237,279	958,822	937,397	1,113,931	0
<u>985,995</u>	<u>2,626,598</u>	<u>4,786,690</u>	<u>3,389,044</u>	<u>1,846,922</u>	<u>0</u>
<u>\$ 1,073,523</u>	<u>\$ 2,863,877</u>	<u>\$ 5,745,512</u>	<u>\$ 4,326,441</u>	<u>\$ 2,960,853</u>	<u>\$ 0</u>

Continued

City of Perris, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-major Governmental Funds
Year Ended June 30, 2014

	Special Revenue			
	State Grants	Road and Bridge Benefit District	Development Fees	CDPH Prop 84
REVENUES				
Intergovernmental Revenues	\$ 92,363	\$	\$	\$ 43,621
Fines, Forfeitures and Penalties				
Developer Fees		2,028,769	2,188,019	
Investment Earnings	8,457	51,244	200,057	499
Special Assessments				
Miscellaneous				
Total Revenues	100,820	2,080,013	2,388,076	44,120
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works	33,029	37,619		43,622
Capital Outlay	59,333	34,282	1,633,811	
Total Expenditures	92,362	71,901	1,633,811	43,622
Excess (Deficiency) of Revenues Over Expenditures	8,458	2,008,112	754,265	498
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out				
Gain (Loss) on Sale of Property			400,000	
Total Other Financing Sources (Uses)	0	0	400,000	0
Net Change in Fund Balances	8,458	2,008,112	1,154,265	498
Fund Balances - Beginning	68,923	3,713,018	17,577,601	169
Fund Balances - Ending	<u>\$ 77,381</u>	<u>\$ 5,721,130</u>	<u>\$ 18,731,866</u>	<u>\$ 667</u>

Special Revenue				Capital Project	
HUD NSP-3	HOME Grant Program	Local Health Grant	SB-821	Community Facilities District 91-1	Community Facilities District 93-2
\$	\$ 143,394	\$ 98,650	\$	\$	\$
2,620	37			3,808	
			48,931		39
2,620	143,431	98,650	48,931	3,808	39
		98,650			6,963
105,946	143,393		48,931		
105,946	143,393	98,650	48,931	0	6,963
(103,326)	38	0	0	3,808	(6,924)
(320,177)					
(320,177)	0	0	0	0	0
(423,503)	38	0	0	3,808	(6,924)
652,460	296,664	0	0	338,943	6,924
\$ 228,957	\$ 296,702	\$ 0	\$ 0	\$ 342,751	\$ 0

Continued

City of Perris, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-major Governmental Funds
Year Ended June 30, 2014

	Capital Project			
	Construction	Railway Depot Restoration	Community Facilities District 04-3	Community Facilities District 05-4
REVENUES				
Intergovernmental Revenues	\$	\$	\$	\$
Fines, Forfeitures and Penalties				
Developer Fees				
Investment Earnings		1,407	53	2
Special Assessments				
Miscellaneous			1,000	
			<u>1,000</u>	
Total Revenues	<u>0</u>	<u>1,407</u>	<u>1,053</u>	<u>2</u>
EXPENDITURES				
Current:				
General Government				
Public Safety				
Public Works				
Capital Outlay	338,563			
	<u>338,563</u>			
Total Expenditures	<u>338,563</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(338,563)</u>	<u>1,407</u>	<u>1,053</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	338,563			
Transfers Out				
Gain (Loss) on Sale of Property				
	<u>338,563</u>			
Total Other Financing Sources (Uses)	<u>338,563</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	1,407	1,053	2
Fund Balances - Beginning	<u>0</u>	<u>125,338</u>	<u>397,182</u>	<u>19,091</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 126,745</u>	<u>\$ 398,235</u>	<u>\$ 19,093</u>

<u>Capital Project</u>		
<u>Community Facilities District 06-1</u>	<u>Community Facilities District VA</u>	<u>Total Non-major Governmental Funds</u>
\$	\$	\$ 4,875,730
		240,360
		4,216,788
		467,279
		4,209,889
		128,334
<u>0</u>	<u>0</u>	<u>14,138,380</u>
11,632	17,363	134,608
		834,118
		3,347,392
		2,960,073
<u>11,632</u>	<u>17,363</u>	<u>7,276,191</u>
<u>(11,632)</u>	<u>(17,363)</u>	<u>6,862,189</u>
		338,621
		(850,000)
		79,823
<u>0</u>	<u>0</u>	<u>(431,556)</u>
(11,632)	(17,363)	6,430,633
<u>11,632</u>	<u>17,363</u>	<u>39,569,318</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 45,999,951</u>

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Financing Authority Debt Service Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 8,877,237	\$ 8,865,987	\$ 7,569,606	\$ (1,296,381)
Contributions		11,250	277,486	266,236
Total Revenues	<u>8,877,237</u>	<u>8,877,237</u>	<u>7,847,092</u>	<u>(1,030,145)</u>
EXPENDITURES				
Current:				
General Government	19,250	18,750	127,883	(109,133)
Debt Service:				
Principal Retirement	2,200,000	2,490,000	2,630,000	(140,000)
Interest and Fiscal Charges	7,034,218	7,290,757	7,244,166	46,591
Total Expenditures	<u>9,253,468</u>	<u>9,799,507</u>	<u>10,002,049</u>	<u>(202,542)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(376,231)</u>	<u>(922,270)</u>	<u>(2,154,957)</u>	<u>(1,232,687)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			(14,365,473)	(14,365,473)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(14,365,473)</u>	<u>(14,365,473)</u>
Net Change in Fund Balances	<u>\$ (376,231)</u>	<u>\$ (922,270)</u>	(16,520,430)	<u>\$ (15,598,160)</u>
Fund Balance, Beginning			<u>126,969,782</u>	
Fund Balance, Ending			<u>\$ 110,449,352</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Joint Powers Authority Debt Service Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 72,390	\$ 72,390	\$ 299,762	\$ 227,372
Contributions	2,000	2,000	1,072,342	1,070,342
Gain on Debt Refunding			2,194,554	2,194,554
			<u>2,194,554</u>	<u>2,194,554</u>
Total Revenues	<u>74,390</u>	<u>74,390</u>	<u>3,566,658</u>	<u>3,264,896</u>
EXPENDITURES				
Current:				
General Government			539,033	(539,033)
Debt Service:				
Debt Issuance Costs			809,754	(809,754)
Interest and Fiscal Charges	72,640	72,460	255,009	(182,549)
			<u>255,009</u>	<u>(182,549)</u>
Total Expenditures	<u>72,640</u>	<u>72,460</u>	<u>1,603,796</u>	<u>(1,531,336)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,750</u>	<u>1,930</u>	<u>1,962,862</u>	<u>1,960,932</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			14,365,473	14,365,473
Refunding Bonds Issued			14,990,000	14,990,000
Payment to Escrow Agent			(14,915,772)	(14,915,772)
			<u>(14,915,772)</u>	<u>(14,915,772)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>14,439,701</u>	<u>14,439,701</u>
Net Change in Fund Balances	<u>\$ 1,750</u>	<u>\$ 1,930</u>	16,402,563	<u>\$ 16,400,633</u>
Fund Balance, Beginning			<u>8,689,722</u>	
Fund Balance, Ending			<u>\$ 25,092,285</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Storm Drain Development Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Fees	\$ 1,700,000	\$ 1,700,000	\$	\$ (1,700,000)
Investment Earnings	1,000	1,000		(1,000)
Total Revenues	<u>1,701,000</u>	<u>1,701,000</u>	<u>0</u>	<u>(1,701,000)</u>
EXPENDITURES				
Capital Outlay	<u>9,330,740</u>	<u>9,318,499</u>		<u>9,318,499</u>
Total Expenditures	<u>9,330,740</u>	<u>9,318,499</u>	<u>0</u>	<u>9,318,499</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (7,629,740)</u>	<u>\$ (7,617,499)</u>	<u>0</u>	<u>\$ 7,617,499</u>
Fund Balance, Beginning			<u>0</u>	
Fund Balance, Ending			<u>\$ 0</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Improvement Projects Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 11,986,353	\$ 11,986,353	\$ 1,655,489	\$ (10,330,864)
Investment Earnings	800	800	55,543	54,743
Total Revenues	<u>11,987,153</u>	<u>11,987,153</u>	<u>1,711,032</u>	<u>(10,276,121)</u>
EXPENDITURES				
Capital Outlay	<u>11,904,583</u>	<u>15,737,689</u>	<u>1,655,486</u>	<u>14,082,203</u>
Total Expenditures	<u>11,904,583</u>	<u>15,737,689</u>	<u>1,655,486</u>	<u>14,082,203</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 82,570</u>	<u>\$ (3,750,536)</u>	55,546	<u>\$ 3,806,082</u>
Fund Balance, Beginning			<u>1,827,149</u>	
Fund Balance, Ending			<u>\$ 1,882,695</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Asset Seizure Forfeiture Special Revenue Fund
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 30,000	\$ 30,000	\$	\$ (30,000)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>(30,000)</u>
EXPENDITURES				
Current:				
Public Safety	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>0</u>	<u>0</u>	<u>58</u>	<u>58</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>58</u>	<u>58</u>
Net Change in Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	58	<u>\$ 58</u>
Fund Balance, Beginning			<u>(58)</u>	
Fund Balance, Ending			<u>\$ 0</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - AQMD Air Pollution Program Special Revenue Fund
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 80,000	\$ 80,000	\$ 65,072	\$ (14,928)
Investment Earnings	<u>50</u>	<u>50</u>	<u>2,770</u>	<u>2,720</u>
Total Revenues	<u>80,050</u>	<u>80,050</u>	<u>67,842</u>	<u>(12,208)</u>
EXPENDITURES				
Current:				
Public Works	5,100	5,100		5,100
Capital Outlay		<u>109,000</u>	<u>108,576</u>	<u>424</u>
Total Expenditures	<u>5,100</u>	<u>114,100</u>	<u>108,576</u>	<u>5,524</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 74,950</u>	<u>\$ (34,050)</u>	(40,734)	<u>\$ (6,684)</u>
Fund Balance, Beginning			<u>244,752</u>	
Fund Balance, Ending			<u>\$ 204,018</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 456,600	\$ 456,600	\$ 498,164	\$ 41,564
Fines, Forfeitures and Penalties	180,000	180,000	240,360	60,360
Investment Earnings	250	250	17,740	17,490
	<u>636,850</u>	<u>636,850</u>	<u>756,264</u>	<u>119,414</u>
EXPENDITURES				
Current:				
Public Safety	<u>1,333,161</u>	<u>1,747,975</u>	<u>458,536</u>	<u>1,289,439</u>
Total Expenditures	<u>1,333,161</u>	<u>1,747,975</u>	<u>458,536</u>	<u>1,289,439</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (696,311)</u>	<u>\$ (1,111,125)</u>	297,728	<u>\$ 1,408,853</u>
Fund Balance, Beginning			<u>1,483,850</u>	
Fund Balance, Ending			<u>\$ 1,781,578</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - City-Wide Lighting District Special Revenue Fund
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Investment Earnings	\$ 150	\$ 150	\$ 11,547	\$ 11,397
Special Assessments	<u>263,500</u>	<u>263,500</u>	<u>263,204</u>	<u>(296)</u>
Total Revenues	<u>263,650</u>	<u>263,650</u>	<u>274,751</u>	<u>11,101</u>
EXPENDITURES				
Current:				
Public Works	<u>155,000</u>	<u>155,000</u>	<u>154,346</u>	<u>654</u>
Total Expenditures	<u>155,000</u>	<u>155,000</u>	<u>154,346</u>	<u>654</u>
Excess (Deficiency) of Revenues over Expenditures	<u>108,650</u>	<u>108,650</u>	<u>120,405</u>	<u>11,755</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(150,000)</u>	<u> </u>	<u> </u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ (41,350)</u>	<u>\$ 108,650</u>	120,405	<u>\$ 11,755</u>
Fund Balance, Beginning			<u>980,217</u>	
Fund Balance, Ending			<u>\$ 1,100,622</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Lighting District No. 84-1 Special Revenue Fund
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Earnings	\$ 200	\$ 200	\$ 11,209	\$ 11,009
Special Assessments	905,249	915,249	799,562	(115,687)
Miscellaneous	<u>30,000</u>	<u>20,000</u>	<u>15,750</u>	<u>(4,250)</u>
Total Revenues	<u>935,449</u>	<u>935,449</u>	<u>826,521</u>	<u>(108,928)</u>
EXPENDITURES				
Current:				
Public Works	<u>845,017</u>	<u>845,017</u>	<u>738,993</u>	<u>106,024</u>
Total Expenditures	<u>845,017</u>	<u>845,017</u>	<u>738,993</u>	<u>106,024</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 90,432</u>	<u>\$ 90,432</u>	87,528	<u>\$ (2,904)</u>
Fund Balance, Beginning			<u>985,995</u>	
Fund Balance, Ending			<u>\$ 1,073,523</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Landscape Maintenance District Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 250	\$ 250	\$ 29,335	\$ 29,085
Special Assessments	1,881,390	1,881,390	1,989,368	107,978
Miscellaneous	20,000	20,000	32,864	12,864
	<u>1,901,640</u>	<u>1,901,640</u>	<u>2,051,567</u>	<u>149,927</u>
EXPENDITURES				
Current:				
Public Works	1,996,538	1,996,538	1,814,288	182,250
	<u>1,996,538</u>	<u>1,996,538</u>	<u>1,814,288</u>	<u>182,250</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(94,898)</u>	<u>(94,898)</u>	<u>237,279</u>	<u>332,177</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ (94,898)</u>	<u>\$ (94,898)</u>	237,279	<u>\$ 332,177</u>
Fund Balance, Beginning			<u>2,626,598</u>	
Fund Balance, Ending			<u>\$ 2,863,877</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Flood Control Maintenance District Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 550	\$ 550	\$ 58,965	\$ 58,415
Special Assessments	1,496,939	1,496,939	1,157,755	(339,184)
Miscellaneous	5,250	5,250	29,750	24,500
Total Revenues	<u>1,502,739</u>	<u>1,502,739</u>	<u>1,246,470</u>	<u>(256,269)</u>
EXPENDITURES				
Current:				
Public Works	1,182,000	1,182,000	275,487	906,513
Capital Outlay			12,161	(12,161)
Total Expenditures	<u>1,182,000</u>	<u>1,182,000</u>	<u>287,648</u>	<u>894,352</u>
Excess (Deficiency) of Revenues over Expenditures	<u>320,739</u>	<u>320,739</u>	<u>958,822</u>	<u>638,083</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 320,739</u>	<u>\$ 320,739</u>	958,822	<u>\$ 638,083</u>
Fund Balance, Beginning			<u>4,786,690</u>	
Fund Balance, Ending			<u>\$ 5,745,512</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 2,037,500	\$ 2,037,500	\$ 2,210,555	\$ 173,055
Investment Earnings	500	500	41,172	40,672
Total Revenues	<u>2,038,000</u>	<u>2,038,000</u>	<u>2,251,727</u>	<u>213,727</u>
EXPENDITURES				
Current:				
Public Works	1,052,885	1,102,859		1,102,859
Capital Outlay		880,762	464,330	416,432
Total Expenditures	<u>1,052,885</u>	<u>1,983,621</u>	<u>464,330</u>	<u>1,519,291</u>
Excess (Deficiency) of Revenues over Expenditures	<u>985,115</u>	<u>54,379</u>	<u>1,787,397</u>	<u>1,733,018</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 135,115</u>	<u>\$ (795,621)</u>	937,397	<u>\$ 1,733,018</u>
Fund Balance, Beginning			<u>3,389,044</u>	
Fund Balance, Ending			<u>\$ 4,326,441</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition "A" Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,230,000	\$ 1,194,500	\$ 1,264,973	\$ 70,473
Investment Earnings	500	500	26,357	25,857
Total Revenues	<u>1,230,500</u>	<u>1,195,000</u>	<u>1,291,330</u>	<u>96,330</u>
EXPENDITURES				
Current:				
Public Works			669	669
Capital Outlay	<u>3,377,236</u>	<u>2,028,618</u>	<u>176,730</u>	<u>1,851,888</u>
Total Expenditures	<u>3,377,236</u>	<u>2,028,618</u>	<u>177,399</u>	<u>1,852,557</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (2,146,736)</u>	<u>\$ (833,618)</u>	1,113,931	<u>\$ 1,947,549</u>
Fund Balance, Beginning			<u>1,846,922</u>	
Fund Balance, Ending			<u>\$ 2,960,853</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Entitlement Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 933,082	\$ 933,082	\$ 458,938	\$ (474,144)
Total Revenues	<u>933,082</u>	<u>933,082</u>	<u>458,938</u>	<u>(474,144)</u>
EXPENDITURES				
Current:				
Public Safety	174,910	698,397	375,582	322,815
Capital Outlay	<u>835,273</u>	<u>363,272</u>	<u>83,356</u>	<u>279,916</u>
Total Expenditures	<u>1,010,183</u>	<u>1,061,669</u>	<u>458,938</u>	<u>602,731</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (77,101)</u>	<u>\$ (128,587)</u>	0	<u>\$ 128,587</u>
Fund Balance, Beginning			<u>0</u>	
Fund Balance, Ending			<u>\$ 0</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Grants Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 2,518,384	\$ 2,518,384	\$ 92,363	\$ (2,426,021)
Investment Earnings	100	100	8,457	8,357
Total Revenues	<u>2,518,484</u>	<u>2,518,484</u>	<u>100,820</u>	<u>(2,417,664)</u>
EXPENDITURES				
Current:				
Public Works	27,068	1,187,384	33,029	1,154,355
Capital Outlay	<u>2,485,741</u>	<u>59,289</u>	<u>59,333</u>	<u>(44)</u>
Total Expenditures	<u>2,512,809</u>	<u>1,246,673</u>	<u>92,362</u>	<u>1,154,311</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 5,675</u>	<u>\$ 1,271,811</u>	8,458	<u>\$ (1,263,353)</u>
Fund Balance, Beginning			<u>68,923</u>	
Fund Balance, Ending			<u>\$ 77,381</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Road and Bridge Benefit District Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Fees	\$ 4,700,000	\$ 4,700,000	\$ 2,028,769	\$ (2,671,231)
Investment Earnings	450	450	51,244	50,794
Total Revenues	<u>4,700,450</u>	<u>4,700,450</u>	<u>2,080,013</u>	<u>(2,620,437)</u>
EXPENDITURES				
Current:				
Public Works	75,000	75,000	37,619	37,381
Capital Outlay	<u>3,193,766</u>	<u>3,293,451</u>	<u>34,282</u>	<u>3,259,169</u>
Total Expenditures	<u>3,268,766</u>	<u>3,368,451</u>	<u>71,901</u>	<u>3,296,550</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,431,684</u>	<u>\$ 1,331,999</u>	2,008,112	<u>\$ 676,113</u>
Fund Balance, Beginning			<u>3,713,018</u>	
Fund Balance, Ending			<u>\$ 5,721,130</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Development Fees Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Fees	\$ 1,875,200	\$ 1,875,200	\$ 2,188,019	\$ 312,819
Investment Earnings	2,000	2,000	200,057	198,057
Total Revenues	<u>1,877,200</u>	<u>1,877,200</u>	<u>2,388,076</u>	<u>510,876</u>
EXPENDITURES				
Current:				
Public Works	4,193,627	4,294,749		4,294,749
Capital Outlay	<u>3,314,119</u>	<u>5,091,093</u>	<u>1,633,811</u>	<u>3,457,282</u>
Total Expenditures	<u>7,507,746</u>	<u>9,385,842</u>	<u>1,633,811</u>	<u>7,752,031</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,630,546)</u>	<u>(7,508,642)</u>	<u>754,265</u>	<u>8,262,907</u>
OTHER FINANCING SOURCES (USES)				
Gain (Loss) on Sale of Property			400,000	400,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>400,000</u>	<u>400,000</u>
Net Change in Fund Balances	<u>\$ (5,630,546)</u>	<u>\$ (7,508,642)</u>	1,154,265	<u>\$ 8,662,907</u>
Fund Balance, Beginning			<u>17,577,601</u>	
Fund Balance, Ending			<u>\$ 18,731,866</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDPH Prop 84 Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$	\$	\$ 43,621	\$ 43,621
Investment Earnings			499	499
Total Revenues	<u>0</u>	<u>0</u>	<u>44,120</u>	<u>44,120</u>
EXPENDITURES				
Current:				
Public Works			43,622	(43,622)
Total Expenditures	<u>0</u>	<u>0</u>	<u>43,622</u>	<u>(43,622)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	498	<u>\$ (498)</u>
Fund Balance, Beginning			<u>169</u>	
Fund Balance, Ending			<u>\$ 667</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HUD NSP-3 Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 434,949	\$ 434,949	\$	\$ (434,949)
Investment Earnings			2,620	2,620
Total Revenues	<u>434,949</u>	<u>434,949</u>	<u>2,620</u>	<u>(432,329)</u>
EXPENDITURES				
Current:				
Public Works	<u>434,921</u>	<u>228,493</u>	<u>105,946</u>	<u>122,547</u>
Total Expenditures	<u>434,921</u>	<u>228,493</u>	<u>105,946</u>	<u>122,547</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28</u>	<u>206,456</u>	<u>(103,326)</u>	<u>(309,782)</u>
OTHER FINANCING SOURCES (USES)				
Gain (Loss) on Sale of Property			<u>(320,177)</u>	<u>(320,177)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(320,177)</u>	<u>(320,177)</u>
Net Change in Fund Balances	<u>\$ 28</u>	<u>\$ 206,456</u>	<u>(423,503)</u>	<u>\$ (629,959)</u>
Fund Balance, Beginning			<u>652,460</u>	
Fund Balance, Ending			<u>\$ 228,957</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HOME Grant Program Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$	\$	\$ 143,394	\$ 143,394
Investment Earnings			37	37
Total Revenues	<u>0</u>	<u>0</u>	<u>143,431</u>	<u>143,431</u>
EXPENDITURES				
Current:				
Public Works	<u>0</u>	<u>0</u>	<u>143,393</u>	<u>(143,393)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>143,393</u>	<u>(143,393)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	38	<u>\$ 38</u>
Fund Balance, Beginning			<u>296,664</u>	
Fund Balance, Ending			<u>\$ 296,702</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Health Grant Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$	\$ 327,654	\$ 98,650	\$ (229,004)
Total Revenues	0	327,654	98,650	(229,004)
EXPENDITURES				
Current:				
General Government		327,654	98,650	229,004
Total Expenditures	0	327,654	98,650	229,004
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	0	\$ 0
Fund Balance, Beginning			0	
Fund Balance, Ending			\$ 0	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SB-821 Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$	\$	\$ 48,931	\$ 48,931
Total Revenues	0	0	48,931	48,931
EXPENDITURES				
Capital Outlay			48,931	(48,931)
Total Expenditures	0	0	48,931	(48,931)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	0	\$ 0
Fund Balance, Beginning			0	
Fund Balance, Ending			\$ 0	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Facilities District 91-1 Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 3,808	\$ 3,808
Total Revenues	0	0	3,808	3,808
EXPENDITURES				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	3,808	\$ 3,808
Fund Balance, Beginning			338,943	
Fund Balance, Ending			\$ 342,751	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Facilities District 93-2 Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$	\$	\$ 39	\$ 39
Total Revenues	0	0	39	39
EXPENDITURES				
Current:				
General Government	0	0	6,963	(6,963)
Total Expenditures	0	0	6,963	(6,963)
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	(6,924)	<u>\$ (6,924)</u>
Fund Balance, Beginning			<u>6,924</u>	
Fund Balance, Ending			<u>\$ 0</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Construction Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$	\$ 0
Total Revenues	0	0	0	0
EXPENDITURES				
Capital Outlay	4,303,476	4,537,513	338,563	4,198,950
Total Expenditures	4,303,476	4,537,513	338,563	4,198,950
Excess (Deficiency) of Revenues over Expenditures	(4,303,476)	(4,537,513)	(338,563)	4,198,950
OTHER FINANCING SOURCES (USES)				
Transfers In	4,303,476	4,303,476	338,563	(3,964,913)
Total Other Financing Sources (Uses)	4,303,476	4,303,476	338,563	(3,964,913)
Net Change in Fund Balances	<u>\$ 0</u>	<u>\$ (234,037)</u>	0	<u>\$ 234,037</u>
Fund Balance, Beginning			0	
Fund Balance, Ending			<u>\$ 0</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Railway Depot Restoration Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 1,407	\$ 1,407
Total Revenues	0	0	1,407	1,407
EXPENDITURES				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	1,407	\$ 1,407
Fund Balance, Beginning			125,338	
Fund Balance, Ending			\$ 126,745	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Facilities District 04-3 Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 53	\$ 53
Miscellaneous			1,000	1,000
Total Revenues	0	0	1,053	1,053
EXPENDITURES				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	1,053	<u>\$ 1,053</u>
Fund Balance, Beginning			<u>397,182</u>	
Fund Balance, Ending			<u>\$ 398,235</u>	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Facilities District 05-4 Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	2	2
Total Revenues	0	0	2	2
EXPENDITURES				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	2	\$ 2
Fund Balance, Beginning			19,091	
Fund Balance, Ending			\$ 19,093	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Facilities District 06-1 Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$	\$ 0
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
General Government			11,632	(11,632)
Total Expenditures	0	0	11,632	(11,632)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	(11,632)	\$ (11,632)
Fund Balance, Beginning			11,632	
Fund Balance, Ending			\$ 0	

City of Perris, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Facilities District VA Capital Project Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$	\$ 0
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
General Government			17,363	(17,363)
Total Expenditures	0	0	17,363	(17,363)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	(17,363)	\$ (17,363)
Fund Balance, Beginning			17,363	
Fund Balance, Ending			\$ 0	

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AGENCY FUNDS

City Cash Trust Fund - is used to account for monies held for other organizations or private individuals.

Community Facilities Districts - is used to account for the principal and interest payments for various Community Facilities Districts bonds.

Assessment District 86-1 - is used to account for the principal and interest payments of the 1993 Series A, AD86-1 Improvement refunding bonds for use in the construction and improvements of the City's infrastructure.

City of Perris, California
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

	City Cash Trust Fund	Community Facilities Districts	Assessment District 86-1	Total Agency Funds
ASSETS				
Cash and Investments	\$ 2,771,190	\$ 1,632,183	\$ 52,122	\$ 4,455,495
Cash and Investments with Fiscal Agent		24,276,365		24,276,365
Assessments Receivable		408,659		408,659
Interest Receivable		1,502	21	1,523
Other Receivable	1,978	15,705		17,683
	<u>\$ 2,773,168</u>	<u>\$ 26,334,414</u>	<u>\$ 52,143</u>	<u>\$ 29,159,725</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,379,137	\$ 66,253	\$	\$ 2,445,390
Deposits	394,031	432,396		826,427
Due to Bondholders		25,835,765	52,143	25,887,908
	<u>\$ 2,773,168</u>	<u>\$ 26,334,414</u>	<u>\$ 52,143</u>	<u>\$ 29,159,725</u>

City of Perris, California
Statement of Changes in Fiduciary Assets and Liabilities
City Cash Trust Fund
Year Ended June 30, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 755,669	\$ 4,687,270	\$ 2,671,749	\$ 2,771,190
Other Receivable	20,322	1,978	20,322	1,978
Total Assets	<u>\$ 775,991</u>	<u>\$ 4,689,248</u>	<u>\$ 2,692,071</u>	<u>\$ 2,773,168</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 195,666	\$ 4,605,397	\$ 2,421,926	\$ 2,379,137
Deposits	580,325	89,625	275,919	394,031
Total Liabilities	<u>\$ 775,991</u>	<u>\$ 4,695,022</u>	<u>\$ 2,697,845</u>	<u>\$ 2,773,168</u>

City of Perris, California
Statement of Changes in Fiduciary Assets and Liabilities
Community Facilities Districts
Year Ended June 30, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 2,740,641	\$ 16,903,823	\$ 18,012,281	\$ 1,632,183
Cash and Investments with Fiscal Agent	22,727,648	40,040,882	38,492,165	24,276,365
Assessments Receivable	343,131	409,477	343,949	408,659
Interest Receivable	4,029	1,503	4,030	1,502
Other Receivable	7,323	15,705	7,323	15,705
	<u>7,323</u>	<u>15,705</u>	<u>7,323</u>	<u>15,705</u>
Total Assets	<u>\$ 25,822,772</u>	<u>\$ 57,371,390</u>	<u>\$ 56,859,748</u>	<u>\$ 26,334,414</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 113,169	\$ 390,564	\$ 437,480	\$ 66,253
Deposits	461,887	40	29,531	432,396
Due to Bondholders	25,247,716	50,451,810	49,863,761	25,835,765
	<u>25,247,716</u>	<u>50,451,810</u>	<u>49,863,761</u>	<u>25,835,765</u>
Total Liabilities	<u>\$ 25,822,772</u>	<u>\$ 50,842,414</u>	<u>\$ 50,330,772</u>	<u>\$ 26,334,414</u>

City of Perris, California
Statement of Changes in Fiduciary Assets and Liabilities
Assessment District 86-1
Year Ended June 30, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
ASSETS				
Cash and Investments	\$ 65,078	\$ 702	\$ 13,658	\$ 52,122
Interest Receivable	102	21	102	21
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 65,180</u>	<u>\$ 723</u>	<u>\$ 13,760</u>	<u>\$ 52,143</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 5,753	\$ 4,625	\$ 10,378	\$ 0
Due to Bondholders	59,427	622	7,906	52,143
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 65,180</u>	<u>\$ 5,247</u>	<u>\$ 18,284</u>	<u>\$ 52,143</u>

City of Perris, California
Statement of Changes in Fiduciary Assets and Liabilities
Total Agency Funds
Year Ended June 30, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 3,561,388	\$ 21,591,795	\$ 20,697,688	\$ 4,455,495
Cash and Investments with Fiscal Agent	22,727,648	40,040,882	38,492,165	24,276,365
Assessments Receivable	343,131	409,477	343,949	408,659
Interest Receivable	4,131	1,524	4,132	1,523
Other Receivable	27,645	17,683	27,645	17,683
	<u>26,663,943</u>	<u>62,061,361</u>	<u>59,565,579</u>	<u>29,159,725</u>
Total Assets	<u>\$ 26,663,943</u>	<u>\$ 62,061,361</u>	<u>\$ 59,565,579</u>	<u>\$ 29,159,725</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 314,588	\$ 5,000,586	\$ 2,869,784	\$ 2,445,390
Deposits	1,042,212	89,665	305,450	826,427
Due to Bondholders	25,307,143	50,452,432	49,871,667	25,887,908
	<u>26,663,943</u>	<u>55,542,683</u>	<u>53,046,901</u>	<u>29,159,725</u>
Total Liabilities	<u>\$ 26,663,943</u>	<u>\$ 55,542,683</u>	<u>\$ 53,046,901</u>	<u>\$ 29,159,725</u>

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STATISTICAL SECTION



**CITY OF PERRIS,
CALIFORNIA**

STATISTICAL SECTION

This part of the City of Perris 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 government's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	122
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	132
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	138
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	143
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	145

City of Perris
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
Page 1

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities					
Net investment in capital assets	\$ 59,555	\$ 100,723	\$ 109,215	\$ 140,061	\$ 142,300
Restricted	5,913	4,395	4,602	5,737	7,526
Unrestricted	49,594	36,588	60,838	73,731	59,193
Total governmental activities net position	<u>\$ 115,062</u>	<u>\$ 141,706</u>	<u>\$ 174,655</u>	<u>\$ 219,529</u>	<u>\$ 209,019</u>
Business-type activities					
Net investment in capital assets	\$ 8,218	\$ 8,588	\$ 8,307	\$ 8,613	\$ 8,374
Restricted for Low and Moderate Housing	-	-	-	-	-
Unrestricted	391	1,064	666	850	816
Total business-type activities net position	<u>\$ 8,609</u>	<u>\$ 9,652</u>	<u>\$ 8,973</u>	<u>\$ 9,463</u>	<u>\$ 9,190</u>
Primary government					
Net investment in capital assets	\$ 67,773	\$ 109,311	\$ 117,522	\$ 148,674	\$ 150,674
Restricted	5,913	4,395	4,602	5,737	7,526
Unrestricted	49,985	37,652	61,504	74,581	60,009
Total primary government net position	<u>\$ 123,671</u>	<u>\$ 151,358</u>	<u>\$ 183,628</u>	<u>\$ 228,992</u>	<u>\$ 218,209</u>

Source: City of Perris, Finance Department

City of Perris
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
Page 2

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 146,883	\$ 156,805	\$ 165,177	\$ 166,747	\$ 166,664
Restricted	5,752	7,410	-	-	48,033
Unrestricted	49,315	35,837	66,908	61,657	22,595
Total governmental activities net position	\$ 201,950	\$ 200,052	\$ 232,085	\$ 228,404	\$ 237,292
Business-type activities					
Net investment in capital assets	\$ 9,686	\$ 9,369	\$ 8,268	\$ 6,607	\$ 6,030
Restricted for Low and Moderate Housing	-	-	6,785	8,715	6,023
Unrestricted	(908)	(366)	1,412	2,561	3,116
Total business-type activities net position	\$ 8,778	\$ 9,003	\$ 16,465	\$ 17,883	\$ 15,169
Primary government					
Net investment in capital assets	\$ 156,569	\$ 166,174	\$ 173,445	\$ 173,354	\$ 172,694
Restricted	5,752	7,410	6,785	8,715	54,056
Unrestricted	48,407	35,471	68,320	64,218	25,711
Total primary government net position	\$ 210,728	\$ 209,055	\$ 248,550	\$ 246,287	\$ 252,461

Source: City of Perris, Finance Department

City of Perris
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
Page 1

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses					
Governmental activities:					
General Government	\$ 4,273	\$ 4,822	\$ 5,910	\$ 7,673	\$ 7,557
Public Safety	13,700	13,063	14,302	16,351	16,292
Public Works	17,605	32,331	23,604	19,592	32,996
Parks and Recreation	1,679	1,726	2,243	2,406	2,607
Interest on Long-term Debt	4,408	5,188	5,496	5,891	6,937
State ERAF	-	-	-	-	-
Total governmental activities expenses	<u>41,665</u>	<u>57,130</u>	<u>51,555</u>	<u>51,913</u>	<u>66,389</u>
Business-type activities:					
Water Utility	2,047	1,912	2,658	2,050	2,314
Sewer Utility	1,509	1,344	1,475	1,364	1,540
Public Utility	-	-	-	-	611
Solid Waste Utility	566	506	622	598	550
Housing Authority	-	-	-	-	-
Total business-type activities expenses	<u>4,122</u>	<u>3,762</u>	<u>4,755</u>	<u>4,012</u>	<u>5,015</u>
Total primary government expenses	<u>\$ 45,787</u>	<u>\$ 60,892</u>	<u>\$ 56,310</u>	<u>\$ 55,925</u>	<u>\$ 71,404</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,274	\$ 5,160	\$ 3,031	\$ 1,722	\$ 765
Public Safety	75	95	887	908	755
Public Works	14,928	13,531	23,343	5,830	7,180
Parks and Recreation	58	112	132	148	202
Operating Grants and Contributions	2,592	3,284	3,075	3,170	3,804
Capital Grants and Contributions	19,239	32,596	14,580	39,808	3,457
Total governmental activities program revenues	<u>42,166</u>	<u>54,778</u>	<u>45,048</u>	<u>51,586</u>	<u>16,163</u>
Business-type activities:					
Charges for services:					
Water Utility	1,930	1,792	1,995	2,086	2,039
Sewer Utility	1,247	1,245	1,340	1,602	1,558
Public Utility	-	-	-	-	286
Solid Waste Utility	551	565	640	675	679
Housing Authority	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	106	416	-	43	5
Total business-type activities program revenues	<u>3,834</u>	<u>4,018</u>	<u>3,975</u>	<u>4,406</u>	<u>4,567</u>
Total primary government program revenues	<u>\$ 46,000</u>	<u>\$ 58,796</u>	<u>\$ 49,023</u>	<u>\$ 55,992</u>	<u>\$ 20,730</u>
Net (expense)/revenue					
Governmental activities	\$ 501	\$ (2,352)	\$ (6,507)	\$ (327)	\$ (327)
Business-type activities	(288)	256	(780)	394	394
Total primary government net (expense)/revenue	<u>\$ 213</u>	<u>\$ (2,096)</u>	<u>\$ (7,287)</u>	<u>\$ 67</u>	<u>\$ 67</u>

Source: City of Perris, Finance Department

City of Perris
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
Page 2

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General Government	\$ 7,383	\$ 6,718	\$ 6,338	\$ 7,363	\$ 8,480
Public Safety	16,269	16,155	16,575	17,072	18,618
Public Works	22,461	19,661	17,620	12,897	10,177
Parks and Recreation	2,257	2,144	2,246	2,471	3,071
Interest on Long-term Debt	7,879	8,045	7,897	7,689	7,343
State ERAF	3,771	776	-	-	-
Total governmental activities expenses	<u>60,020</u>	<u>53,499</u>	<u>50,676</u>	<u>47,492</u>	<u>47,689</u>
Business-type activities:					
Water Utility	2,745	2,390	2,507	2,750	2,972
Sewer Utility	1,483	1,638	1,691	1,760	1,828
Public Utility	977	927	955	1,088	976
Solid Waste Utility	565	596	627	890	1,223
Housing Authority	-	-	54	420	3,329
Total business-type activities expenses	<u>5,770</u>	<u>5,551</u>	<u>5,834</u>	<u>6,908</u>	<u>10,328</u>
Total primary government expenses	<u>\$ 65,790</u>	<u>\$ 59,050</u>	<u>\$ 56,510</u>	<u>\$ 54,400</u>	<u>\$ 58,017</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 1,054	\$ 746	\$ 948	\$ 978	\$ 1,859
Public Safety	856	804	865	909	1,039
Public Works	6,902	4,895	5,139	9,456	9,104
Parks and Recreation	211	232	247	215	145
Operating Grants and Contributions	3,792	7,320	8,358	11,633	11,864
Capital Grants and Contributions	5,349	4,276	10,639	4,543	7,468
Total governmental activities program revenues	<u>18,164</u>	<u>18,273</u>	<u>26,196</u>	<u>27,734</u>	<u>31,479</u>
Business-type activities:					
Charges for services:					
Water Utility	2,374	2,588	2,693	2,809	3,111
Sewer Utility	1,538	1,619	1,678	1,737	1,832
Public Utility	569	556	573	599	800
Solid Waste Utility	695	703	723	835	1,136
Housing Authority	-	-	22	29	132
Operating Grants and Contributions	-	-	-	-	400
Capital Grants and Contributions	-	-	-	2,333	61
Total business-type activities program revenues	<u>5,176</u>	<u>5,466</u>	<u>5,689</u>	<u>8,342</u>	<u>7,472</u>
Total primary government program revenues	<u>\$ 23,340</u>	<u>\$ 23,739</u>	<u>\$ 31,885</u>	<u>\$ 36,076</u>	<u>\$ 38,951</u>
Net (expense)/revenue					
Governmental activities	\$ (41,856)	\$ (35,226)	\$ (24,480)	\$ (19,759)	\$ (16,210)
Business-type activities	(594)	(85)	(145)	1,434	(2,856)
Total primary government net (expense)/revenue	<u>\$ (42,450)</u>	<u>\$ (35,311)</u>	<u>\$ (24,625)</u>	<u>\$ (18,325)</u>	<u>\$ (19,066)</u>

Source: City of Perris, Finance Department

City of Perris
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
Page 3

	Fiscal Year				
	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 8,143	\$ 10,776	\$ 14,923	\$ 19,058	\$ 19,532
Sales and use taxes	4,398	5,394	5,020	4,920	4,934
Motor Vehicle in-lieu taxes	270	923	291	225	183
Vehicle License Fee in Lieu Tax	2,199	3,286	4,371	5,435	5,587
Sales Tax in Lieu Tax	1,281	1,166	1,938	1,432	1,421
Franchise taxes	1,868	1,862	2,099	2,104	2,128
Other taxes	718	971	636	354	352
Total taxes	<u>18,877</u>	<u>24,378</u>	<u>29,278</u>	<u>33,528</u>	<u>34,137</u>
Fines, forfeitures and penalties	253	652	-	-	-
Investment earnings	4,463	6,232	8,562	10,146	6,742
Gain (loss) on sale of capital assets	3	-	529	-	-
Miscellaneous	558	409	668	1,145	290
Extraordinary/Special Item	-	-	-	-	-
Transfers	-	(759)	-	-	(89)
Total governmental activities	<u>24,154</u>	<u>30,912</u>	<u>39,037</u>	<u>44,819</u>	<u>41,080</u>
Business-type activities:					
Investment earnings	25	29	100	96	63
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
Transfers	-	759	-	-	89
Total business-type activities	<u>25</u>	<u>29</u>	<u>100</u>	<u>96</u>	<u>152</u>
Total primary government	<u>\$ 24,179</u>	<u>\$ 30,941</u>	<u>\$ 39,137</u>	<u>\$ 44,915</u>	<u>\$ 41,232</u>
Change in Net Position					
Governmental activities	\$ 21,802	\$ 24,405	\$ 38,710	\$ 44,492	\$ (776)
Business-type activities	<u>281</u>	<u>(751)</u>	<u>494</u>	<u>490</u>	<u>(442)</u>
Total primary government	<u>\$ 22,083</u>	<u>\$ 23,654</u>	<u>\$ 39,204</u>	<u>\$ 44,982</u>	<u>\$ (1,218)</u>
Prior Period Adjustments					
Governmental activities	\$ (363)	\$ (916)	\$ 418	\$ 383	\$ (1,363)
Business-type activities	\$ -	\$ -	\$ -	\$ -	\$ 23

Source: City of Perris, Finance Department

City of Perris
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
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	Fiscal Year				
	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 16,285	\$ 14,368	\$ 6,406	\$ 4,270	\$ 4,345
Sales and use taxes	4,264	4,594	5,624	5,682	6,688
Motor Vehicle in-lieu taxes	160	266	35	36	30
Vehicle License Fee in Lieu Tax	4,508	4,291	4,348	4,143	4,370
Sales Tax in Lieu Tax	1,402	1,358	1,517	1,808	2,080
Franchise taxes	2,015	2,154	2,245	2,293	2,474
Other taxes	270	270	264	240	239
Total taxes	<u>28,904</u>	<u>27,301</u>	<u>20,439</u>	<u>18,472</u>	<u>20,226</u>
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	5,976	2,831	2,690	4,417	1,147
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	608	279	305	358	1,621
Extraordinary/Special Item	-	-	33,774	-	2,194
Transfers	(140)	-	(765)	-	(89)
Total governmental activities	<u>35,348</u>	<u>30,411</u>	<u>56,443</u>	<u>23,247</u>	<u>25,099</u>
Business-type activities:					
Investment earnings	42	26	25	(16)	52
Gain (loss) on sale of capital assets	-	-	117	-	-
Miscellaneous	-	-	-	-	-
Extraordinary Item	-	-	6,700	-	-
Transfers	140	-	765	-	89
Total business-type activities	<u>182</u>	<u>26</u>	<u>7,607</u>	<u>(16)</u>	<u>141</u>
Total primary government	<u>\$ 35,530</u>	<u>\$ 30,437</u>	<u>\$ 64,050</u>	<u>\$ 23,231</u>	<u>\$ 25,240</u>
Change in Net Position					
Governmental activities	\$ 122	\$ 5,931	\$ 31,963	\$ 3,488	\$ 8,889
Business-type activities	97	(119)	7,462	1,418	(2,715)
Total primary government	<u>\$ 219</u>	<u>\$ 5,812</u>	<u>\$ 39,425</u>	<u>\$ 4,906</u>	<u>\$ 6,174</u>
Prior Period Adjustments					
Governmental activities	\$ (562)	\$ 2,917	\$ 70	\$ (7,169)	\$ -
Business-type activities	\$ -	\$ 284	\$ -	\$ -	\$ -

Source: City of Perris, Finance Department

City of Perris
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands of dollars)
Page 1

	Fiscal Year				
	2005	2006	2007	2008	2009
General fund					
Reserved	\$ 2,941	\$ 3,440	\$ 3,912	\$ 4,431	\$ 4,056
Unreserved	13,971	17,473	20,395	20,477	20,214
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 16,912</u>	<u>\$ 20,913</u>	<u>\$ 24,307</u>	<u>\$ 24,908</u>	<u>\$ 24,270</u>
All other governmental funds					
Reserved	\$ 59,562	\$ 102,812	\$ 105,061	\$ 127,955	\$ 138,656
Unreserved, reported in:					
Special revenue funds	20,874	23,227	7,606	39,001	43,373
Debt service funds	-	(15,954)	(12,698)	(8,221)	(7,289)
Capital project funds	13,460	8,283	36,783	15,154	(1,769)
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 93,895</u>	<u>\$ 118,368</u>	<u>\$ 136,752</u>	<u>\$ 173,889</u>	<u>\$ 172,971</u>

Source: City of Perris, Finance Department

City of Perris
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands of dollars)
Page 2

	Fiscal Year				
	2010	2011	2012	2013	2014
General fund					
Reserved	\$ 6,014	\$ -	\$ -	\$ -	\$ -
Unreserved	17,479	-	-	-	-
Nonspendable	-	3,292	2,776	3,181	2,582
Restricted	-	-	-	-	-
Committed	-	-	7,528	7,528	8,631
Assigned	-	6,200	6,200	6,200	6,200
Unassigned	-	15,229	10,576	9,171	9,493
Total general fund	<u>\$ 23,493</u>	<u>\$ -</u>	<u>\$ 27,080</u>	<u>\$ 26,080</u>	<u>\$ 26,906</u>
All other governmental funds					
Reserved	\$ 151,482	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	35,170	-	-	-	-
Debt service funds	(7,529)	-	-	-	-
Capital project funds	(6,502)	-	-	-	-
Nonspendable	-	6,083	-	-	-
Restricted	-	181,738	173,139	177,114	183,424
Assigned	-	-	-	-	-
Unassigned	-	(30,054)	(328)	(58)	-
Total all other governmental funds	<u>\$ 172,621</u>	<u>\$ 157,767</u>	<u>\$ 172,811</u>	<u>\$ 177,056</u>	<u>\$ 183,424</u>

Source: City of Perris, Finance Department

City of Perris
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands of dollars)
Page 1

	Fiscal Year				
	2005	2006	2007	2008	2009
Revenues					
Taxes	\$ 18,078	\$ 23,576	\$ 29,282	\$ 33,462	\$ 34,136
Licenses and Permits	5,155	5,113	3,053	1,989	748
Intergovernmental Revenues	3,654	4,402	4,037	6,490	4,785
Charges for Services	2,722	2,153	4,875	992	480
Fines, Forfeitures, and Penalties	253	652	671	650	619
Developer Fees	10,764	8,915	16,290	1,032	2,303
Investment Earnings	4,336	6,116	8,562	10,146	6,743
Special Assessments	1,140	2,339	2,081	3,709	3,382
Contributions from Property Owners	17,289	32,502	14,206	22,542	2,490
Other Revenue	2,395	806	1,336	1,395	1,627
Total Revenues	65,786	86,574	84,393	82,407	57,313
Expenditures					
General Government	4,252	4,621	5,848	6,756	6,307
Public Safety	10,932	12,850	14,169	16,194	16,132
Public Works	5,491	6,961	7,619	5,506	6,013
Parks and Recreation	1,482	1,623	1,928	2,001	2,174
State ERAF	-	-	-	-	-
Capital Outlay	26,235	54,324	22,065	27,848	22,712
Debt Service					
Pass-through Agreements	1,070	1,295	2,507	3,454	6,841
Issuance Costs	1,781	791	12	1,978	783
Principal Retirement	1,723	1,746	3,748	2,447	1,803
Interest and Fiscal Charges	4,254	4,894	5,479	5,512	6,683
Total Expenditures	57,220	89,105	63,375	71,696	69,448
Excess of revenues over (under) expenditures	8,566	(2,531)	21,018	10,711	(12,135)
Other Financing Sources (Uses)					
Transfers in	4,225	3,412	8,621	5,001	6,399
Transfers Out	(4,225)	(4,171)	(8,621)	(5,001)	(6,487)
Proceeds from Sale of Property	-	-	49	98	6
Gain (Loss) on Sale of Land	-	-	-	-	-
Sale of Property	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	(15,312)	-
Loss on Debt Refunding	-	-	-	-	-
Premiums on Long Term Debt	-	-	-	-	-
Proceeds from Refunding Bonds	-	-	-	337	-
Proceeds from Long Term Debt	9,145	31,269	267	41,546	12,024
Total Other Financing Sources (Uses)	9,145	30,510	316	26,669	11,942
Net Change in Fund Balances before Prior Period Adjustments and Extraordinary Item	17,711	27,979	21,334	37,380	(193)
Prior Period Adjustments	(24,703)	495	443	356	(1,362)
Extraordinary/Special Item	-	-	-	-	-
Net Change in Fund Balances	\$ (6,992)	\$ 28,474	\$ 21,777	\$ 37,736	\$ (1,555)
Debt Service as a percentage of non-capital expenditures	14.1%	11.8%	17.8%	21.5%	13.6%

Source: City of Perris, Finance Department

City of Perris
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands of dollars)

Page 2

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 28,904	\$ 27,302	\$ 20,440	\$ 18,472	\$ 20,143
Licenses and Permits	1,005	771	1,003	1,078	1,824
Intergovernmental Revenues	5,138	5,867	5,429	9,106	6,544
Charges for Services	350	598	557	675	933
Fines, Forfeitures, and Penalties	739	666	731	670	746
Developer Fees	2,553	603	1,417	5,188	4,259
Investment Earnings	5,717	6,658	6,751	8,035	8,752
Special Assessments	4,251	4,032	4,027	3,975	4,210
Contributions from Property Owners	3,659	1,862	3,942	3,373	4,718
Other Revenue	1,273	313	333	407	427
Total Revenues	53,589	48,672	44,630	50,979	52,556
Expenditures					
General Government	5,636	4,738	4,684	5,447	6,131
Public Safety	16,092	15,938	16,372	16,804	18,347
Public Works	7,736	12,696	10,344	4,852	4,750
Parks and Recreation	1,827	1,716	1,795	1,987	2,560
State ERAF	3,771	776	-	-	-
Capital Outlay	16,953	14,043	12,567	10,746	4,921
Debt Service				-	-
Pass-through Agreements	3,161	3,369	1,597	-	-
Issuance Costs	930	-	-	459	810
Principal Retirement	3,100	3,590	3,130	3,370	2,630
Interest and Fiscal Charges	7,760	8,084	7,941	7,770	7,499
Total Expenditures	66,966	64,950	58,430	51,435	47,648
Excess of revenue over (under) expenditures	(13,377)	(16,278)	(13,800)	(455)	4,908
Other Financing Sources (Uses)					
Transfers in	8,845	14,873	57,680	5,589	15,555
Transfers Out	(8,985)	(14,873)	(57,680)	(5,589)	(15,644)
Proceeds from Sale of Property	51	(604)	(258)	50	-
Gain (Loss) on Sale of Land	(430)	-	-	-	-
Sale of Property	-	-	-	-	107
Payments to Refunded Bond Escrow Agent	-	-	-	(4,197)	(14,915)
Loss on Debt Refunding	-	-	-	(1,344)	-
Premiums on Long Term Debt	-	-	-	37	-
Proceeds from Refunding Bonds	-	-	-	-	14,990
Proceeds from Long Term Debt	13,014	339	141	8,505	-
Total Other Financing Sources (Uses)	12,495	(265)	(117)	3,051	93
Net Change in Fund Balances before Prior Period Adjustments and Extraordinary Item	(882)	(16,543)	(13,917)	2,595	5,000
Prior Period Adjustments	(245)	292	70	650	-
Extraordinary/Special Item	-	-	31,250	-	2,194
Net Change in Fund Balances	\$ (1,127)	\$ (16,251)	\$ 17,403	\$ 3,245	\$ 7,194
Debt Service as a percentage of non-capital expenditures	19.0%	23.4%	23.4%	25.4%	23.5%

Source: City of Perris, Finance Department

City of Perris
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)

Fiscal Year	Property Tax	Sales & Use Tax	Motor Vehicle in-lieu Tax	Vehicle License Fee in-lieu Tax	Sales Tax in-lieu Tax	Franchise Tax	Other Taxes	Total
2005	\$ 8,143	\$ 4,398	\$ 270	\$ 2,199	\$ 1,281	\$ 1,868	\$ 718	\$ 18,877
2006	10,776	5,394	923	3,286	1,166	1,862	971	24,378
2007	14,923	5,020	291	4,371	1,938	2,099	636	29,278
2008	19,058	4,920	225	5,435	1,432	2,104	354	33,528
2009	19,532	4,934	183	5,587	1,421	2,128	352	34,137
2010	16,285	4,264	160	4,508	1,402	2,015	270	28,904
2011	14,368	4,594	266	4,291	1,359	2,155	271	27,304
2012	6,406	5,624	35	4,348	1,517	2,245	264	20,439
2013	4,270	5,682	36	4,143	1,808	2,293	240	18,472
2014	4,345	6,688	30	4,370	2,080	2,474	240	20,227

Soruce: City of Perris, Finance Department

City of Perris
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013
Apparel Stores	\$ 4,759	\$ 3,959	\$ 3,895	\$ 3,822	\$ 3,317	\$ 3,101	\$ 3,182	\$ 3,312	\$ 3,843	\$ 4,009
General Merchandise	53,207	56,803	55,489	51,165	48,940	47,459	46,542	46,087	0	0
Food Stores	22,288	24,601	27,968	30,398	35,343	36,093	34,029	36,586	37,722	39,053
Eating and Drinking Places	37,830	41,228	42,527	42,788	43,483	43,558	47,491	47,689	51,891	57,071
Building Materials	30,753	36,629	40,974	38,879	41,381	39,835	38,182	43,828	41,366	50,008
Auto Dealers and Supplies	73,584	83,822	76,895	72,414	48,371	42,644	39,022	54,387	56,371	75,625
Service Stations	54,963	64,515	73,748	75,249	83,558	77,309	92,074	104,990	116,770	123,421
Other Retail Stores*	33,829	36,800	36,739	35,419	29,540	24,645	25,363	25,076	76,367	76,393
All Other Outlets	211,445	224,578	302,025	269,306	275,246	233,059	239,811	297,831	314,032	393,593
Total	\$ 522,658	\$ 572,935	\$ 660,260	\$ 619,440	\$ 609,179	\$ 547,703	\$ 565,696	\$ 659,786	\$ 698,362	\$ 819,173

Source: State of California Board of Equalization and the HdL Coren & Cone

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information for Fiscal Year 2014 is unavailable.

*Beginning 2012, Other Retail Stores category includes General Merchandise taxable sales.

City of Perris
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year Ended June 30	Real Property	Personal Property	Other	Less:		Total Taxable Assessed Value	Total Direct Tax Rate
				Other Exemptions	Homeowners' Exemptions		
2005	\$ 2,754,080	\$ 91,912	\$ 2,029	\$ 22,910	\$ 35,720	\$ 2,789,391	1.0000
2006*	2,753,989	89,596	2,856	22,909	35,699	2,787,833	1.0000
2007*	3,825,777	105,252	2,598	24,497	38,653	3,870,477	1.0000
2008*	4,712,125	100,303	86,737	26,092	41,021	4,832,052	1.0000
2009*	4,824,482	103,735	110,176	27,606	43,399	4,967,388	1.0000
2010*	3,858,356	111,085	111,869	30,722	43,445	4,007,143	1.0000
2011*	3,654,277	106,428	105,083	27,412	45,808	3,792,568	1.0000
2012*	3,712,750	91,163	109,697	28,065	45,422	3,840,123	1.0000
2013*	3,552,789	94,267	115,361	38,319	44,772	3,679,326	1.0000
2014*	3,750,174	100,978	146,695	48,917	43,843	3,905,087	1.0000

Source: Office of Riverside County Auditor-Controller

*HdL Coren & Cone

City of Perris
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

<u>Agency</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Improvement District	0.00400	0.00300	0.00000	0.00800	0.00400	0.05300	0.05300	0.05300	0.05000	0.05000
Metropolitan Water District Original Area	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.03436	0.00370	0.00350	0.00350
Menifee School	0.01625	0.01435	0.00578	0.00549	0.02370	0.03254	0.00370	0.03486	0.03543	0.03421
Perris School	0.00000	0.00000	0.00000	0.02999	0.02894	0.02485	0.01983	0.01983	0.01800	0.02524
Perris Union High School	0.01192	0.02350	0.03222	0.02110	0.02031	0.02686	0.03126	0.03429	0.03429	0.06970
Riverside City Community College	0.01800	0.01800	0.01800	0.01259	0.01254	0.01242	0.01499	0.01700	0.01702	0.01768
Val Verde Unified	0.00000	0.00000	0.00000	0.00000	0.03189	0.04089	0.03347	0.03160	0.08383	0.07235
Total Prop 13 Rate	1.05597	1.06405	1.06070	1.08167	1.12568	1.19486	1.19061	1.19428	1.24207	1.27268
City's Share of 1% Levy Per Prop 13	0.25436	0.25436	0.25436	0.25436	0.25436	0.13146	0.25436	0.25436	0.25436	0.13146

Source: *HdL Coren & Cone

City of Perris
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2014
(in thousands of dollars)

<u>Taxpayer</u>	<u>2014</u>			<u>2005</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Ross Dress for Less	\$ 177,925	1	4.56%	\$ 32,046	4	1.53%
DB RREEF Perris California	103,000	2	2.64%	-		0.00%
FR California Goetz Road	98,869	3	2.53%	-		0.00%
IIT Inland Empire 3700 Indian Ave	83,232	4	2.13%	-		0.00%
Lowes HIW Inc	82,297	5	2.11%	73,748	1	3.52%
Courdures Family LP	28,730	6	0.74%	17,977	8	0.86%
HD California DFDC Landlord	23,744	7	0.61%	-		0.00%
CR and R Inc	20,770	8	0.53%	-		0.00%
Rubio Holdings	19,376	9	0.50%	-		0.00%
ORE Industrial LLC	16,643	10	0.43%	-		0.00%
Wachovia Dev Corporation	-		0.00%	67,985	2	3.25%
KB Home Coastal Inc	-		0.00%	35,548	3	1.70%
National RV Holdings Inc	-		0.00%	24,702	5	1.18%
Perris Green Valley Associates	-		0.00%	21,281	6	1.02%
Barratt American Inc	-		0.00%	18,113	7	0.87%
Pulte Home Corporation	-		0.00%	16,011	9	0.76%
Walmart Real Estate Business Trust	-		0.00%	13,133	10	0.63%
Totals	<u>\$ 654,586</u>		<u>16.76%</u>	<u>\$ 320,544</u>		<u>15.31%</u>

Source: HdL Coren & Cone, Riverside County Assessor 2013/14 Combined Tax Rolls and SBE Non Unitary Tax Roll

City of Perris
Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 2,634	\$ 2,568	97.49%	\$ 66	\$ 2,634	100.00%
2006	3,667	3,614	98.55%	53	3,667	100.00%
2007	4,973	4,715	94.81%	258	4,973	100.00%
2008	5,948	5,570	93.64%	378	5,948	100.00%
2009	5,017	4,739	94.46%	278	5,017	100.00%
2010	3,826	3,736	97.65%	90	3,826	100.00%
2011	3,723	3,654	98.15%	69	3,723	100.00%
2012	4,650	4,586	98.62%	64	4,650	100.00%
2013	4,271	4,212	98.62%	59	4,271	100.00%
2014	4,262	4,205	98.66%	57	4,262	100.00%

Source: City of Perris, Finance Department

City of Perris
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except per capita amount)

Fiscal Year	Governmental Activities			Business-type	Total Primary Government	Percentage of Value of Property	Per Capita	Percentage of Personal Income
	Revenue Bonds	Notes Payable	Reimbursement Agreements	Notes Payable				
2005	\$ 70,980	\$3,204	\$ -	\$ 1,675	\$ 75,859	3.63%	\$1,500	14%
2006	100,540	3,185	-	1,636	105,361	3.69%	2,235	18%
2007	96,980	3,264	-	1,596	101,840	2.58%	2,010	15%
2008	121,461 *	3,436	-	1,240	126,137	2.56%	2,347	17%
2009	131,495 *	3,545	-	10,566	145,606	3.78%	2,675	19%
2010	141,054 *	3,883	-	10,531	155,468	4.75%	2,853	20%
2011	137,452 *	4,207	-	10,494	152,153	4.65%	2,853	19%
2012	134,311 *	-	-	12,454	146,765	2.54%	2,347	16%
2013	134,965 *	781	-	12,415	148,161	4.73%	2,084	16%
2014	132,855	781	-	12,375	146,011	4.40%	2,025	16%

Source: City of Perris, Finance Department

*2008 - 2013 have been adjusted to include premiums on revenue bonds.

City of Perris
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

<u>DIRECT DEBT:</u>	Percentage Applicable	Share of Overlapping Debt
City of Perris - Perris Redevelopment Agency Loan	100.000%	\$ 781,370
Perris Financing Authority - Revenue Bonds	100.000%	109,360,000
Perris Joint Powers Authority - Revenue Bonds	100.000%	23,495,000
TOTAL DIRECT DEBT		\$ 133,636,370
 <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District	0.179%	\$ 236,772
Eastern Municipal Water District, I.D. U8	0.000%	-
Eastern Municipal Water District, I.D. U9	100.000%	2,888,000
Riverside City Community College District	2.785%	6,411,476
Val Verde Unified School District	40.963%	41,367,284
Perris Union High School District	15.241%	12,781,447
Menifee Union School District	0.890%	39,893
Perris School District	70.802%	8,090,008
City of Perris Community Facilities Districts	100.000%	153,760,000
Romoland School District Community Facilities District No. 2001-1	100.000%	3,440,000
Val Verde Unified School District Community Facilities Districts	100.000%	4,105,000
Perris Union High School District Community Facilities Districts	0.030%	8,779,497
City of Perris	100.000%	-
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		\$ 241,899,377
 <u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Riverside County General Fund Obligations	1.873%	\$ 12,973,453
Riverside County Pension Obligations	1.873%	6,265,466
Riverside County Board of Education Certificates of Participation	1.873%	50,571
Mount San Jacinto Community College District General Fund Obligations	2.680%	305,252
Val Verde Unified School District Certificates of Participation	40.963%	32,510,285
Perris Union High School District General Fund Obligations	15.241%	1,401,643
Menifee Union School District Certificates of Participation	0.890%	4,124
Perris School District Certificates of Participation	70.802%	5,635,839
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 59,146,633
Less: Riverside County self-supporting obligations		173,877
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 58,972,756
 OVERLAPPING TAX INCREMENT DEBT (SUCCESSORY AGENCY)	 100.000%	 58,105,000
 GROSS COMBINED TOTAL DEBT (1)		 \$ 492,787,380 ⁽²⁾
NET COMBINED TOTAL DEBT		\$ 492,613,503

Source: California Municipal Statistics, Inc.

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the City.

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

**City of Perris
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)**

Fiscal Year 2014

Assessed Value	\$ 3,905,087
Debt Limit (15% of assessed value)	<u>585,763</u>
Legal Debt Margin	<u><u>\$ 3,319,324</u></u>

<u>Fiscal Year</u>	<u>Legal Debt Margin</u>	<u>Debt Limit</u>	<u>Ratio of the Legal Debt Margin to the Debt Limit</u>
2005	\$ 1,778,065	\$ 313,776	567%
2006	2,428,786	428,609	567%
2007	3,349,689	591,122	567%
2008	4,171,874	736,213	567%
2009	4,290,449	757,138	567%
2010	3,444,061	607,776	567%
2011	3,262,622	575,757	567%
2012	3,264,105	576,018	567%
2013	3,127,427	551,899	567%
2014	3,319,324	585,763	567%

Source: HdL Coren & Cone

City of Perris, Finance Department

Note: Currently, the City has no debt applicable to the debt limit.

City of Perris
Pledged Revenue Coverage
Last Ten Fiscal Years
Page 1
(in thousands of dollars)

Sewer Revenue Bonds							
Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2005	\$ 1,353	\$ 1,312	\$ 41	\$ 35	\$ 37	53.45%	
2006	2,125	1,168	957	30	46	1259.21%	
2007	1,340	1,299	41	32	45	53.25%	
2008	1,602	1,321	281	33	44	364.94%	
2009	1,493	1,497	(4)	34	42	-5.26%	
2010	1,559	1,442	117	35	41	153.95%	
2011	1,619	1,598	21	37	40	27.27%	
2012	1,678	1,652	26	38	39	33.77%	
2013	1,734	1,524	210	39	37	276.32%	
2014	1,850	1,593	257	40	36	338.16%	

Source: City of Perris, Finance Department

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Sewer Charges and Other and Water Charges and Other include investment earnings. Operating expenses do not include interest or depreciation.

City of Perris
Pledged Revenue Coverage
Last Ten Fiscal Years
Page 2
(in thousands of dollars)

Water Revenue Bonds							
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2005	\$ 1,939	\$ 1,906	\$ 33	\$ 9	\$ 9	183.48%	
2006	1,987	1,762	225	8	18	865.38%	
2007	1,995	2,490	(495)	8	11	-	
2008	2,086	2,042	44	322	8	-	
2009	2,039	2,314	(275)	-	-	-	
2010	2,374	2,745	(371)	-	-	-	
2011	2,588	2,390	198	-	-	-	
2012	2,693	2,507	186	-	-	-	
2013	2,809	2,585	224	-	-	-	
2014	3,112	2,814	298	-	-	-	

Source: City of Perris, Finance Department

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Sewer Charges and Other and Water Charges and Other include investment earnings. Operating expenses do not include interest or depreciation.

City of Perris
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2005	44,594	\$525,636	\$12,529	n/a	27,218	8.3
2006	47,139	587,272	13,120	n/a	28,448	7.2
2007	50,663	662,798	13,999	n/a	29,678	10.4
2008	53,594	737,867	14,583	25.4	33,713	8.4
2009	54,323	784,641	14,718	25.8	34,998	21.3
2010	54,387	777,445	14,295	25.4	20,427	20.8
2011	55,133	781,235	14,170	22.4	16,188	22.4
2012	70,180	921,042	13,124	25.7	16,461	18.6
2013	70,963	945,866	13,329	25.9	16,404	15
2014	72,103	914,410	12,682	25.4	16,317	13.2

- Source: 1) U.S. Census Bureau
2) CA Dept. of ED., Educational Demographics Unit, District Level Enrollment Reports.
3) Riverside County EDA
4) HdL Coren & Cone
5) State of CA EDD Labor Market Information Div
6) California State Department of Finance
7) California Employment Development Department

Note: Information for prior years are being researched and will be provided when available.

**City of Perris
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2013</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ross Stores Inc.	1,400	1	8.05%	1,400	2	10.14%
Starcrest	1,000	2	5.75%	1,000	3	7.24%
Lowe's HIW Inc	900	3	5.17%	900	4	6.52%
Perris Union High School District	786	4	4.52%	500	5	3.62%
Hanes	650	5	3.74%	---		---
Perris Elementary School District	602	6	3.46%	400	8	2.90%
Eastern Municipal Water District	580	7	3.33%	500	7	3.62%
Whirlpool	300	8	1.72%	---		---
Wal-Mart	250	9	1.44%	250	9	1.81%
Coreslab Structures	200	10	1.15%	---		---
National RV Holdings Inc	---		---	2,177	1	15.77%
Modtech Inc	---		---	500	6	3.62%
Golden West Homes	---		---	220	10	1.59%
Totals	<u>\$ 6,668</u>		<u>38.32%</u>	<u>\$ 7,847</u>		<u>56.83%</u>

Source: 1) Perris Economic Development Corporation

Note: Information for the fiscal year ended June 30, 2014 is not available and will be provided when available.

Total Employment Numbers
2013 City Totals 17,400

City of Perris
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	61	60	61	61	59	72	59	58	42	47
Public safety*										
Police										
Officers	32	37	48	48	47	45	44	44	44	44
Fire										
Firefighters and officers	7	14	14	16	16	16	16	16	16	19
Highways and streets										
Engineering **	7	7	7	6	6	6	9	8	8	8
Maintenance	13	13	13	13	12	8	11	9	8	8
Culture and recreation	6	8	9	8	8	10	6	16	6	8
Water**	3	4	3	3	4	4	3	4	4	4
Sewer**	1	1	1	1	1	2	2	2	2	2
Total	130	144	156	156	153	163	150	157	130	140

Source: City of Perris, Finance Department

*Public safety employees are contracted with the State of California Department of Forestry Services and the Riverside County Sheriff Department

**Outsourced Services

City of Perris
Operating Indicators by Function
Last Ten Fiscal Years
Page 1

Function	Fiscal Year				
	2005	2006	2007	2008	2009
Police					
Physical arrests	1,808	3	4,134	5,514	4,648
Parking violations	920	780	328	377	409
Traffic violations	1,153	7,175	9,158	8,612	10,628
Fire					
Number of Calls answered	4,600	4,841	5,159	5,179	4,358
Public Works					
Street resurfacing (miles)	20	20	20	20	22
Potholes repaired (1,000 sq feet)	30	30	30	30	6
Water					
New connections	107	9	12	13	0
Water mains breaks	5	5	n/a	n/a	10
Average daily consumption (100 cubic feet)	2,332	2,378	2,426	2,474	3,084*

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

Note: Information marked "n/a" are being researched and will be provided when available.

* In 2009, the City of Perris added Water Customers from North Perris with the purchase of the McCanna Water System.

City of Perris
Operating Indicators by Function
Last Ten Fiscal Years
Page 2

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Police					
Physical arrests	3,937	2,924	1,268	1,590	1,823
Parking violations	349	744	445	638	582
Traffic violations	9,494	4,061	5,417	3,493	5,087
Fire					
Number of Calls answered	5,073	4,974	5,253	5,714	5,762
Public Works					
Street resurfacing (miles)	15	13	10	14	16
Potholes repaired (1,000 sq feet)	11	8	16	320	336
Water					
New connections	3	3	2	6	5
Water mains breaks	1	3	5	2	2
Average daily consumption (100 cubic feet)	3,076*	2,699	2,885	3,683	3,165

City of Perris
Capital Asset Statistics by Function
Last Ten Fiscal Years
Page 1

Function	Fiscal Year				
	2005	2006	2007	2008	2009
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	34	36	38	40	40
Fire Stations	1	2	2	2	2
Highways and streets					
Streets (miles)	170	180	185	190	190
Streetlights	2,123	2,395	2,543	2,878	4,301
Traffic signals	30	47	48	58	63
Parks and recreation					
Parks acreage	75	75	127	135	144
Parks	12	12	17	18	19
Tennis courts	4	4	4	4	4
Community centers	3	3	3	2	2
Water					
Water mains (miles)	37	37	39	39	39
Sewer					
Sanitary sewers (miles)	25	25	27	27	27
Storm sewers (1,000 linear feet)	117	117	147	147	147

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

City of Perris
Capital Asset Statistics by Function
Last Ten Fiscal Years
Page 2

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	38	38	34	45	23
Fire Stations	2	2	2	2	2
Highways and streets					
Streets (miles)	190	192	193	193	194
Streetlights	4,381	4,405	4,496	4,537	4,609
Traffic signals	63	73	84	71	75
Culture and recreation					
Parks acreage	144	144	144	146	164
Parks	19	19	19	19	20
Tennis courts	2	2	2	2	2
Community centers	2	2	2	2	2
Water					
Water mains (miles)	39	39	39	39	48
Sewer					
Sanitary sewers (miles)	27	27	27	27	35
Storm sewers (1,000 linear feet)	147	147	148	160	161