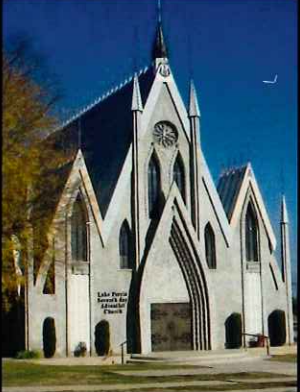
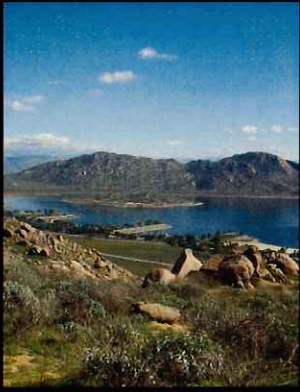


# City of Perris California

## Comprehensive Annual Financial Report



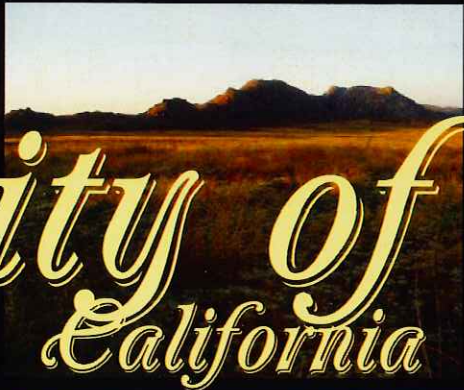
For the fiscal year ended June 30, 2009



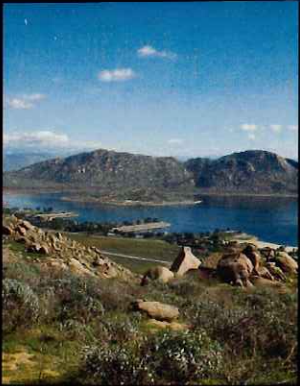


**CITY OF PERRIS, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Year Ended June 30, 2009

**PREPARED BY THE FINANCE DEPARTMENT**



# City of Perris California



# Introductory Section



**City of Perris, California**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2009

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**City of Perris, California**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2009

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# City of Perris California

December 29, 2009

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, 2009.

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, 2009. 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 nearly 30 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 55,000 residents. Perris strives to maintain a family-friendly environment as evidenced by the fact that an estimated 90% of Perris' residents are under the age of 45 and the City's median age is 25 years.

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 81 employees. Services include construction and maintenance of City streets, water and wastewater services, 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. The Perris Redevelopment Agency and Public Financing Authority are financially accountable by the City of Perris and are 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, has been affected by the economic slowdown. The City's overall residential market has slowed in response to the general economy, with the median home price dropping approximately 26% from the prior year. However, existing home sales in Riverside County during the 2<sup>nd</sup> quarter of 2009 rose 50.2% from 2008. Perris, along with Hemet and San Jacinto were the volume leaders with 79.6%. New home construction from national developers like KB Homes continue to build in Perris increasing assessed valuation on property located within Perris to \$5.05 billion. This represents the sixth consecutive annual increase of assessed values within the City.

Retail sales tax is a principal revenue source for the City. 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. The 565,000 square foot Perris Crossing Center is anchored by WinCo Foods and Home Depot at the northwest corner of the 215 and Ethanac Road, Phase One has opened tenants include; WinCo Grocery Home Depot, Walgreens, Just Tires, Circle K, Bank of America, Dental Offices and a variety of restaurants. The Town Center, a 600,000 square foot project located at the southeast corner of the Interstate 215 and Ethanac Road was approved in the Spring of 2008. Other future retail projects in the City include Perris Marketplace, a 520,000 square foot retail development to be anchored by a Wal-Mart Supercenter and Lowe's. The Venue at Perris, a Lewis Retail Centers project totaling 676,000 square feet, will be anchored by Target and is scheduled to break ground one year before completion of the new Fourth Street freeway interchange. Smaller 20,000 to 100,000 square foot retail centers have also been approved, and are currently in lease up stage prior to breaking ground.

The City's Redevelopment Agency continues to revitalize the City's downtown area and make infrastructure improvements in the northern part of the City to facilitate industrial development. The Redevelopment Agency provides for a procedural and financial mechanism where it can assist, complement and coordinate public and private development, redevelopment, revitalization and enhancement of the Perris community .

### **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. The City's General Fund has designated over \$10 million for street maintenance, disaster preparedness, vehicle and equipment replacement, major capital improvements and repairs. Perris, like all cities in Riverside County, has felt the financial impact over the past year 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 for when the national and local economies enter a recovery phase.



## **Relevant Financial Policies**

**Reserves.** Under the City's reserve policy, an amount equal to 45% of annual general fund revenues is kept as general fund reserves. Once each year, any funds in excess of the 45% requirement are reprogrammed to capital projects. At the end of the fiscal year, the general fund has designated \$3 million for capital projects and street improvements.

**Investment Policy and Cash Management.** 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 2008-09, 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.

## **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 \$54 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 \$15.5 million for Police and Fire services.

**Economic Development.** The City will continue to promote responsible growth with an emphasis on attracting businesses that create family-wage jobs through is Redevelopment Agency capital and housing programs.

**Community Service.** The City formed a non-profit agency for the purpose of providing services to the citizens of Perris in the areas of housing, the arts, culture, education, recreation, nutrition, wellness, and gang and drug prevention.

**Parks.** The development and improvement of parks and open space continued to be a priority during fiscal year 2008-2009 for the Perris Community Services Department. In 2009 the new 7 acre May Ranch Park was opened. The opening of a new skate park at Paragon Park in March 2009 marked the introduction of the action sports genre to the park inventory. Over the past five years the available parkland acreage has nearly doubled from 74 acres to the current 143.6 acres in 2009.

**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 third 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, 2008. 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 staff of the Finance Department. Only through the efforts of these individuals 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,

A handwritten signature in cursive script, appearing to read "J. Fructuoso".

James Fructuoso  
Assistant Finance Director

# City of Perris

## Elected Officials

Daryl Busch	Mayor
Mark Yarbrough	Mayor Pro Tem
Al Landers	Council Member
Rita Rogers	Council Member
Joanne Evans	Council Member
Judy Haughney	City Clerk

## Management

Richard Belmudez	City Manager
Ron Carr	Assistant City Manager
Darren Madkin	Deputy City Manager - Community Services
Rene Avila	Assistant Director of Development Services
Brad Eckhardt	Planning Manager
James Fructuoso	Assistant Finance Director
Isabel Lugo	Human Resources & Risk Manager
Michael McDermott	Redevelopment and Economic Development Manager

## Contractors

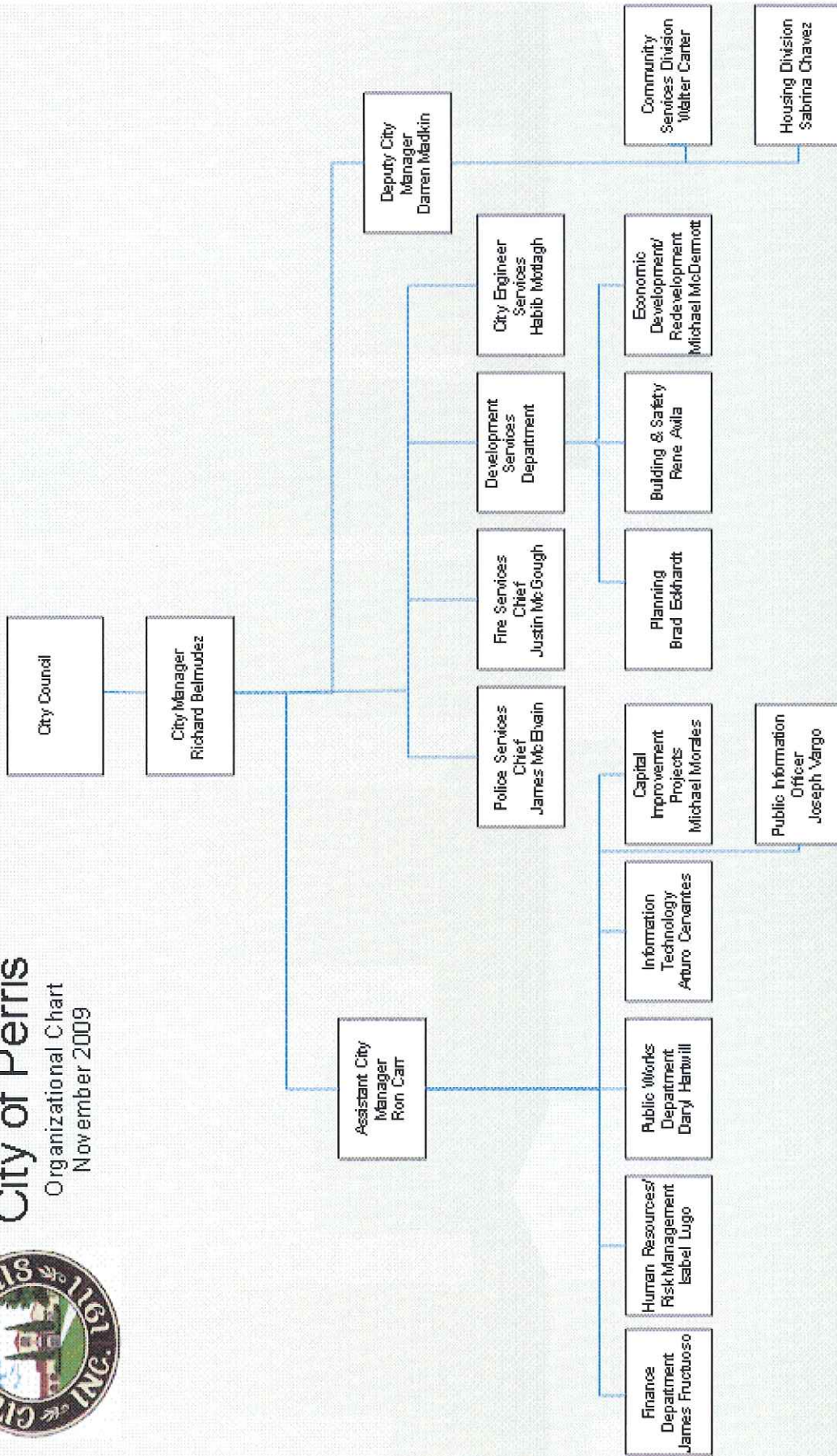
Eric Dunn	City Attorney
Habib Motlagh	City Engineer
James McElvain	Police Captain
Justin McGough	Battalion Chief



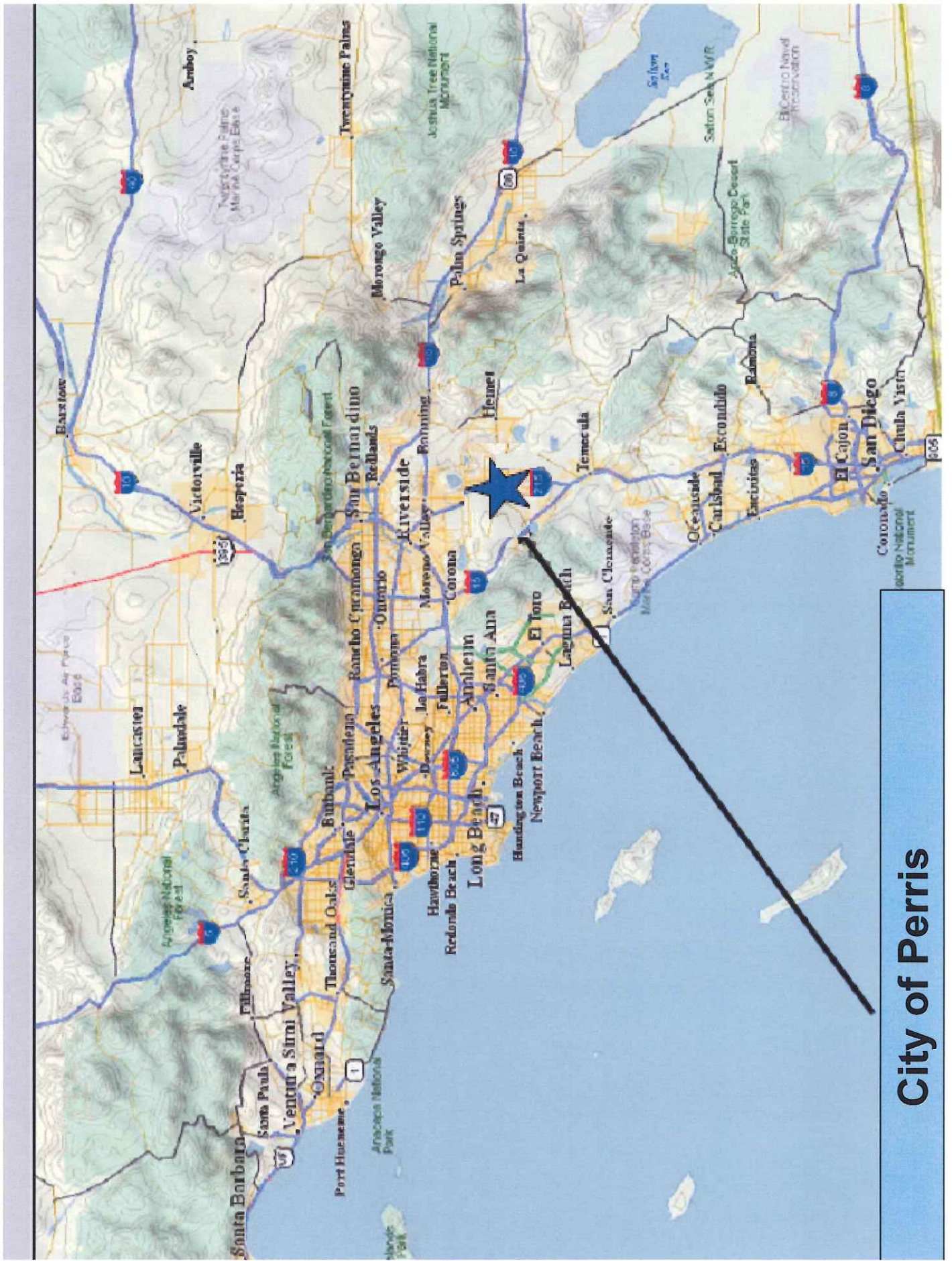


# City of Perris

Organizational Chart  
November 2009







# City of Perris



# 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, 2008

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



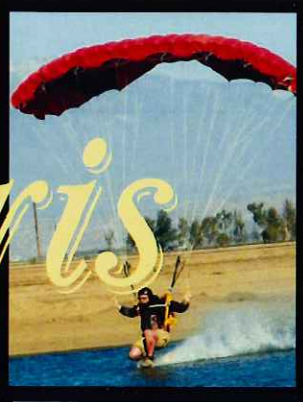
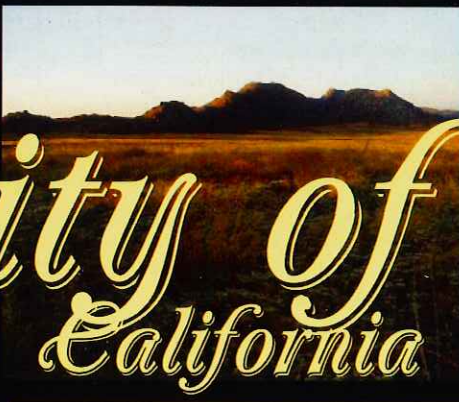
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President

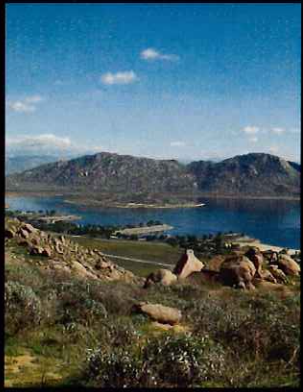
A handwritten signature in black ink, appearing to read "Jeffrey R. Emen", is written above the title.

Executive Director

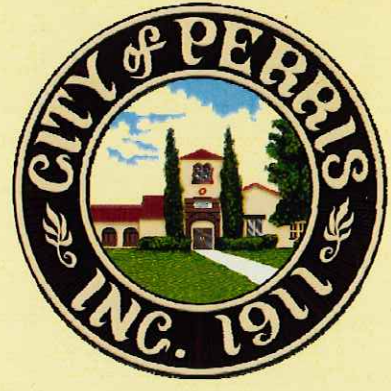




# City of Perris California



## Financial Section





Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perris, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perris, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2009 on our consideration of the City of Perris'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Teaman Ramirez & Smith*

December 29, 2009

**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, 2009. We encourage readers to consider the information presented here in conjunction with City's financial statements beginning on page 12. All amounts are expressed in thousands of dollars.

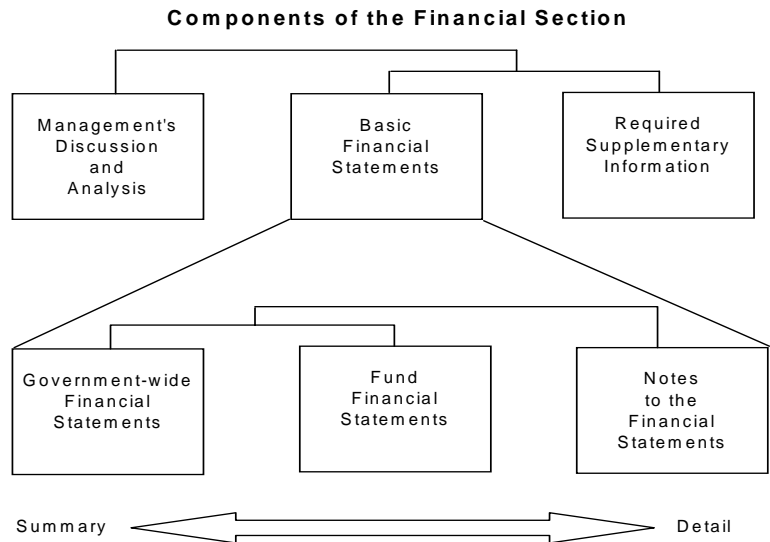
**Financial Highlights**

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 \$218,209 (net assets). Of this amount, \$60,009 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$10,782 for fiscal year 2008-2009.
- As of June 30, 2009, the City's governmental funds reported combined fund balances of \$197,241, a decrease of \$1,556 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$20,214 or 77.6% of total general fund expenditures.
- The City of Perris' total long-term debt increased by \$19,630 for fiscal year 2008-2009.

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also three legally separate entities, the Perris Redevelopment Agency, the Perris Public Utility Authority, and the Perris Public Financing Authority. 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 12 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*.

The City maintains forty-three 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, Special Revenue Fund, Debt Service Fund and the Capital Projects Fund, each of which are considered to be major funds. Data from the other thirty-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.

# ***CITY OF PERRIS***

## **Management's Discussion and Analysis**

### **Overview of the Financial Statements (Continued)**

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 15 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.

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 waters 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 fund, sewer enterprise, public utility authority, and solid waste enterprise funds are aggregated and presented as a major fund in the financial statements. Individual fund data for the non-major proprietary funds is provided in the form of combining statements in the *supplementary information* section of this report.

The basic proprietary fund financial statements can be found beginning on page 21 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's 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 24 of this report.

***Notes to the Basic Financial Statements.*** The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 25 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 60 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 65 of this report.

### **Government-wide Financial Analysis**

Net assets serve as a useful indicator of a government's financial position. At June 30, 2009, the net assets for the City of Perris were \$218,209. A summary of the government-wide statement of net assets at June 30, 2009 follows:



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

**City of Perris Net Assets**  
**June 30, 2009**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current and other assets	\$ 237,190	\$ 234,107	\$ 85	\$ 1,973	\$ 237,275	\$ 236,080
Capital assets	142,300	140,249	20,780	9,853	163,080	150,102
Total assets	<u>379,490</u>	<u>374,356</u>	<u>20,865</u>	<u>11,826</u>	<u>400,355</u>	<u>386,182</u>
<b>Liabilities:</b>						
Current and other liabilities	35,090	29,741	1,049	1,072	36,139	30,813
Long-term liabilities	135,381	125,086	10,626	1,291	146,007	126,377
Total liabilities	<u>170,471</u>	<u>154,827</u>	<u>11,675</u>	<u>2,363</u>	<u>182,146</u>	<u>157,190</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	142,300	140,061	8,374	8,613	150,674	148,674
Restricted	7,526	5,737	-	-	7,526	5,737
Unrestricted	59,193	73,731	816	850	60,009	74,581
Total net assets	<u>\$ 209,019</u>	<u>\$ 219,529</u>	<u>\$ 9,190</u>	<u>\$ 9,463</u>	<u>\$ 218,209</u>	<u>\$ 228,992</u>

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In this case, City's assets exceeded liabilities by \$218,209 at June 30, 2009.

The largest portion of the City's net assets (\$150,674) 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 assets (\$7,526) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, if any, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report a positive balance in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

**Governmental and Business-type Activities.** Governmental and Business-type activities decreased the City's net assets by \$10,782 thereby accounting for the 5% decrease in the net assets of the City. Key elements of this increase are as follows:

- Governmental activities decreased the City's net assets by \$10,509 primarily from the increase in public works expenses by \$13,404 which was funded by the prior year contributions from property owners. Revenues included the collection of taxes of \$34,136, investment income of \$6,742 and contributions from property owners of \$2,490. This revenue is offset by expenditures including, \$32,966 for public works, \$16,292 for public safety and \$7,557 for general government operations.
- Business-type activities decrease the City of Perris net assets by \$273.

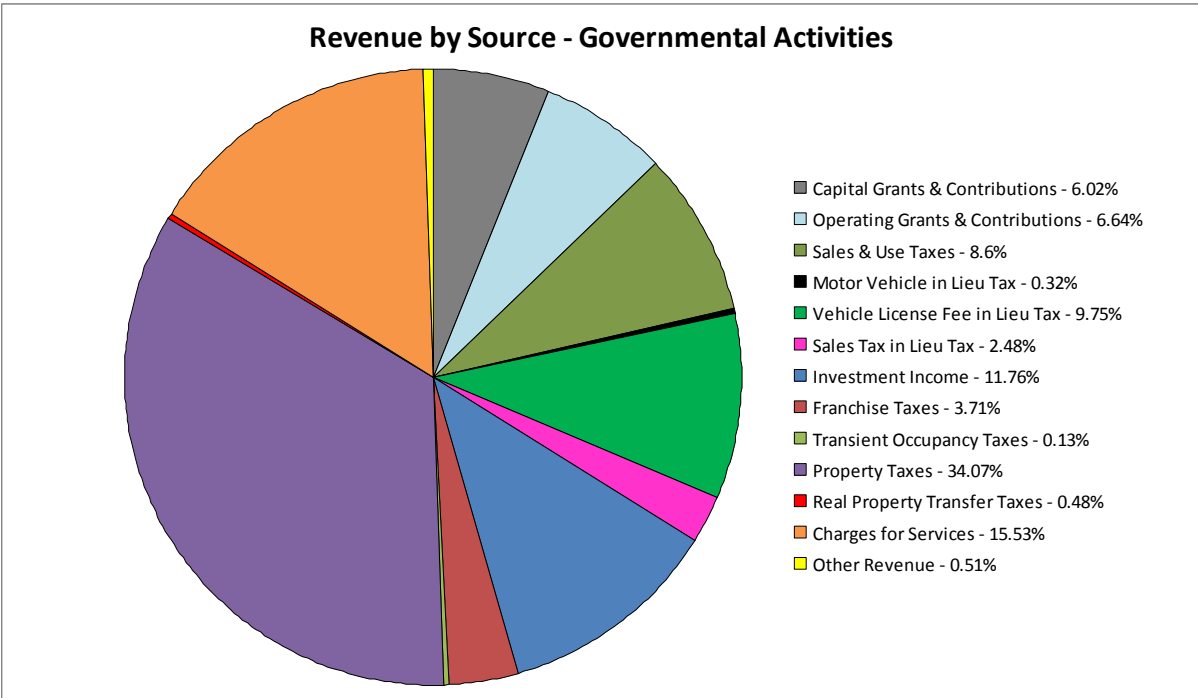
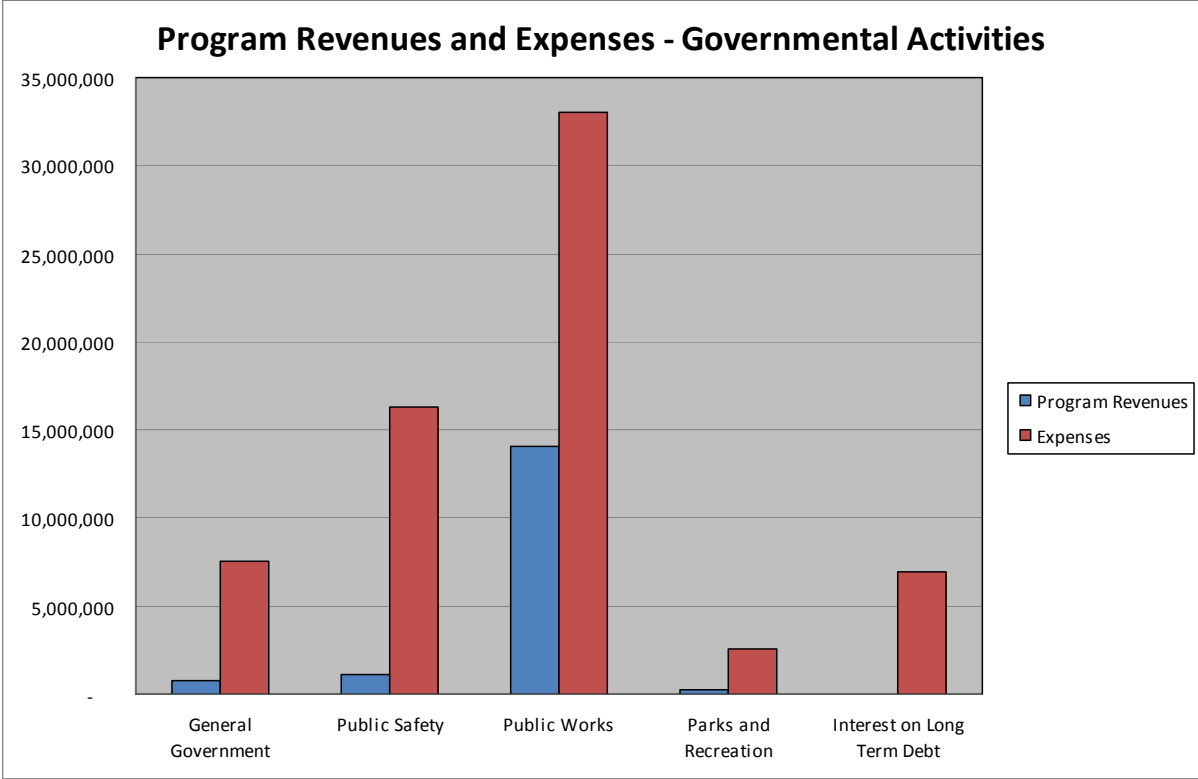
**CITY OF PERRIS**  
**Management's Discussion and Analysis**

**City of Perris, Change in Net Assets**  
**June 30, 2009**

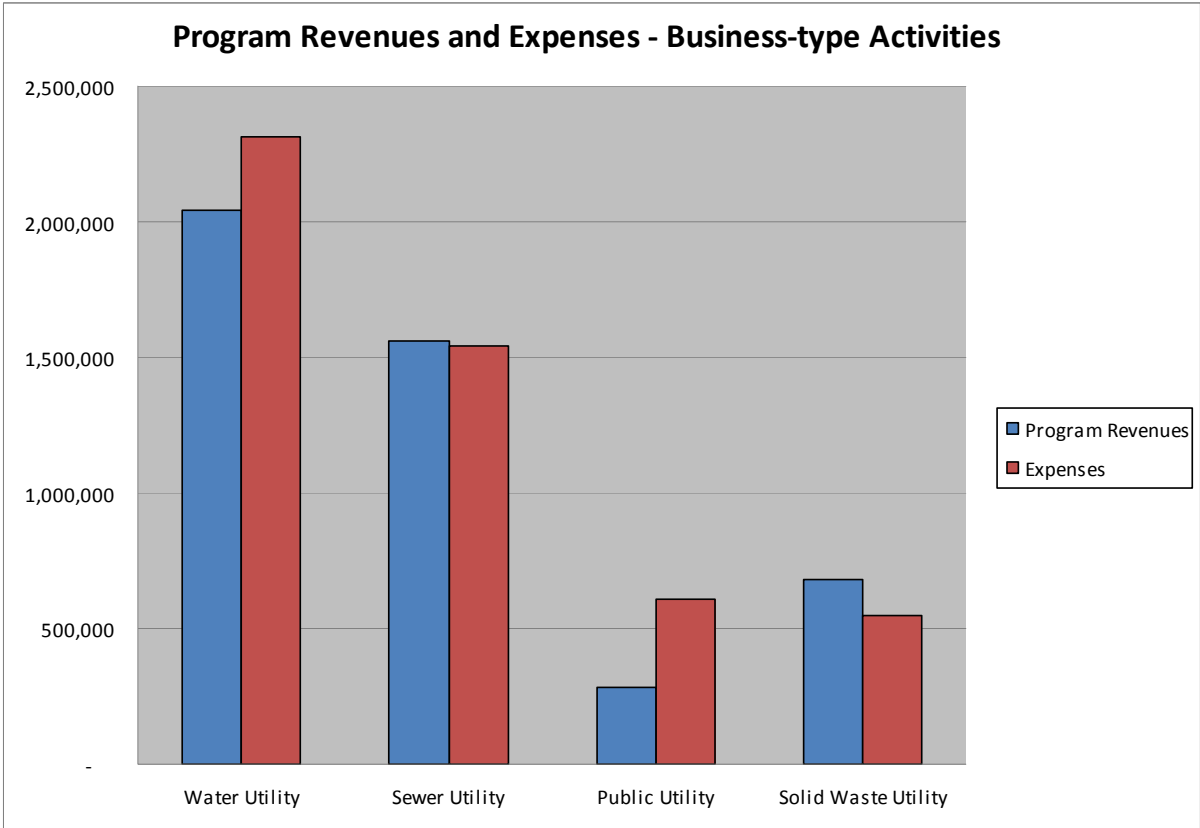
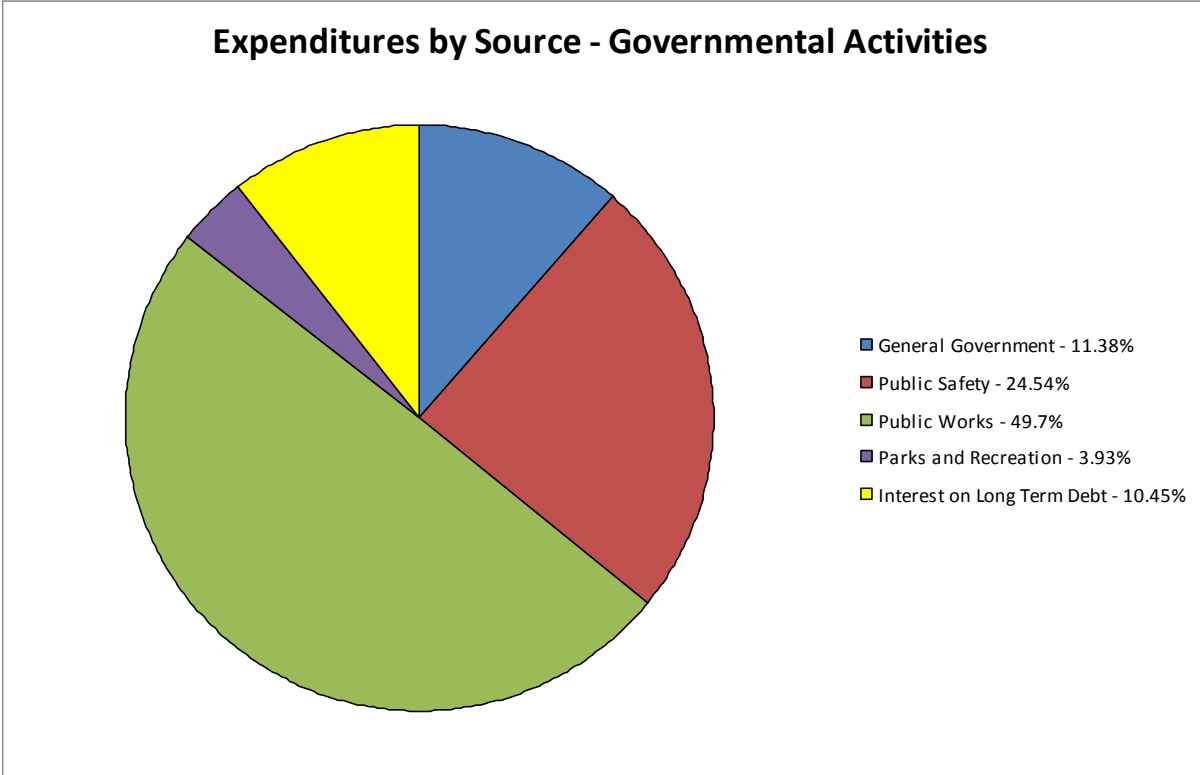
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 8,902	\$ 8,607	\$ 4,562	\$ 4,363	\$ 13,464	\$ 12,970
Operating grants and Contributions	3,804	3,170	-	-	3,804	3,170
Capital grants and Contributions	3,457	39,808	5	43	3,462	39,851
General revenues:						
Property taxes	19,532	19,058	-	-	19,532	19,058
Sales and Use taxes	4,933	4,920	-	-	4,933	4,920
Sales Tax in Lieu Tax	1,421	1,432	-	-	1,421	1,432
Motor Vehicle	183	225	-	-	183	225
Vehicle License in Lieu Tax	5,587	5,435	-	-	5,587	5,435
Franchise taxes	2,128	2,104	-	-	2,128	2,104
Transient occupancy taxes	74	48	-	-	74	48
Real property taxes	278	305	-	-	278	305
Fines, forfeitures and penalties	-	-	-	-	-	-
Investment income	6,742	10,146	63	96	6,805	10,242
Gain (loss) on Sale of Capital Assets	-	-	-	-	-	-
Miscellaneous	290	1,145	-	-	290	1,145
<b>Total revenues</b>	<b>57,331</b>	<b>96,403</b>	<b>4,630</b>	<b>4,502</b>	<b>61,961</b>	<b>100,905</b>
<b>Expenses:</b>						
General government	7,557	7,673	-	-	7,557	7,673
Public safety	16,292	16,351	-	-	16,292	16,351
Public works	32,996	19,592	-	-	32,996	19,592
Parks and recreation	2,607	2,405	-	-	2,607	2,405
Interest on long term debt	6,937	5,891	-	-	6,937	5,891
Water utility	-	-	2,314	2,050	2,314	2,050
Sewer utility	-	-	1,540	1,364	1,540	1,364
Public Utility	-	-	611	-	611	-
Solid waste utility	-	-	550	598	550	598
<b>Total Expenses</b>	<b>66,389</b>	<b>51,912</b>	<b>5,015</b>	<b>4,012</b>	<b>71,404</b>	<b>55,924</b>
Increase (decrease) in net assets before transfers	(9,058)	44,491	(385)	490	(9,443)	44,981
Transfers	(89)	-	89	-	-	-
Change in net assets	(9,147)	44,491	(296)	490	(9,443)	44,981
Net assets, July 1, 2008, as restated	218,166	175,038	9,486	8,973	227,652	184,011
Net assets, June 30, 2009	<b>\$ 209,019</b>	<b>\$ 219,529</b>	<b>\$ 9,190</b>	<b>\$ 9,463</b>	<b>\$ 218,209</b>	<b>\$ 228,992</b>



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



**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 \$197,241. The City's governmental funds report a surplus of \$54,529 *unreserved fund balance*. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for long term investments in bonds (\$60,204), 2) for specific projects and programs (\$1,612), 3) for notes and loans (\$1,013), 4) for advances (\$64,721), 5) prepaid items and deposits (\$411) and 6) for property held for resale (\$3,038).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$20,214, while the total fund balance reached \$24,270. As a measure of General Fund liquidity, it may be useful to compare the unreserved fund balance to total fund revenues. General fund balance represents 101% of total general fund revenues of \$24,008.

The fund balance of the City's General Fund decreased by \$638 during the current fiscal year. The decrease in the fiscal year can be attributed primarily due to the economic slowdown. Revenue from residential and commercial development for permits decreased by \$955 and planning fees decreased \$560. The unstable financial market also impacted revenues decreasing interest earnings by \$596 from the prior year.

The Redevelopment Agency Special Revenue Fund increased its fund balance by \$1,789 and the Redevelopment Capital Project Fund had a decrease of \$738. Tax increment received of \$2,820 was the primary reason for the increase in the fund balance for Redevelopment Agency Special Revenue Fund. The Redevelopment Agency Capital Project fund had expenditures on improvements and rehabilitation costs of \$1,851 which was funded by loans from the Public Financing Authority in the current year and in the prior year.

The Public Financing Authority had an increase in fund balance of \$14,462. The increase was related to the issuance of the 2009 Series A and B Tax Allocation Bonds of \$11,660 and investment income of \$4,314.

The Development Fees Special Revenue Fund had an increase of \$777 which is mostly related to investment income of \$758. Most of the development fees received during the year was used for various projects such as streets and public improvements.

***General Fund Budget.*** During the year, there was a \$1,581 decrease in the original and final expenditure budget. In response to declining revenues, the City Council of the City of Perris authorized a budget freeze of \$2,241 for all departments. During the year, additional appropriations were also authorized for public safety (\$650). The three most significant variances between the actual and final budget amounts are in the revenues for taxes (\$2,863), investment income (\$661) and contributions from property owners (1,532). Taxes and investment income actual amounts were less than the final budgeted amounts. Most of the variance with taxes is from sales and use taxes which had final budget of \$6,043 and actual amounts of \$4,934. The City had several developments that last few years and had expected that his figure would be higher. The investment income variance is a result of the less returns on investments due to the current state of the economy. The third most significant variance is contributions from property owners. Contributions from property owners vary year to year and are not normally budgeted. These revenues sources are mostly from community facilities and assessment districts to fund public improvements.

***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 \$45,083.

***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 assets of the enterprise funds totaled \$816 which represents a decrease of \$34 from the prior fiscal year.

**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business type activities amounts to \$163,080 (net of accumulated depreciation of \$144,575) as of June 30, 2009. 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 \$18,285 before depreciation.

**Capital Assets**  
**(Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 39,278	\$ 38,931	\$ 301	\$ -	\$ 39,579	\$ 38,931
Buildings	19,259	17,141			19,259	17,141
Building Improvements	5,391	5,123	-	-	5,391	5,123
Improvements other than Buildings	-	-	315	70	315	70
Machinery	1,367	1,367			1,367	1,367
Vehicles	1,719	1,639	290	290	2,009	1,929
Infrastructure	202,830	200,448	-	-	202,830	200,448
Major equipment	-	-	462	66	462	66
Boosters	-	-	36	36	36	36
Reservoirs	-	-	2,068	460	2,068	460
Mains	-	-	15,757	10,057	15,757	10,057
Services	-	-	2,403	1,067	2,403	1,067
Meters	-	-	1,406	1,201	1,406	1,201
Hydrants	-	-	1,263	594	1,263	594
Manholes	-	-	768	756	768	756
Wells	-	-	972	-	972	-
Construction in progress	11,770	10,124	-	-	11,770	10,124
<b>Total</b>	<b>281,614</b>	<b>274,773</b>	<b>26,041</b>	<b>14,597</b>	<b>307,655</b>	<b>289,370</b>
Less: Accumulated Depreciation	139,314	134,524	5,261	4,744	144,575	139,268
<b>Total net capital assets</b>	<b>\$ 142,300</b>	<b>\$ 140,249</b>	<b>\$ 20,780</b>	<b>\$ 9,853</b>	<b>\$ 163,080</b>	<b>\$ 150,102</b>

Additional information on the City's capital assets can be found in note 4 to the basic financial statements on page 39 of this report.



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

Major capital asset events during the current fiscal year included the following:

*Governmental activities:*

- Construction in progress additions, net of deletions was a \$1,645 for various construction and street improvements projects that were capitalized throughout the fiscal year. (Railway Depot Restoration \$2,119, Development Services Rehab \$175, G Street Sidewalks \$246, Indian Avenue \$1,102, Murrieta Road Improvements \$241, Traffic Signal – 4<sup>th</sup> & G Street \$241, Traffic Signal – Orange & Redlands \$295 and Traffic Signal Modification – Perris & 4<sup>th</sup> Street \$65.).
- Construction and facility improvement projects in progress as of the end of the fiscal year were \$11,770. Construction in progress is primarily from the Line Q – Storm Drain \$1,714, Orange/Perris Storm Drain \$338, D Street Renovation \$1,389, Rider Street \$2,924, TUMF – Ramona Expressway \$1,107, Downtown Improvements \$961, Ramona Expressway Interchange \$1,094 and Morgan Street Park Phase II \$275

**Debt Administration.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$131,180 which represents revenue and tax allocation bonds issued for redevelopment projects and bonds issued by the public financing authority to purchase CFD and assessment district bonds.

The City of Perris' total bonded debt increased by \$10,045 during the fiscal year. The key factors for this increase were the issuance of \$4,055 2009 Series A and \$7,605 2009 Series B Revenue Bonds to finance redevelopment activities.

Additional information on the City's outstanding debt can be found in note 5 to the basic financial statements on page 41 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 \$757 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 Assistant Finance Director, 101 North "D" Street, Perris, CA.

## **BASIC FINANCIAL STATEMENTS**



**City of Perris, California**  
**Statement of Net Assets**  
June 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 139,456,046	\$ 2,288,762	\$ 141,744,808
Restricted Cash and Investments	76,104,051		76,104,051
Receivables:			
Accounts	434,034	1,445,041	1,879,075
Interest	352,553	5,868	358,421
Taxes	1,875,132		1,875,132
Loans	1,012,667		1,012,667
Other	168,131		168,131
Internal Balances	3,654,318	(3,654,318)	0
Prepays	60,043		60,043
Due from Other Governments	2,352,712		2,352,712
Deposits	350,732	424	351,156
Land Held for Resale	3,038,420		3,038,420
Unamortized Bond Issuance Costs	8,330,536		8,330,536
Land and Construction in Progress, Not Being Depreciated	51,048,623	300,564	51,349,187
Capital Assets, Net of Depreciation	<u>91,251,876</u>	<u>20,479,105</u>	<u>111,730,981</u>
 Total Assets	 <u>379,489,874</u>	 <u>20,865,446</u>	 <u>400,355,320</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	7,025,122	983,466	8,008,588
Deposits and Other Liabilities	12,036,109	66,105	12,102,214
Due to Other Government Agencies	3,637,882		3,637,882
Unearned Revenue	9,155,114		9,155,114
Due to Developers	78,244		78,244
Net OPEB Obligation	936,813		936,813
Interest Payable on Long-term Liabilities	2,219,846		2,219,846
Long-term Liabilities:			
Due Within One Year	2,113,319	47,334	2,160,653
Due in More Than One Year	<u>133,268,012</u>	<u>10,578,646</u>	<u>143,846,658</u>
 Total Liabilities	 <u>170,470,461</u>	 <u>11,675,551</u>	 <u>182,146,012</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	142,300,499	8,373,873	150,674,372
Restricted for Low and Moderate Housing	7,526,112		7,526,112
Unrestricted	<u>59,192,802</u>	<u>816,022</u>	<u>60,008,824</u>
 Total Net Assets	 <u>\$ 209,019,413</u>	 <u>\$ 9,189,895</u>	 <u>\$ 218,209,308</u>

The accompanying notes are an integral part of this statement.

**City of Perris, California**  
**Statement of Activities**  
Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 7,557,396	\$ 764,694	\$	\$
Public Safety	16,292,332	755,482	346,784	21,766
Public Works	32,995,748	7,179,684	3,433,174	3,435,170
Parks and Recreation	2,606,567	202,147	23,960	
Interest on Long-term Debt	6,937,106			
<b>Total Governmental Activities</b>	<b>66,389,149</b>	<b>8,902,007</b>	<b>3,803,918</b>	<b>3,456,936</b>
<b>Business-type Activities:</b>				
Water Utility	2,314,492	2,038,781		5,350
Sewer Utility	1,539,856	1,558,476		
Public Utility	610,752	285,795		
Solid Waste Utility	550,161	679,104		
<b>Total Business-type Activities</b>	<b>5,015,261</b>	<b>4,562,156</b>	<b>0</b>	<b>5,350</b>
<b>Total Primary Government</b>	<b>\$ 71,404,410</b>	<b>\$ 13,464,163</b>	<b>\$ 3,803,918</b>	<b>\$ 3,462,286</b>

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 Income
- Miscellaneous
- Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year, As Previously Reported

Prior Period Adjustment

Net Assets - Beginning of Year, As Restated

Net Assets - End of Year

The accompanying notes are an integral part of this statement.



Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (6,792,702)	\$	\$ (6,792,702)
(15,168,300)		(15,168,300)
(18,947,720)		(18,947,720)
(2,380,460)		(2,380,460)
(6,937,106)		(6,937,106)
<u>(50,226,288)</u>	<u>0</u>	<u>(50,226,288)</u>
	(270,361)	(270,361)
	18,620	18,620
	(324,957)	(324,957)
	128,943	128,943
<u>0</u>	<u>(447,755)</u>	<u>(447,755)</u>
<u>(50,226,288)</u>	<u>(447,755)</u>	<u>(50,674,043)</u>
19,531,562		19,531,562
4,933,591		4,933,591
182,705		182,705
5,587,168		5,587,168
1,420,970		1,420,970
2,127,978		2,127,978
74,330		74,330
277,531		277,531
6,742,509	62,919	6,805,428
289,667		289,667
(88,466)	88,466	0
<u>41,079,545</u>	<u>151,385</u>	<u>41,230,930</u>
<u>(9,146,743)</u>	<u>(296,370)</u>	<u>(9,443,113)</u>
219,528,646	9,462,969	228,991,615
<u>(1,362,490)</u>	<u>23,296</u>	<u>(1,339,194)</u>
<u>218,166,156</u>	<u>9,486,265</u>	<u>227,652,421</u>
<u>\$ 209,019,413</u>	<u>\$ 9,189,895</u>	<u>\$ 218,209,308</u>

The accompanying notes are an integral part of this statement.

**City of Perris, California**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2009

	Special Revenue		
	General Fund	Development Fees	Redevelopment Agency
<b>ASSETS</b>			
Cash and Investments	\$ 27,249,816	\$ 26,651,175	\$ 12,925,770
Cash and Investments with Fiscal Agent			
Receivables:			
Accounts	209,382		7,500
Interest	72,980	73,526	29,504
Taxes	1,012,321		103
Loans			827,011
Other	138,029	12,215	
Prepays	60,043		
Due from Other Funds	1,884,322		18,900
Due from Other Governments	536,323		152,585
Advances to Other Funds	3,645,182		
Deposits with Other Agencies	350,732		
Land Held for Resale			882,432
Total Assets	\$ 35,159,130	\$ 26,736,916	\$ 14,843,805
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 4,641,408	\$ 179,983	\$ 134,296
Deposits and Other Liabilities	3,716,917		
Due to Other Governments			7,262
Due to Other Funds	1,241,250	138,372	7
Advances from Other Funds		781,370	7,029,221
Deferred Revenue	1,289,500		146,907
Due to Developers			
Total Liabilities	10,889,075	1,099,725	7,317,693
Fund Balances:			
Reserved	4,055,957		1,709,443
Unreserved, Reported In:			
General Fund, Designated for Specific Projects and Programs	8,200,000		
Capital Project Funds, Designated for Specific Projects			
General Fund, Undesignated	12,014,098		
Special Revenue Funds, Undesignated		25,637,191	5,816,669
Debt Service, Undesignated			
Capital Project Funds, Undesignated			
Total Fund Balances	24,270,055	25,637,191	7,526,112
Total Liabilities and Fund Balances	\$ 35,159,130	\$ 26,736,916	\$ 14,843,805

The accompanying notes are an integral part of this statement.

Debt Service		Capital Project		Other Governmental Funds	Total Governmental Funds
Public Financing Authority	Redevelopment Agency	Storm Drain Development	Redevelopment Agency		
\$ 72,025,028	\$ 21,203,856 3	\$ 10,342,014	\$ 23,389,026 6,605	\$ 17,694,389 4,072,415	\$ 139,456,046 76,104,051
144	43,818 54,211	27,057	58,168	217,152 47,356 808,497	434,034 352,553 1,875,132
		1,129	185,656	16,758	1,012,667 168,131
	6 602,527	151,602	785,981	1,249,387 1,061,277	60,043 4,090,198 2,352,712
58,296,211			2,779,151		64,720,544 350,732
			2,155,988		3,038,420
<u>\$ 130,321,383</u>	<u>\$ 21,904,421</u>	<u>\$ 10,521,802</u>	<u>\$ 29,360,575</u>	<u>\$ 25,167,231</u>	<u>\$ 294,015,263</u>
\$ 2,250	\$	\$ 701,106 8,318,192	\$ 102,793	\$ 1,263,286 1,000	\$ 7,025,122 12,036,109
105,187	3,630,620 828,735 24,655,452	2,504	35,982	404,306	3,637,882 2,756,343
	78,244	1,500,000	29,934,038	5,903,841	62,400,081 8,840,248
107,437	29,193,051	10,521,802	30,072,813	7,572,433	78,244 96,774,029
130,213,946			5,120,795	1,611,841	142,711,982
				4,067,342	8,200,000 4,067,342
				11,919,478	12,014,098 43,373,338
	(7,288,630)		(5,833,033)	(3,863)	(7,288,630) (5,836,896)
130,213,946	(7,288,630)	0	(712,238)	17,594,798	197,241,234
<u>\$ 130,321,383</u>	<u>\$ 21,904,421</u>	<u>\$ 10,521,802</u>	<u>\$ 29,360,575</u>	<u>\$ 25,167,231</u>	<u>\$ 294,015,263</u>

The accompanying notes are an integral part of this statement.



**City of Perris, California**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
June 30, 2009

Fund Balances of Governmental Funds	\$ 197,241,234
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Assets that are not due and payable in the current period are not reported in the funds.	
Unamortized Bond Issuance Costs.	8,330,536
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.	142,300,499
Liabilities that are not due and payable in the current period and are not reported in the funds.	
Net OPEB Obligation	(936,813)
Interest Payable on Long-term Liabilities	(2,219,846)
Long-term Liabilities	(135,381,331)
Premiums on Long-term Liabilities	<u>(314,866)</u>
Net Assets of Governmental Activities	<u>\$ 209,019,413</u>

The accompanying notes are an integral part of this statement.

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**City of Perris, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2009

	Special Revenue		
	General Fund	Development Fees	Redevelopment Agency
<b>REVENUES</b>			
Taxes	\$ 20,038,038	\$	\$ 2,819,560
Licenses, Permits and Fees	748,198		
Intergovernmental Revenues	203,546		
Charges for Services	479,806		
Fines, Forfeitures and Penalties	302,803		
Developer Fees		2,303,414	
Investment Income	438,540	757,966	204,103
Special Assessments			
Contributions from Property Owners	1,531,533		
Miscellaneous	266,065		69,311
Total Revenues	<u>24,008,529</u>	<u>3,061,380</u>	<u>3,092,974</u>
<b>EXPENDITURES</b>			
Current:			
General Government	6,157,975		
Public Safety	15,949,531		
Public Works	1,718,908		739,707
Parks and Recreation	2,173,935		
Capital Outlay	49,697	2,287,866	202,907
Debt Service:			
Pass-through Agreements			
Issuance Costs			
Principal Retirement			
Interest and Fiscal Charges			
Total Expenditures	<u>26,050,046</u>	<u>2,287,866</u>	<u>942,614</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,041,517)</u>	<u>773,514</u>	<u>2,150,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,342,349	3,800	140,000
Transfers Out	(804,388)		(501,436)
Issuance of Long-term Debt			
Sale of Property	6,200		
Total Other Financing Sources (Uses)	<u>544,161</u>	<u>3,800</u>	<u>(361,436)</u>
Net Change in Fund Balances	<u>(1,497,356)</u>	<u>777,314</u>	<u>1,788,924</u>
Fund Balances, Beginning - As Previously Reported	24,907,733	24,859,877	5,737,188
Prior Period Adjustments	859,678		
Fund Balances, Beginning - As Restated	<u>25,767,411</u>	<u>24,859,877</u>	<u>5,737,188</u>
Fund Balances, Ending	<u>\$ 24,270,055</u>	<u>\$ 25,637,191</u>	<u>\$ 7,526,112</u>

The accompanying notes are an integral part of this statement.



Debt Service		Capital Project		Other Governmental Funds	Total Governmental Funds
Public Financing Authority	Redevelopment Agency	Storm Drain Development	Redevelopment Agency		
\$	\$ 11,278,237	\$	\$	\$	\$ 34,135,835
					748,198
				4,581,493	4,785,039
					479,806
				316,347	619,150
					2,303,414
4,314,218	76,532		434,319	516,830	6,742,508
				3,382,406	3,382,406
				958,082	2,489,615
		1,283,976		8,103	1,627,455
4,314,218	11,354,769	1,283,976	434,319	9,763,261	57,313,426
24,600	124,557				6,307,132
				182,179	16,131,710
232,134			657,712	2,664,476	6,012,937
					2,173,935
		1,283,976	1,088,026	17,799,091	22,711,563
	6,841,425				6,841,425
678,701			104,779		783,480
1,615,000				188,293	1,803,293
6,673,775				8,944	6,682,719
9,224,210	6,965,982	1,283,976	1,850,517	20,842,983	69,448,194
(4,909,992)	4,388,787	0	(1,416,198)	(11,079,722)	(12,134,768)
2,838,269	435,675		894,936	744,244	6,399,273
(36,629)	(3,800,655)		(216,982)	(1,127,649)	(6,487,739)
11,660,000	363,952				12,023,952
					6,200
14,461,640	(3,001,028)	0	677,954	(383,405)	11,941,686
9,551,648	1,387,759	0	(738,244)	(11,463,127)	(193,082)
120,662,298	(8,158,843)	599,488	26,006	30,163,059	198,796,806
	(517,546)	(599,488)		(1,105,134)	(1,362,490)
120,662,298	(8,676,389)	0	26,006	29,057,925	197,434,316
\$ 130,213,946	\$ (7,288,630)	\$ 0	\$ (712,238)	\$ 17,594,798	\$ 197,241,234

The accompanying notes are an integral part of this statement.

**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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (193,082)

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	6,841,446
Depreciation	(4,789,773)

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 Assets.

Long-term Debt Principal Payments	2,002,367
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Governmental funds report proceeds of long-term debt as revenue, but proceeds are included as an increase in long-term liabilities in the Statement of Net Assets.

Issuance of Long-term Debt	(12,023,952)
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Governmental funds report bond issuance costs as an expense in the full amount as current financial resources are used. However, in the Statement of Activities the cost is amortized over the life of the debt.

Unamortized Bond Issuance Costs	783,480
Amortization of Bond Issuance Costs	(313,401)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Net OPEB Obligation	(936,813)
Compensated Absences	(273,873)
Interest and Fiscal Charges	(254,387)

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

11,245

Change in Net Assets of Governmental Activities \$ (9,146,743)

**City of Perris, California**  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2009

	Business-type Activities			Totals
	Enterprise Funds			
	Sewer Utility	Public Utility Authority	Other Enterprise Funds	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 1,121,818	\$ 26,947	\$ 1,139,997	\$ 2,288,762
Receivables:				
Accounts	286,664	173,024	985,353	1,445,041
Interest	3,021	16	2,831	5,868
Deposits	300		124	424
Due from Other Funds			88,466	88,466
<b>Total Current Assets</b>	<b>1,411,803</b>	<b>199,987</b>	<b>2,216,771</b>	<b>3,828,561</b>
Noncurrent Assets:				
Land, Not Being Depreciated		300,564		300,564
Capital Assets, Net of Depreciation	5,550,269	10,899,244	4,029,592	20,479,105
<b>Total Noncurrent Assets</b>	<b>5,550,269</b>	<b>11,199,808</b>	<b>4,029,592</b>	<b>20,779,669</b>
<b>Total Assets</b>	<b>6,962,072</b>	<b>11,399,795</b>	<b>6,246,363</b>	<b>24,608,230</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	87,623	184,381	711,462	983,466
Due to Other Funds		167,295	1,255,026	1,422,321
Advances from Other Funds		1,997,781	322,682	2,320,463
Deposits		15,255	50,850	66,105
Notes Payable - Current Portion	35,336			35,336
Compensated Absences - Current Portion	4,132		7,866	11,998
<b>Total Current Liabilities</b>	<b>127,091</b>	<b>2,364,712</b>	<b>2,347,886</b>	<b>4,839,689</b>
Noncurrent Liabilities:				
Notes Payable	1,170,652	9,360,000		10,530,652
Compensated Absences Payable	16,530		31,464	47,994
<b>Total Noncurrent Liabilities</b>	<b>1,187,182</b>	<b>9,360,000</b>	<b>31,464</b>	<b>10,578,646</b>
<b>Total Liabilities</b>	<b>1,314,273</b>	<b>11,724,712</b>	<b>2,379,350</b>	<b>15,418,335</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	4,344,281		4,029,592	8,373,873
Unrestricted	1,303,518	(324,917)	(162,579)	816,022
<b>Total Net Assets</b>	<b>\$ 5,647,799</b>	<b>\$ (324,917)</b>	<b>\$ 3,867,013</b>	<b>\$ 9,189,895</b>

The accompanying notes are an integral part of this statement.



**City of Perris, California**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
Year Ended June 30, 2009

	<b>Business-type Activities</b>			<b>Totals</b>
	<b>Enterprise Funds</b>			
	<b>Sewer Utility</b>	<b>Public Utility Authority</b>	<b>Other Enterprise Funds</b>	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,420,601	\$ 283,437	\$ 2,666,100	\$ 4,370,138
Miscellaneous	72,745	2,358	51,785	126,888
Total Operating Revenues	<u>1,493,346</u>	<u>285,795</u>	<u>2,717,885</u>	<u>4,497,026</u>
<b>OPERATING EXPENSES</b>				
Maintenance and Operations	263,827	10,573	457,729	732,129
Contractual Services	1,008,605	225,945	2,034,825	3,269,375
Materials and Supplies	6,610		14,156	20,766
Repairs and Maintenance	4,188	13,787	135,764	153,739
Administrative and General	32,909	200,255	46,474	279,638
Depreciation	181,304	160,192	175,705	517,201
Total Operating Expenses	<u>1,497,443</u>	<u>610,752</u>	<u>2,864,653</u>	<u>4,972,848</u>
	<u>(4,097)</u>	<u>(324,957)</u>	<u>(146,768)</u>	<u>(475,822)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	31,356	40	31,523	62,919
Interest Expense	(42,413)			(42,413)
Total Nonoperating Revenues (Expenses)	<u>(11,057)</u>	<u>40</u>	<u>31,523</u>	<u>20,506</u>
Change in Net Assets	<u>(15,154)</u>	<u>(324,917)</u>	<u>(115,245)</u>	<u>(455,316)</u>
Capital Contributions	65,130		5,350	70,480
Transfers In			88,466	88,466
Change in Net Assets	<u>49,976</u>	<u>(324,917)</u>	<u>(21,429)</u>	<u>(296,370)</u>
Total Net Assets, Beginning	5,604,422	0	3,858,547	9,462,969
Prior Period Adjustment	<u>(6,599)</u>		<u>29,895</u>	<u>23,296</u>
Total Net Assets, Beginning, Restated	<u>5,597,823</u>	<u>0</u>	<u>3,888,442</u>	<u>9,486,265</u>
Total Net Assets, Ending	<u>\$ 5,647,799</u>	<u>\$ (324,917)</u>	<u>\$ 3,867,013</u>	<u>\$ 9,189,895</u>

The accompanying notes are an integral part of this statement.

**City of Perris, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2009

	Business-type Activities Enterprise Funds			Totals
	Sewer Utility	Public Utility Authority	Other Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,459,389	\$ 128,026	\$ 2,782,333	\$ 4,369,748
Cash Payments for Employee Services	(258,944)	(7,639)	(200,300)	(466,883)
Cash Payments to Suppliers for Goods and Services	<u>(1,132,286)</u>	<u>(258,540)</u>	<u>(2,635,194)</u>	<u>(4,026,020)</u>
Net Cash Provided (Used) by Operating Activities	<u>68,159</u>	<u>(138,153)</u>	<u>(53,161)</u>	<u>(123,155)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances from Other Funds	<u>4,008</u>	<u>167,295</u>	<u>141,706</u>	<u>313,009</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>4,008</u>	<u>167,295</u>	<u>141,706</u>	<u>313,009</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets		(2,000,000)	(12,970)	(2,012,970)
Advances from Other Funds		1,997,781		1,997,781
Principal Payments on Capital Debt	(34,167)			(34,167)
Interest Payments on Capital Debt	<u>(42,413)</u>			<u>(42,413)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(76,580)</u>	<u>(2,219)</u>	<u>(12,970)</u>	<u>(91,769)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	<u>34,434</u>	<u>24</u>	<u>35,184</u>	<u>69,642</u>
Net Cash Provided (Used) from Investing Activities	<u>34,434</u>	<u>24</u>	<u>35,184</u>	<u>69,642</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	30,021	26,947	110,759	167,727
Cash and Cash Equivalents - Beginning of the Year	<u>1,091,797</u>	<u>0</u>	<u>1,029,238</u>	<u>2,121,035</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 1,121,818</u>	<u>\$ 26,947</u>	<u>\$ 1,139,997</u>	<u>\$ 2,288,762</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income	\$ (4,097)	\$ (324,957)	\$ (146,768)	\$ (475,822)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	181,304	160,192	175,705	517,201
Changes in Assets and Liabilities:				
Accounts and Other Receivables (Increase) Decrease	(40,277)	(173,024)	62,972	(150,329)
Deposits (Increase) Decrease	(300)	15,255	(124)	14,831
Accounts Payable and Accrued Liabilities Increase (Decrease)	(73,335)	184,381	(180,399)	(69,353)
Deposits Payable Increase (Decrease)			31,351	31,351
Compensated Absences Increase (Decrease)	<u>4,864</u>		<u>4,102</u>	<u>8,966</u>
<b>TOTAL CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 68,159</u>	<u>\$ (138,153)</u>	<u>\$ (53,161)</u>	<u>\$ (123,155)</u>
<b>Noncash Capital Activities:</b>				
Contributions of Capital Assets	\$ 65,130		\$ 5,350	\$ 70,480
Notes Payable for Capital Assets		\$ 9,360,000		\$ 9,360,000

The accompanying notes are an integral part of this statement.

**City of Perris, California**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
June 30, 2009

**ASSETS**

Cash and Investments	\$ 2,450,684
Cash and Investments with Fiscal Agent	23,579,914
Receivables:	
Assessments	1,326,412
Interest	12,665
Other	6,631
Deposits	93,169
 Total Assets	 \$ 27,469,475

**LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 242,254
Deposits	1,094,536
Due to Bondholders	26,132,685
 Total Liabilities	 \$ 27,469,475

The accompanying notes are an integral part of this statement.



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**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 Redevelopment Agency, the Perris Public Utility Authority and the Perris Public Financing Authority. 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 are no discretely presented component units in these financial statements. Each blended 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 Redevelopment Agency**

The Perris Redevelopment Agency (the "Agency") was established pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law." Its purpose is to prepare and carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Perris. The City provides management assistance to the Agency, and the members of the City Council also act as the governing body of the Agency. The Agency's activities are blended with those of the City in these financial statements and are reported as a special revenue fund, a debt service fund, and a capital project fund.

**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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

**A) Reporting Entity- Continued**

**The Perris Public Utility Authority - Continued**

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.

**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.

A component unit financial statement for each component unit previously described may be obtained at 101 North D Street, Perris, California 92570.

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

Governmental Accounting Standards Board Statement No. 45

In August of 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement is effective for periods beginning after December 15, 2006. The Statement generally requires that state and local governmental employers account for and report the annual cost of other nonpension benefits (OPEB) and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. The Statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. The required disclosures are included in Note 13 to the financial statements.

Governmental Accounting Standards Board Statement No. 49

In November of 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement is effective for periods beginning after December 15, 2007. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. For recognized pollution remediation liabilities and recoveries, this Statement requires governments to disclose the nature and source of pollution remediation obligations,

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**2) 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. 49 - Continued

the amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, the potential for changes in estimates, and estimated recoveries that reduce the measurement of the liability. Currently, this GASB statement has no effect on the City.

**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 Assets 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.

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 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.



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are 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.

The *Development Fees Special Revenue Fund* is used to account for funds received to mitigate the impact of new development on the City's infrastructure.

The *Redevelopment Agency Special Revenue Fund* is used to account for low and moderate income housing activities within the Redevelopment Agency's Project Areas.

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 *Redevelopment Agency Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs within the Redevelopment Agency's project areas.

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

The *Redevelopment Agency Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of redevelopment projects and administrative expenses within the Redevelopment Agency's project areas.

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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

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

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 *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 well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

**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.

**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 income" 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 income" account on the Statement of Activities and the Statement of Revenues, Expenses and Changes in Net Assets 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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

**G) Capital Assets - Continued**

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. 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, 2009, proceeds of taxes did not exceed appropriations.

**I) 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.

**J) 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.



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

**K) Contributed Capital**

Contributed capital represents cash or utility plant additions contributed to the City by property owners or developers desiring services that require capital expenditures or capacity commitment from the date the City was formed until June 30, 2000. Effective July 1, 2000, in accordance with GASB Statement 33 all such capital contributions are reflected as revenues rather than additions to contributed capital. Depreciation of contributed utility plant additions is charged to operations.

**L) 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.

**M) 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.

**N) Prior Period Adjustments**

- 1) Included in the Governmental Fund's Statements and Statement of Activities are prior period adjustments for the following:
  - a) \$864,178 was related to County revenues that was due to the City from prior years and \$(4,500) for an engineering deposit in the General Fund.
  - b) \$(517,546) was related to pass-through payables due from prior years in the Redevelopment Agency Debt Service Fund.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

**N) Prior Period Adjustments - Continued**

- c) \$(599,488), included in the Storm Drain Development Capital Project Fund, is for deposits recorded as revenues in the prior years.
- d) Other Governmental Funds had prior period adjustments of \$(872,661) related to revenues that should have been applied to receivables in the prior year, \$(109,625) for unearned revenues from the prior year, \$(140,325) related to expenses and deposits, and the remaining \$17,477 is for prior year revenues.

2) The Proprietary Fund Statements and the Statement of Activities include miscellaneous adjustments of \$23,296.

**2) CASH AND INVESTMENTS**

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

Statement of Net Assets:	
Cash and Investments	\$ 141,744,808
Restricted Cash and Investments	76,104,051
Statement of Fiduciary Assets and Liabilities:	
Cash and Investments	2,450,684
Cash and Investments with Fiscal Agent	<u>23,579,914</u>
Total Cash and Investments	<u>\$ 243,879,457</u>

Cash and investments consist of the following:

Petty Cash	\$ 1,910
Deposits with Financial Institutions	48,290,353
Investments	<u>195,587,194</u>
Total Cash and Investments	<u>\$ 243,879,457</u>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**2) CASH AND INVESTMENTS - Continued**

**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 <sup>(1)</sup>	Maximum Percentage Of Portfolio <sup>(2)</sup>	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	80%	None
U.S. Agency Securities	5 years	80%	None
Banker's Acceptances	180 days	15%	5%
Commercial Paper	270 days	15% of market value	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium - Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	80%	None
JPA Pools (Other Investment Pools)	N/A	None	None

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

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

**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. 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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**2) CASH AND INVESTMENTS - Continued**

**Disclosures Relating to Interest Rate Risk - Continued**

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>
Federal Agency Securities	\$ 26,019,814	\$ 12,171,060	\$ 9,134,935	\$ 4,713,819
U.S. Treasury Bills	11,308,117	8,091,377	3,216,740	
Money Market Fund	12,950,789	12,950,789		
State Investment Pool - LAIF	45,624,509	45,624,509		
Held By Bond Trustee:				
Guaranteed Investment Contract	1,192,251			1,192,251
Money Market Fund	38,287,443	38,287,443		
Local Obligation Bonds	<u>60,204,271</u>	<u>662,495</u>	<u>752,495</u>	<u>976,454</u>
		<u>57,812,827</u>		
Total	<u>\$ 195,587,194</u>	<u>\$117,787,673</u>	<u>\$ 13,104,170</u>	<u>\$ 5,690,273</u>
			<u>\$ 59,005,078</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.

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

		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Federal Agency Securities	\$ 26,019,814	N/A	\$	\$ 26,019,814	\$	\$
U.S. Treasury Bills	11,308,117	N/A	11,308,117			
Money Market Fund	12,950,789	N/A		12,950,789		
State Investment Pool - LAIF	45,624,509	N/A				45,624,509
Held By Bond Trustee:						
Guaranteed Investment Contract	1,192,251	N/A				1,192,251
Money Market Fund	38,287,443	N/A		38,287,443		
Local Obligation Bonds	<u>60,204,271</u>	N/A				<u>60,204,271</u>
Total	<u>\$ 195,587,194</u>		<u>\$ 11,308,117</u>	<u>\$ 77,258,046</u>	<u>\$ 0</u>	<u>\$ 107,021,031</u>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**2) CASH AND INVESTMENTS - Continued**

**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 Authority's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Citizens Business Bank	Money Market Fund	\$ 12,919,469
Wells Fargo Stage Coach	Money Market Fund	\$ 38,287,443
Community Facilities and Assessment Districts	Local Obligations Bonds	\$ 60,204,271

**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, 2009, \$47,710,373 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 \$40,000,000 in the fund for the City, \$40,000,000 for the Redevelopment Agency and \$40,000,000 for the Public Financing Authority (\$50,000,000 effective November 16, 2009). 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, 2009 was 1.51%. The carrying value and estimated market value of the LAIF Pool at June 30, 2009 was \$50,784,427,116 and \$50,853,707,566, respectively. The City's share of the Pool at June 30, 2009 was approximately 0.0891 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 structured notes and asset-backed securities totaling \$5,169,332,000 and \$2,296,565,000. LAIF's and the City's exposure to risk (credit, market or legal) is not currently available.



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**2) CASH AND INVESTMENTS - Continued**

**Local Agency Investment Fund (LAIF) - Continued**

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.

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 93-2 Special Tax Bonds, 1995 Series A	\$ 4,650,804
CFD 2001-1 Improvement Refunding Bonds, 2003 Series A	10,919,564
CFD 2004-3 Improvement Refunding Bonds, 2005 Series A	7,871,218
CFDs 88-1, 88-3 and 90-1 Special Tax Bonds, 2007 Series A and B	13,015,000
CFD 2006-1 Special Tax Bonds, 2007 Series C	2,348,011
CFD 2001-1 Special Tax Bonds, 2007 Series D	12,793,072
CFD 2005-4 Special Tax Bonds, 2008 Series A	4,855,830
CFD 2005-1 Special Tax Bonds, 2008 Series B	3,750,772
	\$ 60,204,271

**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 Redevelopment Agency has made long-term rehabilitation and acquisition loans to owner-occupants of substandard homes who would otherwise be unable to obtain sufficient public or private financing to rehabilitate or acquire their homes. The loans are payable upon the sale or change in ownership of the property. Included in a portion of these loans are provisions for forgiving the balances if certain criteria is met. Fund balance has been reserved for these long-term loans receivable in the *Governmental Fund Financial Statements*. This receivable balance is not expected to be collected within one year.

\$ 827,011

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**3) LOANS RECEIVABLE - Continued**

The Perris Redevelopment Agency has loaned money to commercial and industrial businesses for improvements and economic development. Fund balance has been reserved for these long-term loans receivable in the *Governmental Fund Financial Statements*. This receivable balance is not expected to be collected within one year.

	<u>185,656</u>
Total Loans Receivable	<u>\$ 1,012,667</u>

**4) CAPITAL ASSETS**

Capital asset activity for the year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 38,931,256	\$ 347,241	\$	\$ 39,278,497
Construction in Progress	<u>10,124,670</u>	<u>6,129,343</u>	<u>4,483,887</u>	<u>11,770,126</u>
Total Capital Assets Not Depreciated	<u>49,055,926</u>	<u>6,476,584</u>	<u>4,483,887</u>	<u>51,048,623</u>
Capital Assets Being Depreciated:				
Buildings	17,140,516	2,118,951		19,259,467
Building Improvements	5,122,906	267,777		5,390,683
Machinery	1,366,811			1,366,811
Vehicles	1,639,053	79,484		1,718,537
Infrastructure	<u>200,447,694</u>	<u>2,382,537</u>		<u>202,830,231</u>
Total Capital Assets Being Depreciated	<u>225,716,980</u>	<u>4,848,749</u>	<u>0</u>	<u>230,565,729</u>
Less Accumulated Depreciation:				
Buildings	2,455,587	437,503		2,893,090
Building Improvements	1,461,848	257,019		1,718,867
Machinery	770,389	75,758		846,147
Vehicles	715,219	161,078		876,297
Infrastructure	<u>129,121,037</u>	<u>3,858,415</u>		<u>132,979,452</u>
Total Accumulated Depreciation	<u>134,524,080</u>	<u>4,789,773</u>	<u>0</u>	<u>139,313,853</u>
Total Capital Assets Being Depreciated, Net	<u>91,192,900</u>	<u>58,976</u>	<u>0</u>	<u>91,251,876</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 140,248,826</u>	<u>\$ 6,535,560</u>	<u>\$ 4,483,887</u>	<u>\$ 142,300,499</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 236,648
Public Safety	160,622
Public Works	3,959,871
Parks and Recreation	<u>432,632</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,789,773</u>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**4) CAPITAL ASSETS - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 0	\$ 300,564	\$ 0	\$ 300,564
Total Capital Assets Not Depreciated	0	300,564	0	300,564
Capital Assets Being Depreciated:				
Major Equipment	65,745	396,481		462,226
Structures and Improvements	70,356	244,830		315,186
Boosters	35,845			35,845
Reservoirs	460,200	1,608,367		2,068,567
Mains	10,056,967	5,699,885		15,756,852
Services	1,067,355	1,335,421		2,402,776
Meters	1,201,290	204,327		1,405,617
Hydrants	593,659	669,855		1,263,514
Manholes	755,768	12,000		767,768
Wells		971,722		971,722
Vehicles	290,155			290,155
Total Capital Assets Being Depreciated	14,597,340	11,142,888	0	25,740,228
Less Accumulated Depreciation:				
Major Equipment	12,591	16,609		29,200
Structures and Improvements	39,209	4,496		43,705
Boosters	33,279	346		33,625
Reservoirs	253,877	27,075		280,952
Mains	3,023,171	304,672		3,327,843
Services	464,844	50,629		515,473
Meters	232,781	37,727		270,508
Hydrants	302,634	24,397		327,031
Manholes	172,339	14,744		187,083
Wells		13,883		13,883
Vehicles	209,197	22,623		231,820
Total Accumulated Depreciation	4,743,922	517,201	0	5,261,123
Total Capital Assets Being Depreciated, Net	9,853,418	10,625,687	0	20,479,105
Business-type Activities Capital Assets, Net of Depreciation	\$ 9,853,418	\$ 10,926,251	\$ 0	\$ 20,779,669

Depreciation was charged to functions/programs as follows:

Business-type Activities:	
Water Utility	\$ 175,705
Sewer Utility	181,304
Public Utility Authority	160,192
Total Depreciation Expense - Business-type Activities	\$ 517,201

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**5) LONG-TERM LIABILITIES**

**Governmental Activities:**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 121,135,000	\$ 11,660,000	\$ 1,615,000	\$ 131,180,000	\$ 1,950,000
Due to Other Governments	3,307,827	363,952	190,297	3,481,482	1,999
Compensated Absences (Note 6)	514,544	244,963	102,909	656,598	131,320
Claims Payable (Note 15)	<u>128,502</u>	<u>28,910</u>	<u>94,161</u>	<u>63,251</u>	<u>30,000</u>
<b>Total</b>	<u>\$ 125,085,873</u>	<u>\$ 12,297,825</u>	<u>\$ 2,002,367</u>	<u>\$ 135,381,331</u>	<u>\$ 2,113,319</u>

**Business-type Activities:**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Notes Payable	\$ 1,240,155	\$ 9,360,000	\$ 34,167	\$ 10,565,988	\$ 35,336
Compensated Absences (Note 6)	<u>51,026</u>	<u>19,171</u>	<u>10,205</u>	<u>59,992</u>	<u>11,988</u>
<b>Total</b>	<u>\$ 1,291,181</u>	<u>\$ 9,379,171</u>	<u>\$ 44,372</u>	<u>\$ 10,625,980</u>	<u>\$ 47,324</u>

**Notes Payable**

*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 1<sup>st</sup> and February 1<sup>st</sup> 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 agreements 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.

1,205,988

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2010	\$ 35,336	\$ 41,245
2011	36,544	40,036
2012	37,794	38,786
2013	39,087	37,494
2014	40,423	36,157
2015-2019	223,824	159,079
2020-2024	264,807	118,096
2025-2029	313,294	69,609
2030-2032	<u>214,879</u>	<u>14,862</u>
<b>Total</b>	<u>\$ 1,205,988</u>	<u>\$ 555,364</u>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**5) LONG-TERM LIABILITIES - Continued**

**Notes Payable - Continued**

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, 2009, 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

Total Notes Payable \$ 10,565,988

**Revenue Bonds**

On March 23, 1995, the Public Financing Authority issued \$6,795,000 1995 Revenue Bonds, Series D, to acquire CFD 93-2 Special Tax Bonds, 1995 Series A. The Authority purchased the Special Tax 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 6.00% to 7.20% per annum. Principal on serial bonds is payable in annual installments ranging from \$70,000 to \$120,000 commencing September 1, 1997, through September 1, 2005. Term bonds of \$5,875,000 mature September 1, 2025. At June 30, 2009, the Authority has a cash reserve balance for debt service of \$565,964 which is not sufficient to cover the Bond Indenture Reserve Requirement. \$ 5,165,000

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, 2009, the Authority has a cash reserve balance for debt service of \$738,494 which is sufficient to cover the Bond Indenture Reserve Requirement. 9,270,000

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, 2009, the Authority has a cash reserve balance for debt service of \$113,328 which is sufficient to cover the Bonds Indenture Reserve Requirement. 1,280,000

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. 5,565,000

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**5) LONG-TERM LIABILITIES - Continued**

**Revenue Bonds - Continued**

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. \$ 3,085,000

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, 2009, the Authority has a cash reserve balance for debt service of \$226,781 which is sufficient to cover the Bond Indenture Reserve Requirement. 2,875,000

On September 30, 2003 the Public Financing Authority issued \$12,380,000 2003 Revenue Bonds Series A to acquire CFD 2001-1 (May Ranch) Improvement Area 1, Improvement Area 2, and Improvement Area 3 Bonds. The Authority purchased the CFD Bonds as an investment to provide funding to the Districts. Interest on the Authority Bonds is payable September 1 and March 1 of each year. Interest on the Bonds accrue at rates varying from 3.00% to 6.25% per annum. Principal on the Bonds is payable in annual installments ranging from \$30,000 to \$1,050,000 commencing September 1, 2006 through September 1, 2003. At June 30, 2009, the Authority has a cash reserve balance for debt service of \$1,119,091 which is sufficient to cover the Bond Indenture Reserve Requirement. 12,245,000

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, 2009 the Authority has a cash reserve balance for debt service of \$859,634 which is sufficient to cover the Bond Indenture Reserve Requirement. 8,930,000

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, 2009, the Authority has a cash reserve balance for debt service of \$2,606,927 which is sufficient to cover the Bond Indenture Reserve Requirement. 30,570,000

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, 2009, the Authority has a cash reserve balance for debt service of \$594,765 which is sufficient to cover the Bond Indenture Reserve Requirement. 11,335,000



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**5) LONG-TERM LIABILITIES - Continued**

**Revenue Bonds - Continued**

On August 7, 2007, the Public Financing Authority issued \$1,865,000 2007 Revenue Refunding Bonds, Series B, 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 \$60,000 to \$180,000 commencing September 1, 2008 through September 1, 2024. At June 30, 2009, the Authority has a cash reserve balance for debt service of \$186,500 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ 1,780,000

On December 6, 2007, the Public Financing Authority issued \$2,775,000 2007 Revenue Bonds, Series C, to acquire CFD 2006-1 (Meritage Homes) 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 \$5,000 to \$240,000 commencing September 1, 2011 through September 1, 2038. At June 30, 2009, the Authority has a cash reserve balance for debt service of \$256,036 which is sufficient to cover the Bond Indenture Reserve Requirement. 2,775,000

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, 2009, the Authority has a cash reserve balance for debt service of \$1,381,895 which is sufficient to cover the Bond Indenture Reserve Requirement. 14,630,000

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, 2009, the Authority has a cash reserve balance for debt service of \$538,064 which is sufficient to cover the Bond Indenture Reserve Requirement. 5,640,000

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, 2009, the Authority has a cash reserve balance for debt service of \$410,523 which is sufficient to cover the Bond Indenture Reserve Requirement. 4,375,000

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**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, 2009 the Authority has a cash reserve balance for debt service of \$405,832 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ 4,055,000

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, 2009 the Authority has a cash reserve balance for debt service of \$741,735 which is sufficient to cover the Bond Indenture Reserve Requirement 7,605,000

Total Revenue Bonds \$131,180,000

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

Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,950,000	\$ 7,482,207	\$ 9,432,207
2011	2,200,000	7,352,839	9,552,839
2012	2,370,000	7,249,277	9,619,277
2013	2,560,000	7,134,460	9,694,460
2014	2,795,000	7,002,066	9,797,066
2015-2019	17,680,000	32,522,361	50,202,361
2020-2024	22,060,000	26,994,951	49,054,951
2025-2029	25,740,000	19,969,913	45,709,913
2030-2034	32,085,000	11,598,074	43,683,074
2035-2039	20,430,000	3,626,340	24,056,340
2040	1,310,000	46,669	1,356,669
Total	\$ 131,180,000	\$ 130,979,157	\$ 262,159,157

**Due to Other Governments**

The Redevelopment Agency has entered into pass-through agreements with several other units of local government in order to lessen the fiscal impact of tax increment financing of Redevelopment Agency 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 current portion due is \$1,999 based on the most recent activity. 3,481,482

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**5) LONG-TERM LIABILITIES - Continued**

**Revenues Pledged**

- A) The Redevelopment Agency and the Public Financing Authority have pledged a portion of future tax increment revenues and a portion of investment earnings to repay the City’s revenue bonds and pass-throughs due to other governments. The City’s revenue bonds and pass-throughs due to other governments are payable solely from the tax increment and a portion of investment earnings. Total principal and interest remaining on the revenue bonds and pass-through amounts are \$265,940,639, payable through fiscal year 2040 for the revenue bonds and the pass-through amounts, currently, have no debt service schedule available. For the current year, principal and interest paid by tax increment revenues and investment earnings were \$1,617,004 and \$6,652,498, respectively.
- B) 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 \$1,761,352 payable through fiscal year 2032. For the current year, principal and interest paid by the sewer operating revenues were \$34,167 and \$42,413, respectively.

**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 \$656,598 and \$59,992, respectively at June 30, 2009. 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 90-2	\$ 31,320,000	\$ 4,035,000
CFD 91-1	8,010,000	5,005,000
CFD 93-2	6,200,000	4,835,000
CFD 93-1 2002 Refunding Bond	8,020,000	6,765,000

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**7) ASSESSMENT DISTRICT AND COMMUNITY FACILITIES DISTRICT BONDS - Continued**

<u>District Bonds</u>	<u>Amount of Issue</u>	<u>Outstanding at End of Year</u>
CFD 2001-2 2002 Series A Bonds	16,890,000	16,510,000
CFD 2002-1 2003 Series A Bonds	5,860,000	5,840,000
CFD 2004-2 2004 Series B Bonds	4,890,000	4,875,000
CFD 2004-1 2004 Series A Bonds	2,375,000	2,365,000
CFD 2001-1 2003 Series A Bonds	1,500,000	1,485,000
CFD 2001-1 2003 Series B Bonds	4,345,000	4,300,000
CFD 2001-1 2003 Series C Bonds	6,535,000	6,460,000
CFD 2003-1 2003 Series A Bonds	3,060,000	3,045,000
CFD 2004-3 2005 Series A Bonds	8,955,000	8,930,000
CFD 2004-3 2005 Series A Bonds	8,430,000	8,370,000
CFD 2004-5 2004 Series A Bonds	1,810,000	1,810,000
CFD 2001-2 2005 Series B Bonds	5,210,000	5,210,000
CFD 2005-2 2005 Series A Bonds	14,740,000	14,645,000
CFD 2001-1 2005 Series A Bonds	16,475,000	16,350,000
CFD 2001-1 2006 Series A Bonds	9,680,000	9,660,000
CFD 2005-1 2007 Series A Bonds	3,385,000	3,380,000
CFD 88-1 2007 Refunding Bonds	7,690,000	7,280,000
CFD 88-3 2007 Refunding Bonds	5,005,000	4,805,000
CFD 90-1 2007 Refunding Bonds	3,140,000	3,005,000
CFD 2006-1 2007 Series C Bonds	2,775,000	2,775,000
CFD 2001-1 IA6 2007 Series D Bonds	6,285,000	6,285,000
CFD 2001-1 IA7 2007 Series D Bonds	8,345,000	8,345,000
CFD 2005-4 2008 Series A Bonds	5,640,000	5,640,000
CFD 2005-1 2008 Series B Bonds	4,375,000	4,375,000
	<u>\$ 210,945,000</u>	<u>\$ 176,385,000</u>

**8) SINGLE FAMILY MORTGAGE REVENUE BONDS**

The City has issued mortgage revenue bonds as follows:

	<u>Outstanding Balance End of Year</u>
City of Perris Single Family Mortgage Revenue Bonds:	
1988 Series A	\$ 10,325,000
1988 Series B	13,145,000
1989 Series A	<u>9,315,000</u>
 Total	 <u>\$ 32,785,000</u>

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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**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				
		General Fund	Redevelopment Agency Special Revenue Fund	Redevelopment Agency Debt Service Fund	Storm Drain Development Capital Project Fund	Redevelopment Agency Capital Project Fund
DUE FROM	General Fund	\$	\$	\$	\$ 62,969	\$ 11,045
	Development Fees Special Revenue Fund				12,761	
	Redevelopment Agency Special Revenue Fund			6		1
	Public Financing Authority Debt Service Fund	105,187				
	Redevelopment Agency Debt Service Fund	53,800				774,935
	Storm Drain Capital Project Fund	2,504				
	Redevelopment Agency Capital Project Fund		18,900		17,082	
	Non-major Governmental Funds	300,510			58,790	
	Perris Public Utility Authority	167,295				
	Non-major Enterprise Funds	1,255,026				
	<b>Total</b>	<b>\$ 1,884,322</b>	<b>\$ 18,900</b>	<b>\$ 6</b>	<b>\$ 151,602</b>	<b>\$ 785,981</b>

		DUE TO		
		Non-major Governmental Funds	Non-major Enterprise Funds	Total
DUE FROM	General Fund	\$ 1,078,770	\$ 88,466	\$ 1,241,250
	Development Fees Special Revenue Fund	125,611		138,372
	Redevelopment Agency Special Revenue Fund			7
	Public Financing Authority Debt Service Fund			105,187
	Redevelopment Agency Debt Service Fund			828,735
	Storm Drain Capital Project Fund			2,504
	Redevelopment Agency Capital Project Fund			35,982
	Non-major Governmental Funds	45,006		404,306
	Perris Public Utility Authority			167,295
	Non-major Enterprise Funds			1,255,026
	<b>Total</b>	<b>\$ 1,249,387</b>	<b>\$ 88,466</b>	<b>\$ 4,178,664</b>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

Advances to/from other funds are as follows:

		ADVANCES TO			
		Development Fees Special Revenue Fund	Redevelopment Agency Special Revenue Fund	Redevelopment Agency Debt Service Fund	Redevelopment Agency Capital Project Fund
ADVANCES FROM	General Fund	\$	\$	\$ 3,322,500	\$
	Public Financing Authority Debt Service Fund		7,029,221	21,332,952	29,934,038
	Redevelopment Agency Capital Project Fund	<u>781,370</u>			
	Total	<u>\$ 781,370</u>	<u>\$ 7,029,221</u>	<u>\$ 24,655,452</u>	<u>\$ 29,934,038</u>

\* = \$3,322,500 not expected to be repaid within one year.

		ADVANCES TO		
		Public Utility Authority	Non-major Enterprise Funds	Total
ADVANCES FROM	General Fund	\$	\$ 322,682	\$ 3,645,182
	Public Financing Authority Debt Service Fund			58,296,211
	Redevelopment Agency Capital Project Fund	<u>1,997,781</u>		<u>2,779,151</u>
	Total	<u>\$ 1,997,781</u>	<u>\$ 322,682</u>	<u>\$ 64,720,544</u>

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, 2009.

The Perris Public Financing Authority has entered into loan agreements with the Perris Redevelopment 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, and the 2009 Series A and B Tax Allocation Bonds issued by the Authority to retire debt and provide funds for certain public improvements in Agency project areas. Fund balance has been reserved for these long-term loans receivable in the Governmental Fund Financial Statements. This receivable balance is not expected to be collected within one year. The balance of these loans is \$64,305,000 as of June 30, 2009. The Authority retained \$6,008,789 to fund reserve accounts and issuance costs for the above related debt issues.



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

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

The City of Perris advanced the Agency \$2,335,000 on June 29, 1989. These advances were to cover public improvements for the benefit of, and within, the Central/North Redevelopment Area. There are no stipulated due dates on the advances, repayments will be made when resources become available. The balance of this advance is \$2,335,000 as of June 30, 2009. Interest is accrued cumulatively on the advances at a rate of 10% per annum. Interest accrued prior to fiscal year 2006, has been forgiven by the City. Accrued interest on the advances payable amounts to \$987,500 and is reflected in these financial statements.

The Perris Redevelopment Agency advanced the City of Perris \$2,192,000 on October 26, 2004. These advances were to reimburse the Agency's costs 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 advance is \$781,370 as of June 30, 2009.

The Perris Redevelopment Agency advanced the Perris Public Utility Authority \$1,997,781. These advances were used to assist the Perris Public Utility Authority in acquiring the McCanna Ranch Water Company. This advance is not expected to be collected within one year. The balance of this advance is \$1,997,781 as of June 30, 2009.

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

	<u>TRANSFERS OUT</u>			
	<u>General Fund</u>	<u>Redevelopment Agency Special Revenue Fund</u>	<u>Public Financing Authority Debt Service Fund</u>	<u>Redevelopment Agency Debt Service Fund</u>
<b>TRANSFERS IN:</b>				
General Fund	\$	\$	\$	\$ 218,500
Development Fees				
Redevelopment Agency Special Revenue Fund				140,000
Public Financing Authority Debt Service Fund		74,068		2,547,219
Redevelopment Agency Debt Service Fund		427,368	8,307	
Redevelopment Agency Capital Project Fund				894,936
Non-major Governmental Funds	715,922		28,322	
Non-major Enterprise Funds	<u>88,466</u>			
Total	<u>\$ 804,388</u>	<u>\$ 501,436</u>	<u>\$ 36,629</u>	<u>\$ 3,800,655</u>

	<u>TRANSFERS OUT</u>		
	<u>Redevelopment Agency Capital Project Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
<b>TRANSFERS IN:</b>			
General Fund	\$	\$ 1,123,849	\$ 1,342,349
Development Fees		3,800	3,800
Redevelopment Agency Special Revenue Fund			140,000
Public Financing Authority Debt Service Fund	216,982		2,838,269
Redevelopment Agency Debt Service Fund			435,675
Redevelopment Agency Capital Project Fund			894,936
Non-major Governmental Funds			744,244
Non-major Enterprise Funds			<u>88,466</u>
Total	<u>\$ 216,982</u>	<u>\$ 1,127,649</u>	<u>\$ 6,487,739</u>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**10) FUND BALANCE RESERVES AND DESIGNATIONS**

The fund financial statements various reserves and designations are as follows:

	<u>General Fund</u>	<u>Development Fees Special Revenue Fund</u>	<u>Redevelopment Agency Special Revenue Fund</u>	<u>Public Financing Authority Debt Service Fund</u>	<u>Redevelopment Agency Debt Service Fund</u>
<b>Reserved:</b>					
Debt Service	\$	\$	\$	\$ 11,713,464	\$
Long-term Investment in Bonds				60,204,271	
Notes & Loans Receivable			827,011		
Prepays	60,043				
Advances to Other Funds	3,645,182			58,296,211	
Deposits	350,732				
Land Held for Resale			882,432		
<b>Unreserved:</b>					
Designated for Specific Projects and Programs	8,200,000				
Undesignated	<u>12,014,098</u>	<u>25,637,191</u>	<u>5,816,669</u>	<u>130,213,946</u>	<u>(7,288,630)</u>
<b>Total</b>	<u>\$ 24,270,055</u>	<u>\$ 25,637,191</u>	<u>\$ 7,526,112</u>	<u>\$ 130,213,946</u>	<u>\$ (7,288,630)</u>

	<u>Storm Drain Development Capital Project Fund</u>	<u>Redevelopment Agency Capital Project Fund</u>	<u>Non-major Funds</u>
<b>Reserved:</b>			
Specific Projects and Programs	\$	\$	\$ 1,611,841
Notes and Loans Receivable		185,656	
Advances to Other Funds		2,779,151	
Land Held for Resale		2,155,988	
<b>Unreserved:</b>			
Designated for Specific Projects and Programs			4,067,342
Undesignated	<u>0</u>	<u>(5,833,033)</u>	<u>11,915,615</u>
<b>Total</b>	<u>\$ 0</u>	<u>\$ (712,238)</u>	<u>\$ 17,594,798</u>

General Fund Unreserved, Designations are as follows:

Disaster Preparedness	\$ 3,400,000
Vehicle and Equipment Replacement	1,300,000
Major Capital Improvements and Repairs	1,300,000
Library Endowment	1,000,000
Budget Contingency	200,000
Historical Society Endowment	<u>1,000,000</u>
<b>Total</b>	<u>\$ 8,200,000</u>

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**10) FUND BALANCE RESERVES AND DESIGNATIONS - Continued**

**Reserved for Debt Service**

This reserve is established for cash restrictions for future debt service.

**Reserved for Long-term Investment in Bonds**

This reserve was established to reflect the long-term portion of investments in such a manner that they will not be considered as available spendable resources.

**Reserved for Notes and Loans Receivable**

This reserve was established to reflect the noncurrent portion of notes and loans receivable in such a manner that they will not be considered as available spendable resources.

**Reserved for Prepays**

This reserve was established to represent amounts that were paid prior to June 30, 2003, for fiscal year 2003-04 in such a manner that they will not be considered as available spendable resources.

**Reserved for Advances to Other Funds**

This reserve was established to represent amounts that were advanced to other funds in such a manner that they will not be considered as available spendable resources.

**Reserved for Deposits**

This reserve was established to remove deposits from current fund balances in such a manner that they will not be considered as available spendable resources.

**Reserved for Land Held for Resale**

This reserve was established to remove land held for resale from current fund balances in such a manner that they will not be considered as available spendable resources.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**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:			
Road and Bridge Benefit District	\$ 0	\$ 42,271	\$ (42,271)
Debt Service Funds:			
Public Financing Authority	\$ 6,719,023	\$ 9,224,210	\$ (2,505,187)
Redevelopment Agency	\$ 477,731	\$ 6,965,982	\$ (6,488,251)
Capital Project Funds:			
Community Facilities District 01-1 Area 4	\$ 0	\$ 5,496,890	\$ (5,496,890)
Community Facilities District 01-1 Area 5	\$ 0	\$ 3,853,594	\$ (3,853,594)
Community Facilities District 01-1 Area 6	\$ 0	\$ 538,800	\$ (538,800)
Community Facilities District 01-1 Area 7	\$ 0	\$ 1,314,020	\$ (1,314,020)
Community Facilities District 04-1	\$ 0	\$ 9,378	\$ (9,378)
Community Facilities District 04-2	\$ 0	\$ 108	\$ (108)
Community Facilities District 05-1 Area 3	\$ 0	\$ 3,227,476	\$ (3,227,476)
Community Facilities District 05-2	\$ 0	\$ 1,545	\$ (1,545)
Community Facilities District 05-4	\$ 0	\$ 50,000	\$ (50,000)
Community Facilities District 06-1	\$ 0	\$ 46,840	\$ (46,840)
Community Facilities District VA	\$ 0	\$ 95,650	\$ (95,650)

The following had a deficit fund balance at June 30, 2009. These deficits are expected to be eliminated through future revenues.

<u>Fund</u>	<u>Amount</u>
Special Revenue:	
Road and Bridge Benefit District	\$ (96,367)
Debt Service:	
Redevelopment Agency	\$ (7,288,630)
Capital Projects:	
Redevelopment Agency	\$ (712,238)
Community Facilities District 02-1	\$ (3,863)

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

**Plan Description**

The City of Perris contributes to the California Public Employees Retirement System (PERS), an agent 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 2006, 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, 2009

**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 the contributions required of City employees. The City is required to contribute at an actuarially determined rate. These rates were determined as part of the June 30, 2006 actuarial valuation: the current rate is 7.541% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

**Miscellaneous Employees**

For 2008-09, the City's annual pension cost for miscellaneous employees, of \$364,278 for PERS was equal to the City's required and actual contributions. The required contribution for fiscal year 2008-09 was determined as part of the June 30, 2006, 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		
6/30/07	\$ 182,404	100%	\$	-	0-
6/30/08	\$ 326,055	100%	\$	-	0-
6/30/09	\$ 364,278	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 Sherriff for police services. For 2008-09, 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 2008-09 was determined as part of the June 30, 2006, 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		
6/30/07	\$ -0-	100%	\$	-	0-
6/30/08	\$ -0-	100%	\$	-	0-
6/30/09	\$ -0-	100%	\$	-	0-

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**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 25.7% 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, 2009

**13) OTHER POST EMPLOYMENT BENEFITS - Continued**

**Annual OPEB Cost**

For 2009, the City's annual OPEB cost (expense) of \$1,246,335 for CPRHP was equal to the ARC. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

THREE YEAR TREND INFORMATION FOR CPRHP			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/07	\$ *	*	\$ *
6/30/08	\$ *	*	\$ *
6/30/09	\$ 1,246,335	25%	\$ 936,813

\*The information for the two preceding years is unavailable. GASB 45 was implemented in fiscal year 2009.

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$ 11,276,502
Actuarial Value of Plan Assets	\$ 0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 11,276,502
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 4,847,379
UAAL as a Percentage of Covered Payroll	232.63%

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.



**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**13) OTHER POST EMPLOYMENT BENEFITS - Continued**

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

Valuation Date	July 1, 2008
Funding Method	Entry Age Normal Cost, Level of Percentage of Pay
Discount Rate	4.5% if unfunded; 7.75% if funded
Salary Increase	3.25% per year
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 10.00%
Investment Rate of Return	4.50%

**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.

As of June 30, 2009, the latest financial information obtained from the Authority is as follows:

Assets	<u>\$ 255,124,717</u>
Liabilities	<u>\$ 4,537,582</u>
Net Assets	<u>\$ 250,587,135</u>
Revenues	\$ 18,406,090
Expenditures	<u>(14,105,402)</u>
Changes in Net Assets	<u>\$ 4,300,688</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 (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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**15) RISK MANAGEMENT - Continued**

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, 2009, the City had an excess of funds of \$348,840 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, 2009	Year Ended June 30, 2008
Claims Payable, Beginning of Year	\$ 128,502	\$ 96,221
Incurred Claims (Including IBNRs)	28,910	54,715
Claim Payments	(94,161)	(22,434)
Claims Payable, End of Year	\$ 63,251	\$ 128,502

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**

- a. 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.

**City of Perris, California**  
**Notes to Financial Statements**  
June 30, 2009

**16) COMMITMENTS AND CONTINGENCIES - Continued**

- b. On February 20, 1991, the Redevelopment Agency of the City of Perris entered into a disposition and development agreement with a private developer (the property owner within the District) whereby available tax increment from the Project would be used to reduce special assessments levied on the developer in connection with the formation of the District up to the amount necessary to meet the debt service through the term of the related bonds. In addition, if any of the first fifteen years of operation of the Project, the tax increment from the Project does not cover the debt service, the Agency is to make payments equal to 50% of the sales tax revenues generated from the Project in excess of \$400,000 for operating years one through five and 25% of the sales tax revenues generated in excess of \$400,000 for operating years six through fifteen. Due to the uncertainty of the availability of tax increment and the inability to reasonably measure the amounts payable, no liability has been recorded for the total amount payable. The amount paid in fiscal year 2008-09 was \$205,000. The bonds outstanding at June 30, 2009 were \$5,005,000.

**17) SUBSEQUENT EVENTS**

In July 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 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 3.000% to 6.375% per annum. Principal on the serial bonds is payable in annual installments ranging from \$65,000 to \$1,380,000, commencing October 1, 2010 through October 1, 2035.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Perris, California**  
**Notes to Required Supplementary Information**

**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.

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 20,468,613	\$ 22,900,654	\$ 20,038,038	\$ (2,862,616)
Licenses and Permits	2,549,950	606,000	748,198	142,198
Intergovernmental Revenue	440,000	217,500	203,546	(13,954)
Charges for Services	2,887,300	726,000	479,806	(246,194)
Fines and Forfeitures	522,000	136,800	302,803	166,003
Investment Income	975,000	1,100,000	438,540	(661,460)
Contributions from Property Owners			1,531,533	1,531,533
Miscellaneous	267,500	267,500	266,065	(1,435)
Total Revenues	<u>28,110,363</u>	<u>25,954,454</u>	<u>24,008,529</u>	<u>(1,945,925)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	6,495,587	6,525,932	6,157,975	367,957
Public Safety	17,015,963	16,392,902	15,949,531	443,371
Public Works	2,468,238	1,839,566	1,718,908	120,658
Parks and Recreation	2,009,683	1,864,519	2,173,935	(309,416)
Capital Outlay	305,352	90,226	49,697	40,529
Total Expenditures	<u>28,294,823</u>	<u>26,713,145</u>	<u>26,050,046</u>	<u>663,099</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(184,460)</u>	<u>(758,691)</u>	<u>(2,041,517)</u>	<u>(1,282,826)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,928,000	2,172,000	1,342,349	(829,651)
Transfers Out			(804,388)	(804,388)
Sale of Property			6,200	6,200
Total Other Financing Sources (Uses)	<u>1,928,000</u>	<u>2,172,000</u>	<u>544,161</u>	<u>(1,627,839)</u>
Net Change in Fund Balances	<u>\$ 1,743,540</u>	<u>\$ 1,413,309</u>	(1,497,356)	<u>\$ (2,910,665)</u>
Fund Balance, Beginning			24,907,733	
Prior Period Adjustment			<u>859,678</u>	
Fund Balance, Beginning, Restated			<u>25,767,411</u>	
Fund Balance, Ending			<u>\$ 24,270,055</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Developer Fees	\$ 5,175,491	\$ 5,175,491	\$ 2,303,414	\$ (2,872,077)
Investment Income	500,000	500,000	757,966	257,966
Total Revenues	<u>5,675,491</u>	<u>5,675,491</u>	<u>3,061,380</u>	<u>(2,614,111)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>0</u>	<u>15,424,721</u>	<u>2,287,866</u>	<u>13,136,855</u>
Total Expenditures	<u>0</u>	<u>15,424,721</u>	<u>2,287,866</u>	<u>13,136,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,675,491</u>	<u>(9,749,230)</u>	<u>773,514</u>	<u>10,522,744</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>                    </u>	<u>                    </u>	<u>3,800</u>	<u>3,800</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,800</u>	<u>3,800</u>
Net Change in Fund Balances	<u>\$ 5,675,491</u>	<u>\$ (9,749,230)</u>	<u>777,314</u>	<u>\$ 10,526,544</u>
Fund Balance, Beginning			<u>24,859,877</u>	
Fund Balance, Ending			<u>\$ 25,637,191</u>	



**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Redevelopment Agency Special Revenue Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,234,377	\$ 2,234,377	\$ 2,819,560	\$ 585,183
Investment Income	320,000	320,000	204,103	(115,897)
Miscellaneous			69,311	69,311
Total Revenues	<u>2,554,377</u>	<u>2,554,377</u>	<u>3,092,974</u>	<u>538,597</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	547,940	713,408	739,707	(26,299)
Capital Outlay	201,000	7,621,397	202,907	7,418,490
Total Expenditures	<u>748,940</u>	<u>8,334,805</u>	<u>942,614</u>	<u>7,392,191</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,805,437</u>	<u>(5,780,428)</u>	<u>2,150,360</u>	<u>7,930,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			140,000	140,000
Transfers Out	(924,024)	(976,583)	(501,436)	475,147
Total Other Financing Sources (Uses)	<u>(924,024)</u>	<u>(976,583)</u>	<u>(361,436)</u>	<u>615,147</u>
Net Change in Fund Balances	<u>\$ 881,413</u>	<u>\$(6,757,011)</u>	1,788,924	<u>\$ 8,545,935</u>
Fund Balance, Beginning			<u>5,737,188</u>	
Fund Balance, Ending			<u>\$ 7,526,112</u>	

**City of Perris, California**  
**Schedule of Funding Progress for CPRHP**  
Year Ended June 30, 2009

**Schedule of Funding Progress for CPRHP**

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

\*GASB 45 was implemented prospectively in fiscal year 2009. There were no previous actuarial valuations.

**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 the 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 the maintenance and improvements.

**Park Development** - is used to account for the improvement and development of parks that are financed by developer fees.

**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.

**Sidewalk Grant SB - 821** - is used to account for the revenues received from the SB821 grant and expenditures for sidewalk improvements.

**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.

**Community Development** - is used to account for grant monies received from a federal pass-through agency not accounted for in the other funds.

**Police Grant LLEBG** - is used to account for grant monies received from the U.S. Department of Justice. Expenditures for this fund are restricted to local law enforcement.

**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.

## **Capital Project Funds:**

**Capital Improvement Projects** - is used to account for all miscellaneous capital improvement projects which are financed through the general fund.

**Community Facilities District 90-2** - is used to account for the capital projects for the Green Valley 1991 Special Tax Bonds.

**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.

**Community Facilities District 01-1 Area 4** - is used to account for the capital projects for the 2001-1 May Farms, Area No. 4, 2005 Special Tax Revenue Bonds, Series A.

**Community Facilities District 01-1 Area 5** - is used to account for the capital projects for the May Farms, Area No. 5, 2006 Special Tax Revenue Bonds, Series A.

**Community Facilities District 01-1 Area 6** - is used to account for the capital projects for the 2001-1 May Farms, Area No. 6, 2007 Special Tax Revenue Bonds, Series A.

**Community Facilities District 01-1 Area 7** - is used to account for the capital projects for May Farms, Area No. 7, 2007 Special Tax Revenue Bonds, Series A.

**Community Facilities District 02-1** - is used to account for the acquisition and construction for the 2002-1 Willowbrook 2003 Special Tax Revenue 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 04-1** - is used to account for the capital projects for the Amber Oaks 2004-1, 2004 Special Tax Revenue Bonds, Series A.

**Community Facilities District 04-2** - is used to account for the capital projects for the CLC 2004-2, 2004 Special Tax Revenue Bonds, Series B.

**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 04-3 Area 2** - is used to account for the acquisition and construction for the 2004-3 (Monument Ranch) Improvement Area No. 2, 2005 Special Tax Revenue Bonds, Series A.

**Community Facilities District 05-1 Area 3** - is used to account for the capital projects for the 2005-1 Perris Valley Vista, Improvement Area No. 3, 2007 Special Tax Bonds, Series A.

**Community Facilities District 05-1 Area 4** - is used to account for the capital projects for the 2005-1 Perris Valley Vista, Improvement Area No. 4, 2007 Special Tax Bonds, Series A.

**Capital Project Funds: - Continued**

**Community Facilities District 05-2** - is used to account for the capital projects for the 2005-2 Harmony Grove, 2005 Special Tax 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.

**City of Perris, California**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2009

	Special Revenue				
	Asset Seizure Forfeiture	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District	Lighting District No. 84-1
<b>ASSETS</b>					
Cash and Investments	\$	\$ 235,982	\$ 1,663,579	\$ 685,994	\$ 785,997
Cash and Investments with Fiscal Agent					
Receivables:					
Accounts					
Interest		623	4,486	1,842	1,993
Taxes				50,393	97,845
Other		16,758			
Due from Other Funds				357,054	
Due from Other Governments			60,429	31,471	
Total Assets	<u>\$ 0</u>	<u>\$ 253,363</u>	<u>\$ 1,728,494</u>	<u>\$ 1,126,754</u>	<u>\$ 885,835</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$	\$	\$	\$ 26,661	\$ 100,171
Deposits and Other Liabilities					
Due to Other Funds					
Deferred Revenue					63,176
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,661</u>	<u>163,347</u>
Fund Balances:					
Reserved:					
Reserved for Specific Projects and Programs					
Unreserved, Reported In:					
Capital Project Funds, Designated for Specific Projects					
Special Revenue Funds, Undesignated		253,363	1,728,494	1,100,093	722,488
Capital Project Funds, Undesignated					
Total Fund Balances	<u>0</u>	<u>253,363</u>	<u>1,728,494</u>	<u>1,100,093</u>	<u>722,488</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 253,363</u>	<u>\$ 1,728,494</u>	<u>\$ 1,126,754</u>	<u>\$ 885,835</u>

(Continued)

Special Revenue

Landscape Maintenance District	Flood Control Maintenance District	Park Development	Gas Tax	Sidewalk Grant SB - 821	Proposition "A"
\$ 843,689	\$ 1,714,583	\$	\$ 976,686	\$ 78,655	\$ 3,513,549
2,213	4,414		2,078	217	9,749
43,478	171,856		72,186		372,739
404,952	10,600		300,000		30,611
<u>\$ 1,294,332</u>	<u>\$ 1,901,453</u>	<u>\$ 0</u>	<u>\$ 1,350,950</u>	<u>\$ 78,872</u>	<u>\$ 3,926,648</u>
\$ 73,573	\$ 657	\$	\$ 1,051	\$	\$ 11,908
					209,674
				77,946	
<u>73,573</u>	<u>657</u>	<u>0</u>	<u>1,051</u>	<u>77,946</u>	<u>221,582</u>
1,220,759	1,900,796	0	1,349,899	926	3,705,066
<u>1,220,759</u>	<u>1,900,796</u>	<u>0</u>	<u>1,349,899</u>	<u>926</u>	<u>3,705,066</u>
<u>\$ 1,294,332</u>	<u>\$ 1,901,453</u>	<u>\$ 0</u>	<u>\$ 1,350,950</u>	<u>\$ 78,872</u>	<u>\$ 3,926,648</u>



**City of Perris, California**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2009

	Special Revenue			Capital Project	
	Community Development	Police Grant LLEBG	State Grants	Road and Bridge Benefit District	Capital Improvement Projects
<b>ASSETS</b>					
Cash and Investments	\$	\$	\$ 1,260,661	\$	\$ 5,432,941
Cash and Investments with Fiscal Agent					
Receivables:					
Accounts	325				216,827
Interest			3,492		15,115
Taxes					
Other					
Due from Other Funds	0		5,969		140,201
Due from Other Governments	<u>67,875</u>		<u>37,351</u>		<u>863,655</u>
 Total Assets	 <u>\$ 68,200</u>	 <u>\$ 0</u>	 <u>\$ 1,307,473</u>	 <u>\$ 0</u>	 <u>\$ 6,668,739</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 37,378	\$	\$	\$ 5,515	\$ 962,836
Deposits and Other Liabilities					
Due to Other Funds	30,822			90,852	69,095
Deferred Revenue			<u>1,273,512</u>		<u>4,489,207</u>
 Total Liabilities	 <u>68,200</u>	 <u>0</u>	 <u>1,273,512</u>	 <u>96,367</u>	 <u>5,521,138</u>
Fund Balances:					
Reserved:					
Reserved for Specific Projects and Programs					
Unreserved, Reported In:					
Capital Project Funds, Designated for Specific Projects					1,147,601
Special Revenue Funds, Undesignated	0	0	33,961	(96,367)	
Capital Project Funds, Undesignated					
 Total Fund Balances	 <u>0</u>	 <u>0</u>	 <u>33,961</u>	 <u>(96,367)</u>	 <u>1,147,601</u>
 Total Liabilities and Fund Balances	 <u>\$ 68,200</u>	 <u>\$ 0</u>	 <u>\$ 1,307,473</u>	 <u>\$ 0</u>	 <u>\$ 6,668,739</u>

(Continued)

Capital Project					
Community Facilities District 90-2	Community Facilities District 91-1	Community Facilities District 93-2	Community Facilities District 01-1 Area 4	Community Facilities District 01-1 Area 5	Community Facilities District 01-1 Area 6
\$ 3	\$ 327,641	\$ 6,693 35,362	\$ 984	\$ 1,198,493	\$ 1,815,982
	904	19		10	15
<u>\$ 3</u>	<u>\$ 328,545</u>	<u>\$ 42,074</u>	<u>\$ 984</u>	<u>\$ 1,198,503</u>	<u>\$ 1,815,997</u>
\$	\$	\$	\$	\$	\$
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3	328,545	42,074		1,198,503	
			984		1,815,997
<u>3</u>	<u>328,545</u>	<u>42,074</u>	<u>984</u>	<u>1,198,503</u>	<u>1,815,997</u>
<u>\$ 3</u>	<u>\$ 328,545</u>	<u>\$ 42,074</u>	<u>\$ 984</u>	<u>\$ 1,198,503</u>	<u>\$ 1,815,997</u>

**City of Perris, California**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2009

	Capital Project				
	Community Facilities District 01-1 Area 7	Community Facilities District 02-1	Construction	Railway Depot Restoration	Community Facilities District 04-1
<b>ASSETS</b>					
Cash and Investments	\$	\$	\$ 36,143	\$ 128,717	\$ 2,825
Cash and Investments with Fiscal Agent	334,482				
Receivables:					
Accounts					
Interest	3			170	8
Taxes					
Other					
Due from Other Funds					
Due from Other Governments				496	
<b>Total Assets</b>	<b>\$ 334,485</b>	<b>\$ 0</b>	<b>\$ 36,143</b>	<b>\$ 129,383</b>	<b>\$ 2,833</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$	\$	\$ 36,143	\$ 7,393	\$
Deposits and Other Liabilities					
Due to Other Funds		3,863			
Deferred Revenue					
<b>Total Liabilities</b>	<b>0</b>	<b>3,863</b>	<b>36,143</b>	<b>7,393</b>	<b>0</b>
Fund Balances:					
Reserved:					
Reserved for Specific Projects and Programs					
Unreserved, Reported In:					
Capital Project Funds, Designated for Specific Projects	334,485			121,990	2,833
Special Revenue Funds, Undesignated Capital Project Funds, Undesignated		(3,863)			
<b>Total Fund Balances</b>	<b>334,485</b>	<b>(3,863)</b>	<b>0</b>	<b>121,990</b>	<b>2,833</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 334,485</b>	<b>\$ 0</b>	<b>\$ 36,143</b>	<b>\$ 129,383</b>	<b>\$ 2,833</b>

(Continued)

Capital Project					
Community Facilities District 04-2	Community Facilities District 04-3	Community Facilities District 04-3 Area 2	Community Facilities District 05-1 Area 3	Community Facilities District 05-1 Area 4	Community Facilities District 05-2
\$ 51	\$ 261,819	\$ 14	\$ 4	\$ 42,716	\$
	2				
<u>\$ 51</u>	<u>\$ 261,821</u>	<u>\$ 14</u>	<u>\$ 4</u>	<u>\$ 42,716</u>	<u>\$ 0</u>
\$	\$ 1,000	\$	\$	\$	\$
<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
				42,716	
51	260,821	14	4		
<u>51</u>	<u>260,821</u>	<u>14</u>	<u>4</u>	<u>42,716</u>	<u>0</u>
<u>\$ 51</u>	<u>\$ 261,821</u>	<u>\$ 14</u>	<u>\$ 4</u>	<u>\$ 42,716</u>	<u>\$ 0</u>

**City of Perris, California**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2009

	Capital Projects			Total Non-major Governmental Funds
	Community Facilities District 05-4	Community Facilities District 06-1	Community Facilities District VA	
<b>ASSETS</b>				
Cash and Investments	\$	\$	\$	\$ 17,694,389
Cash and Investments with Fiscal Agent	12,213	239,749	130,597	4,072,415
Receivables:				
Accounts				217,152
Interest		2	1	47,356
Taxes				808,497
Other				16,758
Due from Other Funds				1,249,387
Due from Other Governments				1,061,277
				<u>1,061,277</u>
 Total Assets	<u>\$ 12,213</u>	<u>\$ 239,751</u>	<u>\$ 130,598</u>	<u>\$ 25,167,231</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$	\$	\$	\$ 1,263,286
Deposits and Other Liabilities				1,000
Due to Other Funds				404,306
Deferred Revenue				5,903,841
				<u>5,903,841</u>
 Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,572,433</u>
Fund Balances:				
Reserved:				
Reserved for Specific Projects and Programs				1,611,841
Unreserved, Reported In:				
Capital Project Funds, Designated for Specific Projects	12,213	239,751	130,598	4,067,342
Special Revenue Funds, Undesignated				11,919,478
Capital Project Funds, Undesignated				(3,863)
				<u>(3,863)</u>
 Total Fund Balances	<u>12,213</u>	<u>239,751</u>	<u>130,598</u>	<u>17,594,798</u>
 Total Liabilities and Fund Balances	<u>\$ 12,213</u>	<u>\$ 239,751</u>	<u>\$ 130,598</u>	<u>\$ 25,167,231</u>

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**City of Perris, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
Year Ended June 30, 2009

	Special Revenue				
	Asset Seizure Forfeiture	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District	Lighting District No. 84-1
<b>REVENUES</b>					
Intergovernmental Revenues	\$	\$ 62,568	\$ 191,990	\$	\$
Fines, Forfeitures and Penalties			316,347		
Investment Income	4	5,820	42,434	19,813	18,195
Special Assessments				357,301	702,329
Contributions from Property Owners					
Miscellaneous			7,303		800
<b>Total Revenues</b>	<b>4</b>	<b>68,388</b>	<b>558,074</b>	<b>377,114</b>	<b>721,324</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety		7,530	12,764		
Public Works				56,540	657,190
Capital Outlay			86,229		
Debt Service:					
Principal Retirement					
Interest and Fiscal Charges					
<b>Total Expenditures</b>	<b>0</b>	<b>7,530</b>	<b>98,993</b>	<b>56,540</b>	<b>657,190</b>
Excess (Deficiency) of Revenues Over Expenditures	4	60,858	459,081	320,574	64,134
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In					
Transfers Out	(286)		(80,000)		
<b>Total Other Financing Sources (Uses)</b>	<b>(286)</b>	<b>0</b>	<b>(80,000)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(282)</b>	<b>60,858</b>	<b>379,081</b>	<b>320,574</b>	<b>64,134</b>
Fund Balances - Beginning, As Previously Reported	282	192,505	1,349,413	579,979	767,979
Prior Period Adjustments				199,540	(109,625)
Fund Balances - Beginning, As Restated	282	192,505	1,349,413	779,519	658,354
<b>Fund Balances - Ending</b>	<b>\$ 0</b>	<b>\$ 253,363</b>	<b>\$ 1,728,494</b>	<b>\$ 1,100,093</b>	<b>\$ 722,488</b>

(Continued)

Special Revenue					
Landscape Maintenance District	Flood Control Maintenance District	Park Development	Gas Tax	Sidewalk Grant SB - 821	Proposition "A"
\$	\$	\$	\$ 854,100	\$ 80,000	\$ 1,608,808
10,098	35,950		27,511		89,341
1,253,026	1,069,750				
<u>1,263,124</u>	<u>1,105,700</u>	<u>0</u>	<u>881,611</u>	<u>80,000</u>	<u>1,698,149</u>
1,159,942	461,422	88,341	169,351		243,698
					188,293
					8,944
<u>1,159,942</u>	<u>461,422</u>	<u>88,341</u>	<u>169,351</u>	<u>0</u>	<u>440,935</u>
103,182	644,278	(88,341)	712,260	80,000	1,257,214
404,952	(10,600)	88,341	(800,000)		(195,188)
<u>404,952</u>	<u>(10,600)</u>	<u>88,341</u>	<u>(800,000)</u>	<u>0</u>	<u>(195,188)</u>
508,134	633,678	0	(87,740)	80,000	1,062,026
712,625	1,267,118	0	1,437,639	(79,074)	2,643,040
<u>712,625</u>	<u>1,267,118</u>	<u>0</u>	<u>1,437,639</u>	<u>(79,074)</u>	<u>2,643,040</u>
<u>\$ 1,220,759</u>	<u>\$ 1,900,796</u>	<u>\$ 0</u>	<u>\$ 1,349,899</u>	<u>\$ 926</u>	<u>\$ 3,705,066</u>



**City of Perris, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
Year Ended June 30, 2009

	Special Revenue			Capital Project	
	Community Development	Police Grant LLEBG	State Grants	Road and Bridge Benefit District	Capital Improvement Projects
<b>REVENUES</b>					
Intergovernmental Revenues	\$ 545,496	\$ 10,773	\$ 282,202	\$	\$ 945,556
Fines, Forfeitures and Penalties					
Investment Income		32	29,235		155,398
Special Assessments					
Contributions from Property Owners					499,812
Miscellaneous					
<b>Total Revenues</b>	<b>545,496</b>	<b>10,805</b>	<b>311,437</b>	<b>0</b>	<b>1,600,766</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety	161,885				
Public Works			287,111	42,271	
Capital Outlay	380,995				1,979,645
Debt Service:					
Principal Retirement					
Interest and Fiscal Charges					
<b>Total Expenditures</b>	<b>542,880</b>	<b>0</b>	<b>287,111</b>	<b>42,271</b>	<b>1,979,645</b>
Excess (Deficiency) of Revenues Over Expenditures	2,616	10,805	24,326	(42,271)	(378,879)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	130		5,969		
Transfers Out		(37,775)			(3,800)
<b>Total Other Financing Sources (Uses)</b>	<b>130</b>	<b>(37,775)</b>	<b>5,969</b>	<b>0</b>	<b>(3,800)</b>
<b>Net Change in Fund Balances</b>	<b>2,746</b>	<b>(26,970)</b>	<b>30,295</b>	<b>(42,271)</b>	<b>(382,679)</b>
Fund Balances - Beginning, As Previously Reported	(2,746)	26,970	4,670	(54,096)	2,527,980
Prior Period Adjustments			(1,004)		(997,700)
Fund Balances - Beginning, As Restated	(2,746)	26,970	3,666	(54,096)	1,530,280
<b>Fund Balances - Ending</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,961</b>	<b>\$ (96,367)</b>	<b>\$ 1,147,601</b>

(Continued)

Capital Project					
Community Facilities District 90-2	Community Facilities District 91-1	Community Facilities District 93-2	Community Facilities District 01-1 Area 4	Community Facilities District 01-1 Area 5	Community Facilities District 01-1 Area 6
\$	\$	\$	\$	\$	\$
	9,314	340	21,179	20,350	9,760
					12,188
<u>0</u>	<u>9,314</u>	<u>340</u>	<u>21,179</u>	<u>20,350</u>	<u>21,948</u>
			5,496,890	3,853,594	538,800
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,496,890</u>	<u>3,853,594</u>	<u>538,800</u>
<u>0</u>	<u>9,314</u>	<u>340</u>	<u>(5,475,711)</u>	<u>(3,833,244)</u>	<u>(516,852)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>9,314</u>	<u>340</u>	<u>(5,475,711)</u>	<u>(3,833,244)</u>	<u>(516,852)</u>
3	319,231	41,734	5,476,695	5,031,747	2,332,849
<u>3</u>	<u>319,231</u>	<u>41,734</u>	<u>5,476,695</u>	<u>5,031,747</u>	<u>2,332,849</u>
<u>\$ 3</u>	<u>\$ 328,545</u>	<u>\$ 42,074</u>	<u>\$ 984</u>	<u>\$ 1,198,503</u>	<u>\$ 1,815,997</u>

**City of Perris, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
Year Ended June 30, 2009

	Capital Project				
	Community Facilities District 01-1	Community Facilities District 02-1			Community Facilities District 04-1
	Area 7	District 02-1	Construction	Railway Depot Restoration	
	Area 7	District 02-1	Construction	Restoration	District 04-1
<b>REVENUES</b>					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Fines, Forfeitures and Penalties					
Investment Income	6,508			426	119
Special Assessments					
Contributions from Property Owners	2,034				
Miscellaneous					
<b>Total Revenues</b>	<b>8,542</b>	<b>0</b>	<b>0</b>	<b>426</b>	<b>119</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety					
Public Works					
Capital Outlay	1,314,020		216,531		9,378
Debt Service:					
Principal Retirement					
Interest and Fiscal Charges					
<b>Total Expenditures</b>	<b>1,314,020</b>	<b>0</b>	<b>216,531</b>	<b>0</b>	<b>9,378</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,305,478)	0	(216,531)	426	(9,259)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			216,531		
Transfers Out					
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>216,531</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(1,305,478)</b>	<b>0</b>	<b>0</b>	<b>426</b>	<b>(9,259)</b>
Fund Balances - Beginning, As Previously Reported	1,639,963	(3,863)	0	121,564	12,092
Prior Period Adjustments					
Fund Balances - Beginning, As Restated	1,639,963	(3,863)	0	121,564	12,092
Fund Balances - Ending	\$ 334,485	\$ (3,863)	\$ 0	\$ 121,990	\$ 2,833

(Continued)

Capital Project					
Community Facilities District 04-2	Community Facilities District 04-3	Community Facilities District 04-3 Area 2	Community Facilities District 05-1 Area 3	Community Facilities District 05-1 Area 4	Community Facilities District 05-2
\$	\$	\$	\$	\$	\$
2	1,083		12,427	180	7
			23,034		
2	1,083	0	35,461	180	7
108			3,227,476		1,545
108	0	0	3,227,476	0	1,545
(106)	1,083	0	(3,192,015)	180	(1,538)
	8,642		9,989		
0	8,642	0	9,989	0	0
(106)	9,725	0	(3,182,026)	180	(1,538)
157	251,096	14	3,182,030	42,536	1,538
157	251,096	14	3,182,030	42,536	1,538
\$ 51	\$ 260,821	\$ 14	\$ 4	\$ 42,716	\$ 0

**City of Perris, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
Year Ended June 30, 2009

	Capital Project			Total Non-major Governmental Funds
	Community Facilities District 05-4	Community Facilities District 06-1	Community Facilities District VA	
	\$	\$	\$	
<b>REVENUES</b>				
Intergovernmental Revenues	\$	\$	\$	\$ 4,581,493
Fines, Forfeitures and Penalties				316,347
Investment Income	208	1,057	39	516,830
Special Assessments				3,382,406
Contributions from Property Owners	3	6,455	414,556	958,082
Miscellaneous				8,103
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	211	7,512	414,595	9,763,261
<b>EXPENDITURES</b>				
Current:				
Public Safety				182,179
Public Works				2,664,476
Capital Outlay	50,000	46,840	95,650	17,799,091
Debt Service:				
Principal Retirement				188,293
Interest and Fiscal Charges				8,944
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	50,000	46,840	95,650	20,842,983
Excess (Deficiency) of Revenues Over Expenditures				
	(49,789)	(39,328)	318,945	(11,079,722)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	9,690			744,244
Transfers Out				(1,127,649)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	9,690	0	0	(383,405)
Net Change in Fund Balances	(40,099)	(39,328)	318,945	(11,463,127)
Fund Balances - Beginning, As Previously Reported	52,312	279,079	7,998	30,163,059
Prior Period Adjustments			(196,345)	(1,105,134)
Fund Balances - Beginning, As Restated	52,312	279,079	(188,347)	29,057,925
Fund Balances - Ending	<u>\$ 12,213</u>	<u>\$ 239,751</u>	<u>\$ 130,598</u>	<u>\$ 17,594,798</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Income	\$ 4,315,842	\$ 4,315,842	\$ 4,314,218	(1,624)
Total Revenues	<u>4,315,842</u>	<u>4,315,842</u>	<u>4,314,218</u>	<u>(1,624)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,500	3,500	24,600	(21,100)
Public Works			232,134	(232,134)
Debt Service:				
Issuance Costs			678,701	(678,701)
Principal Retirement	1,885,000	1,885,000	1,615,000	270,000
Interest and Fiscal Charges	<u>4,830,523</u>	<u>4,830,523</u>	<u>6,673,775</u>	<u>(1,843,252)</u>
Total Expenditures	<u>6,719,023</u>	<u>6,719,023</u>	<u>9,224,210</u>	<u>(2,505,187)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,403,181)</u>	<u>(2,403,181)</u>	<u>(4,909,992)</u>	<u>(2,506,811)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,456,079	2,456,079	2,838,269	382,190
Transfers Out			(36,629)	(36,629)
Issuance of Long-term Debt			<u>11,660,000</u>	<u>11,660,000</u>
Total Other Financing Sources (Uses)	<u>2,456,079</u>	<u>2,456,079</u>	<u>14,461,640</u>	<u>12,005,561</u>
Net Change in Fund Balances	<u>\$ 52,898</u>	<u>\$ 52,898</u>	9,551,648	<u>\$ 0</u>
Fund Balance, Beginning			<u>120,662,298</u>	
Fund Balance, Ending			<u>\$130,213,946</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Redevelopment Agency Debt Service Fund**  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 8,940,142	\$ 8,940,142	\$ 11,278,237	\$ 2,338,095
Investment Income			76,532	76,532
			<u>11,354,769</u>	<u>2,414,627</u>
Total Revenues	<u>8,940,142</u>	<u>8,940,142</u>	<u>11,354,769</u>	<u>2,414,627</u>
<b>EXPENDITURES</b>				
Current:				
General Government	32,500	32,500	124,557	(92,057)
Public Works				
Debt Service:				
Pass-through Agreements	125,000	125,000	6,841,425	(6,716,425)
Principal Retirement	313,231	313,231		313,231
Interest and Fiscal Charges	7,000	7,000		7,000
			<u>6,965,982</u>	<u>(6,488,251)</u>
Total Expenditures	<u>477,731</u>	<u>477,731</u>	<u>6,965,982</u>	<u>(6,488,251)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,462,411</u>	<u>8,462,411</u>	<u>4,388,787</u>	<u>(4,073,624)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			435,675	435,675
Transfers Out	(2,652,848)	(2,652,848)	(3,800,655)	(1,147,807)
Issuance of Long-term Debt			363,952	363,952
			<u>(3,001,028)</u>	<u>(348,180)</u>
Total Other Financing Sources (Uses)	<u>(2,652,848)</u>	<u>(2,652,848)</u>	<u>(3,001,028)</u>	<u>(348,180)</u>
Net Change in Fund Balances	<u>\$ 5,809,563</u>	<u>\$ 5,809,563</u>	<u>1,387,759</u>	<u>\$(4,421,804)</u>
Fund Balance, Beginning, As Previously Reported			(8,158,843)	
Prior Period Adjustment			<u>(517,546)</u>	
Fund Balance, Beginning, As Restated			<u>(8,676,389)</u>	
Fund Balance, Ending			<u>\$ (7,288,630)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 100,000	\$ 100,000	\$	\$ (100,000)
Miscellaneous			1,283,976	1,283,976
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>1,283,976</u>	<u>1,183,976</u>
<b>EXPENDITURES</b>				
Capital Outlay		6,482,167	1,283,976	5,198,191
Total Expenditures	<u>0</u>	<u>6,482,167</u>	<u>1,283,976</u>	<u>5,198,191</u>
Excess (Deficiency) of Revenues over Expenditures	<u>100,000</u>	<u>(6,382,167)</u>	<u>0</u>	<u>6,382,167</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 100,000</u>	<u>\$ (6,382,167)</u>	<u>0</u>	<u>\$ 6,382,167</u>
Fund Balance, Beginning - As Previously Reported			599,488	
Prior Period Adjustments			<u>(599,488)</u>	
Fund Balance, Beginning - As Restated			<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 - Redevelopment Agency Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 395,000	\$ 395,000	\$ 434,319	\$ 39,319
Total Revenues	<u>395,000</u>	<u>395,000</u>	<u>434,319</u>	<u>39,319</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	471,724	786,661	657,712	128,949
Capital Outlay		2,531,920	1,088,026	1,443,894
Debt Service:				
Issuance Costs			104,779	(104,779)
Total Expenditures	<u>471,724</u>	<u>3,318,581</u>	<u>1,850,517</u>	<u>1,468,064</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(76,724)</u>	<u>(2,923,581)</u>	<u>(1,416,198)</u>	<u>1,507,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			894,936	894,936
Transfers Out	(235,000)		(216,982)	(216,982)
Total Other Financing Sources (Uses)	<u>(235,000)</u>	<u>0</u>	<u>677,954</u>	<u>677,954</u>
Net Change in Fund Balances	<u>\$ (311,724)</u>	<u>\$(2,923,581)</u>	(738,244)	<u>\$ 2,185,337</u>
Fund Balance, Beginning			<u>26,006</u>	
Fund Balance, Ending			<u>\$ (712,238)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 4	\$ 4
Total Revenues	0	0	4	4
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	0	0	4	4
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(286)	(286)
Total Other Financing Sources (Uses)	0	0	(286)	(286)
Net Change in Fund Balances	\$ 0	\$ 0	(282)	\$ (282)
Fund Balance, Beginning			282	
Fund Balance, Ending			\$ 0	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 35,000	\$ 35,000	\$ 62,568	\$ 27,568
Investment Income	1,500	1,500	5,820	4,320
Total Revenues	<u>36,500</u>	<u>36,500</u>	<u>68,388</u>	<u>31,888</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety			7,530	(7,530)
Capital Outlay	40,000	40,000	0	40,000
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>7,530</u>	<u>32,470</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (3,500)</u>	<u>\$ (3,500)</u>	60,858	<u>\$ 64,358</u>
Fund Balance, Beginning			<u>192,505</u>	
Fund Balance, Ending			<u>\$ 253,363</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 23,504	\$ 133,504	\$ 191,990	\$ 58,486
Fines, Forfeitures and Penalties	390,000	280,000	316,347	36,347
Investment Income	55,000	55,000	42,434	(12,566)
Miscellaneous Revenue			7,303	7,303
			<u>7,303</u>	<u>7,303</u>
Total Revenues	<u>468,504</u>	<u>468,504</u>	<u>558,074</u>	<u>89,570</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	133,504	162,101	12,764	149,337
Capital Outlay		447,835	86,229	361,606
			<u>86,229</u>	<u>361,606</u>
Total Expenditures	<u>133,504</u>	<u>609,936</u>	<u>98,993</u>	<u>510,943</u>
Excess (Deficiency) of Revenues over Expenditures	<u>335,000</u>	<u>(141,432)</u>	<u>459,081</u>	<u>600,513</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 255,000</u>	<u>\$ (221,432)</u>	379,081	<u>\$ 600,513</u>
Fund Balance, Beginning			<u>1,349,413</u>	
Fund Balance, Ending			<u>\$ 1,728,494</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Income	\$ 1,000	\$ 1,000	\$ 19,813	\$ 18,813
Special Assessments	<u>290,500</u>	<u>290,500</u>	<u>357,301</u>	<u>66,801</u>
Total Revenues	<u>291,500</u>	<u>291,500</u>	<u>377,114</u>	<u>85,614</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>432,050</u>	<u>432,050</u>	<u>56,540</u>	<u>375,510</u>
Total Expenditures	<u>432,050</u>	<u>432,050</u>	<u>56,540</u>	<u>375,510</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (140,550)</u>	<u>\$ (140,550)</u>	320,574	<u>\$ 461,124</u>
Fund Balance, Beginning			<u>779,519</u>	
Fund Balance, Ending			<u>\$ 1,100,093</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Income	\$ 19,686	\$ 19,686	\$ 18,195	\$ (1,491)
Special Assessments	766,420	640,951	702,329	61,378
Miscellaneous		125,469	800	(124,669)
	<u>786,106</u>	<u>786,106</u>	<u>721,324</u>	<u>(64,782)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>755,732</u>	<u>768,075</u>	<u>657,190</u>	<u>110,885</u>
	<u>755,732</u>	<u>768,075</u>	<u>657,190</u>	<u>110,885</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 30,374</u>	<u>\$ 18,031</u>	<u>64,134</u>	<u>\$ 46,103</u>
Fund Balance, Beginning, As Previously Reported			767,979	
Prior Period Adjustment			<u>(109,625)</u>	
Fund Balance, Beginning, As Restated			<u>658,354</u>	
Fund Balance, Ending			<u>\$ 722,488</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 5,100	\$ 5,100	\$ 10,098	\$ 4,998
Special Assessments	1,680,953	1,680,953	1,253,026	(427,927)
Miscellaneous	35,000	35,000		(35,000)
Total Revenues	1,721,053	1,721,053	1,263,124	(457,929)
<b>EXPENDITURES</b>				
Current:				
Public Works	2,046,466	2,051,074	1,159,942	891,132
Total Expenditures	2,046,466	2,051,074	1,159,942	891,132
Excess (Deficiency) of Revenues over Expenditures	(325,413)	(330,021)	103,182	433,203
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			404,952	404,952
Total Other Financing Sources (Uses)	0	0	404,952	404,952
Net Change in Fund Balances	\$ (325,413)	\$ (330,021)	508,134	\$ 838,155
Fund Balance, Beginning			712,625	
Fund Balance, Ending			\$ 1,220,759	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 33,048	\$ 33,048	\$ 35,950	\$ 2,902
Special Assessments	872,479	872,479	1,069,750	197,271
Miscellaneous	35,000	35,000		(35,000)
Total Revenues	<u>940,527</u>	<u>940,527</u>	<u>1,105,700</u>	<u>165,173</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>1,043,591</u>	<u>1,056,173</u>	<u>461,422</u>	<u>594,751</u>
Total Expenditures	<u>1,043,591</u>	<u>1,056,173</u>	<u>461,422</u>	<u>594,751</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(103,064)</u>	<u>(115,646)</u>	<u>644,278</u>	<u>759,924</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(10,600)	(10,600)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(10,600)</u>	<u>(10,600)</u>
Net Change in Fund Balances	<u>\$ (103,064)</u>	<u>\$ (115,646)</u>	633,678	<u>\$ 749,324</u>
Fund Balance, Beginning			<u>1,267,118</u>	
Fund Balance, Ending			<u>\$ 1,900,796</u>	



**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Park Development Special Revenue Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
	\$	\$	\$	\$ 0
Total Revenues	0	0	0	0
<b>EXPENDITURES</b>				
Capital Outlay	0	148,677	88,341	60,336
Total Expenditures	0	148,677	88,341	60,336
Excess (Deficiency) of Revenues over Expenditures	(148,677)	(148,677)	(88,341)	60,336
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			88,341	88,341
Total Other Financing Sources (Uses)	0	0	88,341	88,341
Net Change in Fund Balances	\$ (148,677)	\$ (148,677)	0	\$ 148,677
Fund Balance, Beginning			0	
Fund Balance, Ending			\$ 0	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 714,000	\$ 714,000	\$ 854,100	\$ 140,100
Investment Income	30,000	30,000	27,511	(2,489)
Total Revenues	<u>744,000</u>	<u>744,000</u>	<u>881,611</u>	<u>137,611</u>
<b>EXPENDITURES</b>				
Public Works	150,000	276,416	169,351	107,065
Total Expenditures	<u>150,000</u>	<u>276,416</u>	<u>169,351</u>	<u>107,065</u>
Excess (Deficiency) of Revenues over Expenditures	<u>594,000</u>	<u>467,584</u>	<u>712,260</u>	<u>244,676</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(650,000)</u>	<u>(895,000)</u>	<u>(800,000)</u>	<u>95,000</u>
Total Other Financing Sources (Uses)	<u>(650,000)</u>	<u>(895,000)</u>	<u>(800,000)</u>	<u>95,000</u>
Net Change in Fund Balances	<u>\$ (56,000)</u>	<u>\$ (427,416)</u>	(87,740)	<u>\$ 339,676</u>
Fund Balance, Beginning			<u>1,437,639</u>	
Fund Balance, Ending			<u>\$ 1,349,899</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Sidewalk Grant SB-821 Special Revenue Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 80,000	\$ 80,000
Total Revenues	<u>0</u>	<u>0</u>	<u>80,000</u>	<u>80,000</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	80,000	<u>\$ 80,000</u>
Fund Balance, Beginning			<u>(79,074)</u>	
Fund Balance, Ending			<u>\$ 926</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 1,312,500	\$ 1,312,500	\$ 1,608,808	\$ 296,308
Investment Income	125,000	125,000	89,341	(35,659)
Total Revenues	<u>1,437,500</u>	<u>1,437,500</u>	<u>1,698,149</u>	<u>260,649</u>
<b>EXPENDITURES</b>				
Capital Outlay	900,000	3,593,385	243,698	3,349,687
Debt Service:				
Principal Retirement			188,293	(188,293)
Interest and Fiscal Charges			8,944	(8,944)
Total Expenditures	<u>900,000</u>	<u>3,593,385</u>	<u>440,935</u>	<u>3,152,450</u>
Excess (Deficiency) of Revenues over Expenditures	<u>537,500</u>	<u>(2,155,885)</u>	<u>1,257,214</u>	<u>3,413,099</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(25,000)	(25,000)	(195,188)	170,188
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(195,188)</u>	<u>(170,188)</u>
Net Change in Fund Balances	<u>\$ 512,500</u>	<u>\$(2,180,885)</u>	1,062,026	<u>\$ 3,242,911</u>
Fund Balance - Beginning			<u>2,643,040</u>	
Fund Balance, Ending			<u>\$ 3,705,066</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Special Revenue Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$	\$	\$ 545,496	\$ 545,496
Total Revenues	0	0	545,496	545,496
<b>EXPENDITURES</b>				
Current:				
Public Safety	48,604	146,676	161,885	(15,209)
Capital Outlay		1,220,556	380,995	839,561
Total Expenditures	48,604	1,367,232	542,880	824,352
Excess (Deficiency) of Revenues over Expenditures	(48,604)	(1,367,232)	2,616	1,369,848
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			130	130
Total Other Financing Sources (Uses)	0	0	130	130
Net Change in Fund Balances	\$ (48,604)	\$(1,367,232)	2,746	\$ 1,369,978
Fund Balance, Beginning			(2,746)	
Fund Balance, Ending			\$ 0	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police Grant LLEBG Special Revenue Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$	\$	\$ 10,773	\$ 10,773
Investment Income			32	32
Total Revenues	<u>0</u>	<u>0</u>	<u>10,805</u>	<u>10,805</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety				0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>0</u>	<u>0</u>	<u>10,805</u>	<u>10,805</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(37,775)	(37,775)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(37,775)</u>	<u>(37,775)</u>
Net Change in Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	(26,970)	<u>\$ (26,970)</u>
Fund Balance, Beginning			<u>26,970</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$	\$	\$ 282,202	\$ 282,202
Investment Income			29,235	29,235
Total Revenues	<u>0</u>	<u>0</u>	<u>311,437</u>	<u>311,437</u>
<b>EXPENDITURES</b>				
Current:				
Public Works		584,465	287,111	297,354
Total Expenditures	<u>0</u>	<u>584,465</u>	<u>287,111</u>	<u>297,354</u>
Excess (Deficiency) of Revenues over Expenditures	<u>0</u>	<u>(584,465)</u>	<u>24,326</u>	<u>608,791</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			5,969	5,969
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>5,969</u>	<u>5,969</u>
Net Change in Fund Balances	<u>\$ 0</u>	<u>\$ (584,465)</u>	<u>30,295</u>	<u>\$ 614,760</u>
Fund Balance, Beginning, As Previously Reported			4,670	
Prior Period Adjustment			<u>(1,004)</u>	
Fund Balance, Beginning, As Restated			<u>3,666</u>	
Fund Balance, Ending			<u>\$ 33,961</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenues	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public Works			42,271	(42,271)
Total Expenditures	<u>0</u>	<u>0</u>	<u>42,271</u>	<u>(42,271)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	(42,271)	<u>\$ (42,271)</u>
Fund Balance, Beginning			<u>(54,096)</u>	
Fund Balance, Ending			<u>\$ (96,367)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$	\$	\$ 945,556	\$ 945,556
Investment Income	100,000	100,000	155,398	55,398
Miscellaneous			499,812	499,812
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>1,600,766</u>	<u>1,500,766</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>0</u>	<u>37,538,796</u>	<u>1,979,645</u>	<u>35,559,151</u>
Total Expenditures	<u>0</u>	<u>37,538,796</u>	<u>1,979,645</u>	<u>35,559,151</u>
Excess (Deficiency) of Revenues over Expenditures	<u>100,000</u>	<u>(37,438,796)</u>	<u>(378,879)</u>	<u>37,059,917</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			<u>(3,800)</u>	<u>(3,800)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,800)</u>	<u>(3,800)</u>
Net Change in Fund Balances	<u>\$ 100,000</u>	<u>\$(37,438,796)</u>	<u>(382,679)</u>	<u>\$ 37,056,117</u>
Fund Balance, Beginning, As Previously Reported			2,527,980	
Prior Period Adjustment			<u>(997,700)</u>	
Fund Balance, Beginning, As Restated			<u>1,530,280</u>	
Fund Balance, Ending			<u>\$ 1,147,601</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 90-2 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$	\$ 0
Total Revenues	0	0	0	0
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$	\$	0	\$ 0
Fund Balance, Beginning			3	
Fund Balance, Ending			\$ 3	

**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, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 9,314	\$ 9,314
Total Revenues	0	0	9,314	9,314
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	9,314	\$ 9,314
Fund Balance, Beginning			319,231	
Fund Balance, Ending			\$ 328,545	

**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, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 340	\$ 340
Total Revenues	0	0	340	340
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	340	\$ 340
Fund Balance, Beginning			41,734	
Fund Balance, Ending			\$ 42,074	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 01-1 Area 4 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 21,179	\$ 21,179
Total Revenues	0	0	21,179	21,179
<b>EXPENDITURES</b>				
Capital Outlay			5,496,890	(5,496,890)
Total Expenditures	0	0	5,496,890	(5,496,890)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	(5,475,711)	\$(5,475,711)
Fund Balance, Beginning			5,476,695	
Fund Balance, Ending			\$ 984	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 01-1 Area 5 Capital Project Fund**  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Income	<u>\$</u>	<u>\$</u>	\$ 20,350	\$ 20,350
Total Revenues	<u>0</u>	<u>0</u>	<u>20,350</u>	<u>20,350</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u></u>	<u></u>	3,853,594	(3,853,594)
Total Expenditures	<u>0</u>	<u>0</u>	<u>3,853,594</u>	<u>(3,853,594)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	(3,833,244)	<u>\$(3,833,244)</u>
Fund Balance, Beginning			<u>5,031,747</u>	
Fund Balance, Ending			<u>\$ 1,198,503</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 01-1 Area 6 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 9,760	\$ 9,760
Contributions from Property Owners			12,188	12,188
Total Revenues	<u>0</u>	<u>0</u>	<u>21,948</u>	<u>21,948</u>
<b>EXPENDITURES</b>				
Capital Outlay			538,800	(538,800)
Total Expenditures	<u>0</u>	<u>0</u>	<u>538,800</u>	<u>(538,800)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	(516,852)	<u>\$ (516,852)</u>
Fund Balance, Beginning			<u>2,332,849</u>	
Fund Balance, Ending			<u>\$ 1,815,997</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 01-1 Area 7 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 6,508	\$ 6,508
Contributions from Property Owners			2,034	2,034
Total Revenues	0	0	8,542	8,542
<b>EXPENDITURES</b>				
Capital Outlay			1,314,020	(1,314,020)
Total Expenditures	0	0	1,314,020	(1,314,020)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	(1,305,478)	\$(1,305,478)
Fund Balance, Beginning			1,639,963	
Fund Balance, Ending			\$ 334,485	



**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 02-1 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
Fund Balance, Beginning			<u>(3,863)</u>	
Fund Balance, Ending			<u>\$ (3,863)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$	\$ 0
Total Revenues	0	0	0	0
<b>EXPENDITURES</b>				
Capital Outlay	0	3,183,575	216,531	2,967,044
Total Expenditures	0	3,183,575	216,531	2,967,044
Excess (Deficiency) of Revenues over Expenditures	0	(3,183,575)	(216,531)	2,967,044
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	0	0	216,531	216,531
Total Other Financing Sources (Uses)	0	0	216,531	216,531
Net Change in Fund Balances	\$ 0	\$(3,183,575)	0	\$ 3,183,575
Fund Balance, Beginning			0	
Fund Balance, Ending			\$ 0	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 1,000	\$ 1,000	\$ 426	\$ (574)
Total Revenues	1,000	1,000	426	(574)
<b>EXPENDITURES</b>				
Capital Outlay	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 1,000	\$ 1,000	426	\$ (574)
Fund Balance, Beginning			121,564	
Fund Balance, Ending			\$ 121,990	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 04-1 Capital Project Fund**  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Income	<u>\$</u>	<u>\$</u>	<u>\$ 119</u>	<u>\$ 119</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>119</u>	<u>119</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u></u>	<u></u>	<u>9,378</u>	<u>(9,378)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>9,378</u>	<u>(9,378)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>(9,259)</u>	<u>\$ (9,259)</u>
Fund Balance, Beginning			<u>12,092</u>	
Fund Balance, Ending			<u>\$ 2,833</u>	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 04-2 Capital Project Fund**  
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Income	<u>\$</u>	<u>\$</u>	<u>\$ 2</u>	<u>\$ 2</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u></u>	<u></u>	<u>108</u>	<u>(108)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>108</u>	<u>(108)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>(106)</u>	<u>\$ (106)</u>
Fund Balance, Beginning			<u>157</u>	
Fund Balance, Ending			<u>\$ 51</u>	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 1,083	\$ 1,083
Total Revenues	0	0	1,083	1,083
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	0	0	1,083	1,083
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			8,642	8,642
Total Other Financing Sources (Uses)	0	0	8,642	8,642
Net Change in Fund Balances	\$ 0	\$ 0	9,725	\$ 9,725
Fund Balance, Beginning			251,096	
Fund Balance, Ending			\$ 260,821	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 04-3 Area 2 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$	\$
Total Revenues	0	0	0	0
<b>EXPENDITURES</b>				
Capital Outlay				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	0	\$ 0
Fund Balance, Beginning			14	
Fund Balance, Ending			\$ 14	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 05-1 Area 3 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 12,427	\$ 12,427
Contributions from Property Owners			23,034	23,034
Total Revenues	<u>0</u>	<u>0</u>	<u>35,461</u>	<u>35,461</u>
<b>EXPENDITURES</b>				
Capital Outlay			3,227,476	(3,227,476)
Total Expenditures	<u>0</u>	<u>0</u>	<u>3,227,476</u>	<u>(3,227,476)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>0</u>	<u>0</u>	<u>(3,192,015)</u>	<u>(3,192,015)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			9,989	9,989
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>9,989</u>	<u>9,989</u>
Net Change in Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>(3,182,026)</u>	<u>\$(3,182,026)</u>
Fund Balance, Beginning			<u>3,182,030</u>	
Fund Balance, Ending			<u>\$ 4</u>	



**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 05-1 Area 4 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 180	\$ 180
Total Revenues	0	0	180	180
<b>EXPENDITURES</b>				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	180	\$ 180
Fund Balance, Beginning			42,536	
Fund Balance, Ending			\$ 42,716	

**City of Perris, California**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Facilities District 05-2 Capital Project Fund**  
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 7	\$ 7
Total Revenues	0	0	7	7
<b>EXPENDITURES</b>				
Capital Outlay			1,545	(1,545)
Total Expenditures	0	0	1,545	(1,545)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	(1,538)	\$ (1,538)
Fund Balance, Beginning			1,538	
Fund Balance, Ending			\$ 0	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 208	\$ 208
Contributions from Property Owners			\$ 3	
Total Revenues	0	0	211	211
<b>EXPENDITURES</b>				
Capital Outlay			50,000	(50,000)
Total Expenditures	0	0	50,000	(50,000)
Excess (Deficiency) of Revenues over Expenditures	0	0	(49,789)	(49,789)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			9,690	9,690
Total Other Financing Sources (Uses)	0	0	9,690	9,690
Net Change in Fund Balances	\$ 0	\$ 0	(40,099)	\$ (40,099)
Fund Balance, Beginning			52,312	
Fund Balance, Ending			\$ 12,213	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 1,057	\$ 1,057
Contributions from Property Owners			6,455	6,455
Total Revenues	0	0	7,512	7,512
<b>EXPENDITURES</b>				
Capital Outlay			46,840	(46,840)
Total Expenditures	0	0	46,840	(46,840)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	(39,328)	\$ (39,328)
Fund Balance, Beginning			279,079	
Fund Balance, Ending			\$ 239,751	

**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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$ 39	\$ 39
Contributions from Property Owners			414,556	414,556
Total Revenues	0	0	414,595	414,595
<b>EXPENDITURES</b>				
Capital Outlay			95,650	(95,650)
Total Expenditures	0	0	95,650	(95,650)
Excess (Deficiency) of Revenues over Expenditures	\$ 0	\$ 0	318,945	\$ 318,945
Fund Balance, Beginning, As Previously Reported			7,998	
Prior Period Adjustment			(196,345)	
Fund Balance, Beginning, As Restated			(188,347)	
Fund Balance, Ending			\$ 130,598	

## **NON-MAJOR ENTERPRISE FUNDS**

**Enterprise Funds** - To account for the operations that are financed and operated in a manner similar to private business enterprises. The City's intent is to demonstrate that the cost of services provided to the general public on a continuing basis is financed or recovered primarily through user charges; or the City has decided that the periodic determination of net income is appropriate for accountability purposes.

**Water Utility** - To account for the activities of the City's water utility distribution operations.

**Solid Waste Utility** - To account for the activities of the City's solid waste utility distribution operations.

**City of Perris, California**  
**Combining Statement of Net Assets**  
**Non-major Enterprise Funds**  
Year Ended June 30, 2009

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Solid Waste Utility</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$	\$ 1,139,997	\$ 1,139,997
Receivables:			
Accounts	339,361	645,992	985,353
Interest		2,831	2,831
Deposits	124		124
Due from Other Funds	88,466		88,466
	<u>427,951</u>	<u>1,788,820</u>	<u>2,216,771</u>
Total Current Assets			
Noncurrent Assets:			
Capital Assets, Net of Depreciation	<u>4,029,592</u>		<u>4,029,592</u>
	<u>4,029,592</u>	<u>0</u>	<u>4,029,592</u>
Total Noncurrent Assets			
	<u>4,457,543</u>	<u>1,788,820</u>	<u>6,246,363</u>
Total Assets			
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	163,964	547,498	711,462
Due to Other Funds	1,255,026		1,255,026
Advances from Other Funds	322,682		322,682
Deposits	50,850		50,850
Compensated Absences Payable - Current Portion	6,809	1,057	7,866
	<u>1,799,331</u>	<u>548,555</u>	<u>2,347,886</u>
Total Current Liabilities			
Noncurrent Liabilities:			
Compensated Absences Payable	<u>27,235</u>	<u>4,229</u>	<u>31,464</u>
	<u>27,235</u>	<u>4,229</u>	<u>31,464</u>
Total Noncurrent Liabilities			
	<u>1,826,566</u>	<u>552,784</u>	<u>2,379,350</u>
Total Liabilities			
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,029,592		4,029,592
Unrestricted	<u>(1,398,615)</u>	<u>1,236,036</u>	<u>(162,579)</u>
	<u>\$ 2,630,977</u>	<u>\$ 1,236,036</u>	<u>\$ 3,867,013</u>
Total Net Assets			

**City of Perris, California**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Non-major Enterprise Funds**  
Year Ended June 30, 2009

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Solid Waste Utility</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,986,996	\$ 679,104	\$ 2,666,100
Miscellaneous	51,785		51,785
Total Operating Revenue	<u>2,038,781</u>	<u>679,104</u>	<u>2,717,885</u>
<b>OPERATING EXPENSES</b>			
Maintenance and Operation	414,501	43,228	457,729
Contractual Services	1,540,445	494,380	2,034,825
Materials and Supplies	14,156		14,156
Repairs and Maintenance	135,764		135,764
Administrative and General	33,921	12,553	46,474
Depreciation	175,705		175,705
Total Operating Expenses	<u>2,314,492</u>	<u>550,161</u>	<u>2,864,653</u>
Operating Income (Loss)	<u>(275,711)</u>	<u>128,943</u>	<u>(146,768)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income		31,523	31,523
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>31,523</u>	<u>31,523</u>
Income (Loss) Before Contributions and Transfers	(275,711)	160,466	(115,245)
Capital Asset Contribution	5,350		5,350
Transfer In	88,466		88,466
Change in Net Assets	<u>(181,895)</u>	<u>160,466</u>	<u>(21,429)</u>
Total Net Assets, Beginning of Year	2,812,872	1,045,675	3,858,547
Prior Period Adjustment		29,895	29,895
Total Net Assets, Beginning of Year - Restated	<u>2,812,872</u>	<u>1,075,570</u>	<u>3,888,442</u>
Total Net Assets, End of Year	<u>\$ 2,630,977</u>	<u>\$ 1,236,036</u>	<u>\$ 3,867,013</u>



**City of Perris, California**  
**Combining Statement of Cash Flows**  
**Non-major Enterprise Funds**  
Year Ended June 30, 2009

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Solid Waste Utility</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 1,967,877	\$ 814,456	\$ 2,782,333
Cash Payments for Employee Services	(154,489)	(45,811)	(200,300)
Cash Payments to Suppliers for Goods and Services	<u>(1,940,721)</u>	<u>(694,473)</u>	<u>(2,635,194)</u>
Net Cash Provided (Used) by Operating Activities	<u>(127,333)</u>	<u>74,172</u>	<u>(53,161)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances from (to) Other Funds	<u>140,303</u>	<u>1,403</u>	<u>141,706</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>140,303</u>	<u>\$ 1,403</u>	<u>141,706</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	<u>(12,970)</u>	<u></u>	<u>(12,970)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(12,970)</u>	<u>0</u>	<u>(12,970)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	<u></u>	<u>35,184</u>	<u>35,184</u>
Net Cash Provided (Used) from Investing Activities	<u>0</u>	<u>35,184</u>	<u>35,184</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>0</u>	<u>110,759</u>	<u>110,759</u>
Cash and Cash Equivalents - Beginning of the Year	<u>0</u>	<u>1,029,238</u>	<u>1,029,238</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 0</u>	<u>\$ 1,139,997</u>	<u>\$ 1,139,997</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income	\$ (275,711)	\$ 128,943	\$ (146,768)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	175,705		175,705
Changes in Assets and Liabilities:			
Accounts Receivables (Increase) Decrease	(102,256)	165,228	62,972
Deposits (Increase) Decrease	(124)		(124)
Accounts Payable and Accrued Liabilities Increase (Decrease)	37,512	(217,911)	(180,399)
Deposits Payable Increase (Decrease)	31,351		31,351
Compensated Absences Increase (Decrease)	<u>6,190</u>	<u>(2,088)</u>	<u>4,102</u>
<b>TOTAL CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ (127,333)</u>	<u>\$ 74,172</u>	<u>\$ (53,161)</u>
<b>Noncash Capital Activities:</b>			
Contributions of Capital Assets	\$ 5,350		\$ 5,350

**City of Perris, California**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
June 30, 2009

	City Cash Trust Fund	Community Facilities Districts	Assessment District 86-1	Total Agency Funds
<b>ASSETS</b>				
Cash and Investments	\$ 642,420	\$ 1,111,474	\$ 696,790	\$ 2,450,684
Cash and Investments with Fiscal Agent		23,579,914		23,579,914
Assessments Receivables		1,322,323	4,089	1,326,412
Interest Receivables		10,742	1,923	12,665
Other Receivables		5,094	1,537	6,631
Deposits		93,169		93,169
	<u>642,420</u>	<u>1,140,699</u>	<u>702,356</u>	<u>2,485,475</u>
Total Assets	<u>\$ 642,420</u>	<u>\$ 26,122,716</u>	<u>\$ 704,339</u>	<u>\$ 27,469,475</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable and Accrued Liabilities	\$ 75,683	\$ 166,325	\$ 246	\$ 242,254
Deposits	566,737	527,799		1,094,536
Due to Bondholders		25,428,592	704,093	26,132,685
	<u>642,420</u>	<u>249,651</u>	<u>704,339</u>	<u>1,596,410</u>
Total Liabilities	<u>\$ 642,420</u>	<u>\$ 26,122,716</u>	<u>\$ 704,339</u>	<u>\$ 27,469,475</u>

**City of Perris, California**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**City Cash Trust Fund**  
Year Ended June 30, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 617,913	\$ 68,027	\$ 43,520	\$ 642,420
Total Assets	<u>\$ 617,913</u>	<u>\$ 68,027</u>	<u>\$ 43,520</u>	<u>\$ 642,420</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable and Accrued Liabilities	\$ 43,520	\$ 75,683	\$ 43,520	\$ 75,683
Deposits	<u>574,393</u>	<u>68,027</u>	<u>75,683</u>	<u>566,737</u>
Total Liabilities	<u>\$ 617,913</u>	<u>\$ 143,710</u>	<u>\$ 119,203</u>	<u>\$ 642,420</u>

**City of Perris, California**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Community Facilities Districts**  
Year Ended June 30, 2009

	Beginning Balance	Additions	Deletions	Ending Balance
<b>ASSETS</b>				
Cash and Investments	\$ 1,696,975	\$ 17,270,692	\$ 17,856,193	\$ 1,111,474
Cash and Investments with Fiscal Agent	21,132,120	14,622,347	12,174,553	23,579,914
Assessments Receivables	1,397,293	1,322,323	1,397,293	1,322,323
Interest Receivables	34,649	10,742	34,649	10,742
Other Receivables	94,464	5,094	94,464	5,094
Deposits	93,169			93,169
	<u>24,448,670</u>	<u>33,231,198</u>	<u>31,557,152</u>	<u>26,122,716</u>
Total Assets	<u>\$ 24,448,670</u>	<u>\$ 33,231,198</u>	<u>\$ 31,557,152</u>	<u>\$ 26,122,716</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable and Accrued Liabilities	\$ 351,743	\$ 166,325	\$ 351,743	\$ 166,325
Deposits	1,416,325		888,526	527,799
Due to Bondholders	22,680,602	34,471,467	31,723,477	25,428,592
	<u>24,448,670</u>	<u>34,637,792</u>	<u>32,963,746</u>	<u>26,122,716</u>
Total Liabilities	<u>\$ 24,448,670</u>	<u>\$ 34,637,792</u>	<u>\$ 32,963,746</u>	<u>\$ 26,122,716</u>

**City of Perris, California**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Assessment District 86-1**  
Year Ended June 30, 2009

	Beginning Balance	Additions	Deletions	Ending Balance
<b>ASSETS</b>				
Cash and Investments	\$ 656,213	\$ 43,680	\$ 3,103	\$ 696,790
Assessments Receivables	10,492	4,089	10,492	4,089
Interest Receivables	3,981	1,923	3,981	1,923
Other Receivable		1,537		1,537
	<u>670,686</u>	<u>51,229</u>	<u>17,576</u>	<u>704,339</u>
Total Assets	<u>\$ 670,686</u>	<u>\$ 51,229</u>	<u>\$ 17,576</u>	<u>\$ 704,339</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable and Accrued Liabilities	\$ 916	\$ 246	\$ 916	\$ 246
Due to Bondholders	669,770	52,145	17,822	704,093
	<u>670,686</u>	<u>52,391</u>	<u>18,738</u>	<u>704,339</u>
Total Liabilities	<u>\$ 670,686</u>	<u>\$ 52,391</u>	<u>\$ 18,738</u>	<u>\$ 704,339</u>

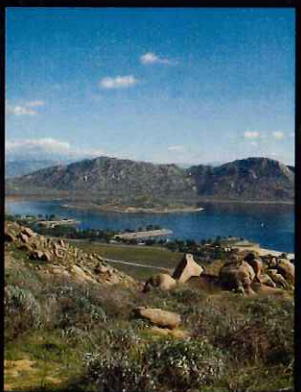
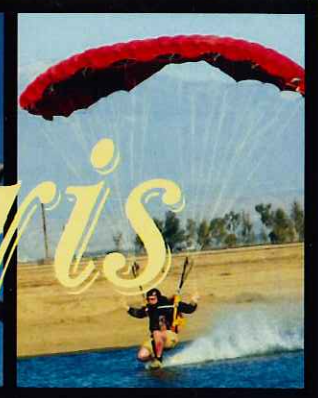
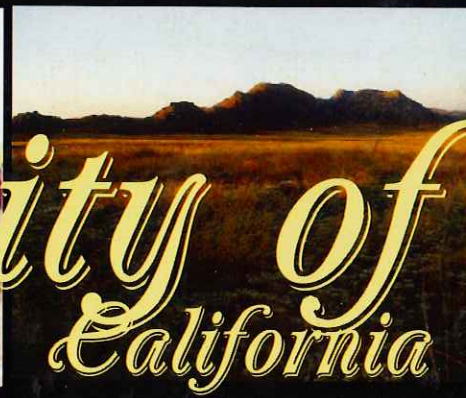
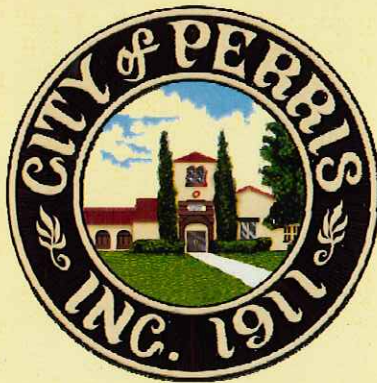
**City of Perris, California**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Total Agency Funds**  
Year Ended June 30, 2009

	Beginning Balance	Additions	Deletions	Beginning Balance
<b>ASSETS</b>				
Cash and Investments	\$ 2,971,101	\$ 17,382,399	\$ 17,902,816	\$ 2,450,684
Cash and Investments with Fiscal Agent	21,132,120	14,622,347	12,174,553	23,579,914
Assessments Receivables	1,407,785	1,326,412	1,407,785	1,326,412
Interest Receivables	38,630	12,665	38,630	12,665
Other Receivables	94,464	6,631	94,464	6,631
Deposits	93,169			93,169
	<u>25,737,269</u>	<u>33,350,454</u>	<u>31,618,248</u>	<u>27,469,475</u>
Total Assets	<u>\$ 25,737,269</u>	<u>\$ 33,350,454</u>	<u>\$ 31,618,248</u>	<u>\$ 27,469,475</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable and Accrued Liabilities	\$ 396,179	\$ 242,254	\$ 396,179	\$ 242,254
Deposits	1,990,718	68,027	964,209	1,094,536
Due to Bondholders	23,350,372	34,523,612	31,741,299	26,132,685
	<u>25,737,269</u>	<u>34,833,893</u>	<u>33,101,687</u>	<u>27,469,475</u>
Total Liabilities	<u>\$ 25,737,269</u>	<u>\$ 34,833,893</u>	<u>\$ 33,101,687</u>	<u>\$ 27,469,475</u>



# City of Perris California

## Statistical Section



## 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.

<b>CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	127
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	138
<b>Debt Capacity</b> 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.	144
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	149
<b>Operating Information</b> 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.	151



**City of Perris**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**Page 1**

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 54,724	\$ 59,150	\$ 59,555	\$ 100,723	\$ 109,215
Restricted	5,633	5,028	5,913	4,395	4,602
Unrestricted	11,639	25,592	49,594	36,588	60,838
Total governmental activities net assets	<u>\$ 71,996</u>	<u>\$ 89,770</u>	<u>\$ 115,062</u>	<u>\$ 141,706</u>	<u>\$ 174,655</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 7,832	\$ 8,674	\$ 8,218	\$ 8,588	\$ 8,307
Unrestricted	903	198	391	1,064	666
Total business-type activities net assets	<u>\$ 8,735</u>	<u>\$ 8,872</u>	<u>\$ 8,609</u>	<u>\$ 9,652</u>	<u>\$ 8,973</u>
Primary government					
Restricted	\$ 62,556	\$ 67,824	\$ 67,773	\$ 109,311	\$ 117,522
Restricted for Low and Moderate Housing	5,633	5,028	5,913	4,395	4,602
Unrestricted	12,542	25,790	49,985	37,652	61,504
Total primary government net assets	<u>\$ 80,731</u>	<u>\$ 98,642</u>	<u>\$ 123,671</u>	<u>\$ 151,358</u>	<u>\$ 183,628</u>

Source: City of Perris, Finance Department

Note: The City implemented GASB 34 in the fiscal year 2003. Information prior to fiscal year 2003 is unavailable.

**City of Perris**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

**Page 2**

	<u>Fiscal Year</u>	
	<u>2008</u>	<u>2009</u>
Governmental activities		
Invested in capital assets, net of related debt	\$ 140,061	\$ 142,300
Restricted	5,737	7,526
Unrestricted	<u>73,731</u>	<u>59,193</u>
Total governmental activities net assets	<u>\$ 219,529</u>	<u>\$ 209,019</u>
Business-type activities		
Invested in capital assets, net of related debt	\$ 8,613	\$ 8,374
Unrestricted	<u>850</u>	<u>816</u>
Total business-type activities net assets	<u>\$ 9,463</u>	<u>\$ 9,190</u>
Primary government		
Restricted	\$ 148,674	\$ 150,674
Restricted for Low and Moderate Housing	5,737	7,526
Unrestricted	<u>74,581</u>	<u>60,009</u>
Total primary government net assets	<u>\$ 228,992</u>	<u>\$ 218,209</u>

Source: City of Perris, Finance Department

Note: The City implemented GASB 34 in the fiscal year 2003. Information prior to fiscal year 2003 is unavailable.

**City of Perris**  
**Change in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**Page 1**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General Government	\$ 3,151	\$ 2,817	\$ 4,273	\$ 4,822	\$ 5,910
Public Safety	7,645	9,492	13,700	13,063	14,302
Public Works	12,867	23,577	17,605	32,331	23,604
Parks and Recreation	1,133	1,365	1,679	1,726	2,243
Interest on Long-term Debt	4,101	3,543	4,408	5,188	5,496
Total governmental activities expenses	<u>28,897</u>	<u>40,794</u>	<u>41,665</u>	<u>57,130</u>	<u>51,555</u>
Business-type activities:					
Water Utility	1,824	2,052	2,047	1,912	2,658
Sewer Utility	1,215	1,281	1,509	1,344	1,475
Public Utility			-	-	-
Solid Waste Utility	452	493	566	506	622
Total business-type activities expenses	<u>3,491</u>	<u>3,826</u>	<u>4,122</u>	<u>3,762</u>	<u>4,755</u>
Total primary government expenses	<u>\$ 32,388</u>	<u>\$ 44,620</u>	<u>\$ 45,787</u>	<u>\$ 60,892</u>	<u>\$ 56,310</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 3,431	\$ 4,285	\$ 5,274	\$ 5,160	\$ 3,031
Public Safety	82	45	75	95	887
Public Works	7,473	8,774	14,928	13,531	23,343
Parks and Recreation	59	63	58	112	132
Operating Grants and Contributions	2,542	3,059	2,592	3,284	3,075
Capital Grants and Contributions	5,371	21,706	19,239	32,596	14,580
Total governmental activities program revenues	<u>18,958</u>	<u>37,932</u>	<u>42,166</u>	<u>54,778</u>	<u>45,048</u>
Business-type activities:					
Charges for services:					
Water Utility	1,757	1,888	1,930	1,792	1,995
Sewer Utility	1,045	1,132	1,247	1,245	1,340
Public Utility			-	-	-
Solid Waste Utility	479	528	551	565	640
Capital Grants and Contributions	-	-	106	416	-
Total business-type activities program revenues	<u>3,281</u>	<u>3,548</u>	<u>3,834</u>	<u>4,018</u>	<u>3,975</u>
Total primary government program revenues	<u>\$ 22,239</u>	<u>\$ 41,480</u>	<u>\$ 46,000</u>	<u>\$ 58,796</u>	<u>\$ 49,023</u>
Net (expense)/revenue					
Governmental activities	\$ (9,939)	\$ (2,862)	\$ 501	\$ (2,352)	\$ (6,507)
Business-type activities	<u>(210)</u>	<u>(278)</u>	<u>(288)</u>	<u>256</u>	<u>(780)</u>
Total primary government net (expense)/revenue	<u>\$ (10,149)</u>	<u>\$ (3,140)</u>	<u>\$ 213</u>	<u>\$ (2,096)</u>	<u>\$ (7,287)</u>

Source: City of Perris, Finance Department

Note: The City implemented GASB 34 in the fiscal year 2003. Information prior to fiscal year 2003 is unavailable.

**City of Perris**  
**Change in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**Page 2**

	Fiscal Year	
	2008	2009
<b>Expenses</b>		
Governmental activities:		
General Government	\$ 7,673	\$ 7,557
Public Safety	16,351	16,292
Public Works	19,592	32,996
Parks and Recreation	2,406	2,607
Interest on Long-term Debt	5,891	6,937
Total governmental activities expenses	<u>51,913</u>	<u>66,389</u>
Business-type activities:		
Water Utility	2,050	2,314
Sewer Utility	1,364	1,540
Public Utility	-	611
Solid Waste Utility	598	550
Total business-type activities expenses	<u>4,012</u>	<u>5,015</u>
Total primary government expenses	<u>\$ 55,925</u>	<u>\$ 71,404</u>
<b>Program Revenues</b>		
Governmental activities:		
Charges for services:		
General Government	\$ 1,722	\$ 765
Public Safety	908	755
Public Works	5,830	7,180
Parks and Recreation	148	202
Operating Grants and Contributions	3,170	3,804
Capital Grants and Contributions	39,808	3,457
Total governmental activities program revenues	<u>51,586</u>	<u>16,163</u>
Business-type activities:		
Charges for services:		
Water Utility	2,086	2,039
Sewer Utility	1,602	1,558
Public Utility	-	286
Solid Waste Utility	675	679
Capital Grants and Contributions	43	5
Total business-type activities program revenues	<u>4,406</u>	<u>4,567</u>
Total primary government program revenues	<u>\$ 55,992</u>	<u>\$ 20,730</u>
Net (expense)/revenue		
Governmental activities	\$ (327)	\$ (50,226)
Business-type activities	394	(448)
Total primary government net (expense)/revenue	<u>\$ 67</u>	<u>\$ (50,674)</u>

Source: City of Perris, Finance Department

Note: The City implemented GASB 34 in the fiscal year

**City of Perris**  
**Change in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**Page 3**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>					
Government activities:					
Taxes					
Property taxes	\$ 5,178	\$ 5,691	\$ 8,143	\$ 10,776	\$ 14,923
Sales and use taxes	4,495	5,282	4,398	5,394	5,020
Motor Vehicle in-lieu taxes	2,167	1,749	270	923	291
Vehicle License Fee in Lieu Tax	-	-	2,199	3,286	4,371
Sales Tax in Lieu Tax	-	-	1,281	1,166	1,938
Franchise taxes	1,445	1,602	1,868	1,862	2,099
Other taxes	256	508	718	971	636
Total taxes	<u>13,541</u>	<u>14,832</u>	<u>18,877</u>	<u>24,378</u>	<u>29,278</u>
Fines, forfeitures and penalties	260	198	253	652	-
Investment income	2,749	2,897	4,463	6,232	8,562
Gain (loss) on sale of capital assets	(496)	(54)	3	-	529
Miscellaneous	703	614	558	409	668
Transfers	100	(400)	-	(759)	-
Prior period adjustment	-	551	(363)	(916)	418
Total governmental activities	<u>16,857</u>	<u>18,638</u>	<u>23,791</u>	<u>29,996</u>	<u>39,455</u>
Business-type activities:					
Investment income	27	14	25	29	100
Miscellaneous	(55)	-	-	-	-
Transfers	(100)	400	-	759	-
Prior period adjustment					
Total business-type activities	<u>(128)</u>	<u>414</u>	<u>25</u>	<u>788</u>	<u>100</u>
Total primary government	<u>\$ 16,729</u>	<u>\$ 19,052</u>	<u>\$ 23,816</u>	<u>\$ 30,784</u>	<u>\$ 39,555</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 6,918	\$ 15,776	\$ 24,292	\$ 27,644	\$ 32,948
Business-type activities	<u>(338)</u>	<u>136</u>	<u>(263)</u>	<u>1,044</u>	<u>(680)</u>
Total primary government	<u>\$ 6,580</u>	<u>\$ 15,912</u>	<u>\$ 24,029</u>	<u>\$ 28,688</u>	<u>\$ 32,268</u>

Source: City of Perris, Finance Department

Note: The City implemented GASB 34 in the fiscal year 2003. Information prior to fiscal year 2003 is unavailable.

**City of Perris**  
**Change in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**Page 4**

	Fiscal Year	
	2008	2009
<b>General Revenues and Other Changes in</b>		
<b>Net Assets</b>		
Government activities:		
Taxes		
Property taxes	\$ 19,058	\$ 19,532
Sales and use taxes	4,920	4,934
Motor Vehicle in-lieu taxes	225	183
Vehicle License Fee in Lieu Tax	5,435	5,587
Sales Tax in Lieu Tax	1,432	1,421
Franchise taxes	2,104	2,128
Other taxes	354	352
Total taxes	33,528	34,137
Fines, forfeitures and penalties	-	-
Investment income	10,146	6,742
Gain (loss) on sale of capital assets	-	-
Miscellaneous	1,145	290
Transfers	-	(89)
Prior period adjustment	383	(1,363)
Total governmental activities	45,202	39,717
Business-type activities:		
Investment income	96	63
Miscellaneous	-	-
Transfers	-	89
Prior period adjustment	-	23
Total business-type activities	96	175
Total primary government	\$ 45,298	\$ 39,892
<b>Change in Net Assets</b>		
Governmental activities	\$ 44,875	\$ (10,509)
Business-type activities	490	(273)
Total primary government	\$ 45,365	\$ (10,782)

Source: City of Perris, Finance Department

Note: The City implemented GASB 34 in the fiscal year

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales &amp; Use Tax</b>	<b>Motor Vehicle in-lieu Tax</b>	<b>Vehicle License Fee in-lieu Tax</b>	<b>Sales Tax in-lieu Tax</b>	<b>Franchise Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2000	\$ 4,124	\$ 3,238	\$ 1,538	\$ -	\$ -	\$ 1,209	\$ 136	\$ 10,245
2001	4,081	3,978	1,778	-	-	1,323	149	11,309
2002	4,854	4,367	2,078	-	-	1,411	169	12,878
2003	5,215	4,495	2,167	-	-	1,445	255	13,578
2004	5,691	5,282	1,749	-	-	1,602	508	14,831
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

Soruce: City of Perris, Finance Department

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**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				
	2000	2001	2002	2003	2004
General fund					
Reserved	\$ 5	\$ 5	\$ 47	\$ 2,344	\$ 2,424
Unreserved	1,576	3,238	4,861	8,150	10,737
Total general fund	<u>\$ 1,581</u>	<u>\$ 3,243</u>	<u>\$ 4,909</u>	<u>\$ 10,493</u>	<u>\$ 13,161</u>
All other governmental funds					
Reserved	\$ 52,261	\$ 51,893	\$ 50,095	\$ 68,933	\$ 78,269
Unreserved, reported in:					
Special revenue funds	5,334	6,899	8,023	15,103	18,877
Debt service funds	-	-	-	(243)	-
Capital project funds	(1,367)	807	2,337	4,755	7,490
Total all other governmental funds	<u>\$ 56,228</u>	<u>\$ 59,598</u>	<u>\$ 60,456</u>	<u>\$ 88,548</u>	<u>\$ 104,636</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				
	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
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)
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>

**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**

	<b>Fiscal Year</b>				
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Revenues</b>					
Taxes	\$ 8,672	\$ 9,498	\$ 10,765	\$ 11,374	\$ 13,041
Licenses and Permits	1,055	600	1,108	3,369	4,149
Intergovernmental Revenues	3,929	4,624	6,569	10,563	10,329
Charges for Services	990	751	625	813	1,974
Fines, Forfeitures, and Penalties	465	397	257	260	198
Developer Fees	-	-	133	5	965
Investment Income	3,868	4,187	3,317	2,749	2,897
Special Assessments	731	718	911	1,031	772
Contributions from Property Owners	-	-	13,350	5,060	20,700
Other Revenue	2,134	1,528	2,521	986	1,445
<b>Total Revenues</b>	<b>21,842</b>	<b>22,303</b>	<b>39,555</b>	<b>36,211</b>	<b>56,472</b>
<b>Expenditures</b>					
General Government	2,060	2,305	3,180	3,262	3,488
Public Safety	5,316	6,387	7,330	7,593	9,518
Public Works	3,361	3,614	6,799	9,450	11,327
Parks and Recreation	504	705	780	929	1,173
Capital Outlay	197	482	352	3,327	15,494
Debt Service					
Pass-through Agreements	470	495	552	581	621
Issuance Costs	-	662	1,034	1,204	3,244
Principal Retirement	1,425	1,610	1,673	11,157	1,913
Interest and Fiscal Charges	4,368	4,124	3,906	2,886	3,316
<b>Total Expenditures</b>	<b>17,703</b>	<b>20,385</b>	<b>25,606</b>	<b>40,389</b>	<b>50,095</b>
Excess of revenues over (under) expenditures	4,140	1,918	13,949	(4,179)	6,377
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,239	1,283	2,739	4,881	2,584
Transfers Out	(1,239)	(1,283)	(2,739)	(4,781)	(2,984)
Proceeds from Sale of Property	-	-	-	-	-
Contributions to Other Governments	-	(43)	(17)	-	-
Payments to Refunded Bond Escrow Agent	-	(9,007)	(11,727)	(10,271)	-
Proceeds from Refunding Bonds	-	-	-	19,680	-
Proceeds from Long Term Debt	132	12,164	150	6,626	12,549
<b>Total Other Financing Sources (Uses)</b>	<b>132</b>	<b>3,114</b>	<b>(11,593)</b>	<b>16,135</b>	<b>12,149</b>
Net Change in Fund Balances before Prior Period Adjustments and Residual Equity Transfers	4,272	5,031	2,355	11,957	18,527
Prior Period Adjustments	(77)	(0)	169	21,720	230
Residual Equity Transfers	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 4,195</b>	<b>\$ 5,031</b>	<b>\$ 2,524</b>	<b>\$ 33,676</b>	<b>\$ 18,757</b>
Debt Service as a percentage of non-capital expenditures	35.8%	34.6%	28.4%	42.7%	26.3%

**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**

	<b>Fiscal Year</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenues</b>					
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 Income	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
<b>Total Revenues</b>	<b>65,786</b>	<b>86,574</b>	<b>84,393</b>	<b>82,407</b>	<b>57,313</b>
<b>Expenditures</b>					
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
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
<b>Total Expenditures</b>	<b>57,220</b>	<b>89,105</b>	<b>63,375</b>	<b>71,696</b>	<b>69,448</b>
Excess of revenues over (under) expenditures	8,566	(2,531)	21,018	10,711	(12,135)
<b>Other Financing Sources (Uses)</b>					
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
Contributions to Other Governments	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	(15,312)	-
Proceeds from Refunding Bonds	-	-	-	337	-
Proceeds from Long Term Debt	9,145	31,269	267	41,546	12,024
<b>Total Other Financing Sources (Uses)</b>	<b>9,145</b>	<b>30,510</b>	<b>316</b>	<b>26,669</b>	<b>11,942</b>
Net Change in Fund Balances before Prior Period Adjustments and Residual Equity Transfers	17,711	27,979	21,334	37,380	(193)
Prior Period Adjustments	(24,703)	495	443	356	(1,362)
Residual Equity Transfers	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (6,992)</b>	<b>\$ 28,474</b>	<b>\$ 21,777</b>	<b>\$ 37,736</b>	<b>\$ (1,555)</b>
Debt Service as a percentage of non-capital expenditures	28.5%	9.8%	18.5%	18.7%	23.2%

**City of Perris**  
**General Government Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales &amp; Use Tax</b>	<b>Motor Vehicle in-lieu Tax</b>	<b>Vehicle License Fee in-lieu Tax</b>	<b>Sales Tax in-lieu Tax</b>	<b>Franchise Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2000	4,124	3,238	1,538	-	-	1,209	136	10,245
2001	4,081	3,978	1,778	-	-	1,323	149	11,309
2002	4,854	4,367	2,078	-	-	1,411	169	12,878
2003	5,215	4,495	2,167	-	-	1,445	255	13,578
2004	5,691	5,282	1,749	-	-	1,602	508	14,831
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

Source: City of Perris, Finance Department

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Apparel Stores	\$ 2,250	\$ 3,086	\$ 4,546	\$ 4,160	\$ 4,423	\$ 4,759	\$ 3,959	\$ 3,895	\$ 3,822	\$ 3,317
General Merchandise	36,395	39,824	41,906	45,192	47,575	53,207	56,803	55,489	51,165	48,940
Food Stores	18,314	19,517	20,092	20,158	21,103	22,288	24,601	27,968	30,398	35,343
Eating and Drinking Places	24,538	26,437	27,402	29,606	32,586	37,830	41,228	42,527	42,788	43,483
Building Materials	22,035	19,654	25,888	27,692	32,388	30,753	36,629	40,974	38,879	41,381
Auto Dealers and Supplies	45,103	67,980	64,216	67,505	70,922	73,584	83,822	76,895	72,414	48,371
Service Stations	32,179	37,629	37,331	38,580	49,178	54,963	64,515	73,748	75,249	83,558
Other Retail Stores	14,890	16,906	19,628	23,358	26,429	33,829	36,800	36,739	35,419	29,540
All Other Outlets	106,465	138,433	184,665	167,898	196,696	211,445	224,578	302,025	269,306	275,246
<b>Total</b>	<b><u>302,169</u></b>	<b><u>369,466</u></b>	<b><u>425,674</u></b>	<b><u>424,149</u></b>	<b><u>481,300</u></b>	<b><u>522,658</u></b>	<b><u>572,935</u></b>	<b><u>660,260</u></b>	<b><u>619,440</u></b>	<b><u>609,179</u></b>

Source: State of California Board of Equalization and the HdL Companies

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.

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

<b>Fiscal Year</b> <b>Ended</b> <b>June 30</b>	<b>Real</b> <b>Property</b>	<b>Personal</b> <b>Property</b>	<b>Other</b>	<b>Less:</b>		<b>Total Taxable</b> <b>Assessed</b> <b>Value</b>	<b>Total</b> <b>Direct Tax</b> <b>Rate</b>
				<b>Other</b> <b>Exemptions</b>	<b>Homeowners'</b> <b>Exemptions</b>		
2001	1,253,542	59,831	1,906	15,866	27,602	1,271,810	1.0000
2002	1,372,582	56,387	1,518	20,402	28,205	1,381,880	1.0000
2003	1,549,376	61,634	1,020	17,529	31,438	1,563,062	1.0000
2004	2,022,700	89,263	1,665	21,537	32,209	2,059,884	1.0000
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

Source: Office of Riverside County Auditor-Controller

\*HdL Coren & Cone

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

Agency	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Basic Levy</b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Improvement Dist 13	0.00300	0.00300	0.00000	0.00000	0.00000 #	0.00000	0.00000	0.00000	0.00000	0.00000
Eastern Municipal Water Improvement Dist U-1	0.01700	0.01700	0.01400	0.01200	0.00500	0.00400	0.00300	0.00000	0.00000	0.00000
Eastern Municipal Water Improvement Dist U-8	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00800	0.00400
M W D West 1st Fr 1302999	0.00890	0.00880	0.00770	0.00670	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Menifee School	0.00000	0.00000	0.00000	0.00000	0.02117	0.01625	0.01435	0.00578	0.00549	0.02370
Metro Water East 1301999	0.00890	0.00880	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430
Metro Water West 1302999	0.00000	0.00000	0.00000	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430
Mwd Adjacent 1301999	0.00890	0.00880	0.00770	0.00670	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Mwd East 1st Fr 13010039	0.00890	0.00880	0.00770	0.00670	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Mwd West 10th Fr 1302999	0.00890	0.00880	0.00770	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Perris School	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02999	0.02894
Perris Union High School	0.00000	0.01742	0.01696	0.01748	0.01560	0.01192	0.02350	0.03222	0.02110	0.02031
Riverside City Community College	0.00000	0.00000	0.00000	0.00000	0.00000	0.01800	0.01800	0.01800	0.01259	0.01254
Val Verde Unified	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.03189
<b>Total Prop 13 Rate</b>	<b>1.06450</b>	<b>1.08142</b>	<b>1.06946</b>	<b>1.06298</b>	<b>1.05397</b>	<b>1.06177</b>	<b>1.06925</b>	<b>1.06540</b>	<b>1.08617</b>	<b>1.12998</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.13146</b>

Source: \*HdL Coren & Cone



**City of Perris**  
**Principal Property Taxpayers**  
**June 30, 2009**  
**(in thousands of dollars)**

<u><b>Taxpayer</b></u>	<b>2009</b>		
	<u><b>Taxable Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Taxable Assessed Value</b></u>
DB RREEF Perris California	\$ 110,744	1	2.21%
Centex Homes	90,531	2	1.81%
Lowes HIW Inc	84,649	3	1.69%
Wachoiva Development Corporation	73,647	4	1.47%
Ross Dress for Less	40,685	5	0.81%
FR California Ellis	36,919	6	0.74%
First Industrial	34,329	7	0.68%
Ranch at Green Valley	31,099	8	0.62%
FR California Goetz Road	30,083	9	0.60%
Coudures Family Limited Partnership	27,146	10	0.54%
Totals	<u>\$ 559,832</u>		<u>11.17%</u>

Source: HdL Coren & Cone, Riverside County Assessor 2008/09 Combined Tax Rolls

The City implemented GASB 44 in fiscal year 2006. Information for the nine years prior is unavailable

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

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Fiscal Year of the Levy</b>	<b>Percentage</b>		<b>Amount</b>	<b>Percentage of Levy</b>
		<b>Amount</b>	<b>of Levy</b>		<b>Amount</b>	
2000	1,296	1,293	99.77%	3	1,296	100.00%
2001	1,331	1,322	99.32%	9	1,331	100.00%
2002	1,449	1,432	98.83%	17	1,449	100.00%
2003	1,734	1,608	92.73%	126	1,734	100.00%
2004	1,846	1,833	99.30%	13	1,846	100.00%
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	4,716	94.83%	257	4,973	100.00%
2008	6,368	5,991	94.08%	377	6,368	100.00%
2009	5,016	4,738	94.46%	278	5,016	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)

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business-type</b>	<b>Total Primary Government</b>	<b>Percentage of Value of Property</b>	<b>Per Capita</b>
	<b>Revenue Bonds</b>	<b>Loans Payable</b>	<b>Reimbursement Agreements</b>	<b>Activities Loans Payable</b>			
2000	60,710	3,809	3,202	-	67,721	6.10%	1,871
2001	63,140	3,771	3,152	-	70,063	6.12%	1,897
2002	56,920	3,736	2,645	-	63,301	4.88%	1,677
2003	52,270	3,700	260	-	56,230	3.99%	1,453
2004	63,385	3,385	210	846	67,826	4.25%	1,613
2005	70,980	3,204	-	1,675	75,859	3.63%	1,500
2006	100,540	3,185	-	1,636	105,361	3.69%	2,235
2007	96,980	3,264	-	1,596	101,840	2.58%	2,010
2008	121,135	3,436	-	1,240	125,811	2.56%	2,347
2009	131,180	3,545	-	10,566	145,291	2.88%	2,675

Source: City of Perris, Finance Department

**City of Perris**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2009**

<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Metropolitan Water District	0.202%	\$ 592,719
Eastern Municipal Water District, I.D. U8	0.400%	1,967
Riverside City Community College District	2.993%	4,229,591
Val Verde Unified School District	39.104%	11,731,200
Perris Union High School District	14.127%	8,110,630
Menifee Union School District	0.087%	39,580
Perris School District	65.27%	5,057,758
City of Perris Community Facilities Districts	100.00%	176,675,000
Romoland School District Community Facilities District No. 2001-1	100.00%	3,600,000
Val Verde Unified School District Community Facilities Districts	100.00%	4,557,000
City of Perris	0.000%	-
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 214,595,445</b>
<b><u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>		
Riverside County General Fund Obligations	2.158%	\$ 16,417,949
Riverside County Pension Obligations	2.158%	\$ 8,245,502
Riverside County Board of Education Certificates of Participation	2.158%	178,467
Mount San Jacinto Community College District General Fund Obligations	2.538%	322,834
Val Verde Unified School District Certificates of Participation	39.104%	39,035,568
Perris Union High School District General Fund Obligations	14.127%	4,700,759
Menifee Union School District Certificates of Participation	0.870%	6,012
Perris School District Certificates of Participation	65.265%	5,782,479
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 74,689,570</b>
Less: Riverside County self-supporting obligations		352,928
<b>TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 74,336,642</b>
<b>GROSS COMBINED TOTAL DEBT (1)</b>		<b>\$ 289,285,015 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$ 288,932,087</b>

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 tax allocation bonds 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)**

<b><u>Fiscal Year 2009</u></b>	
Assessed Value	\$ 5,047,587
Debt Limit (15% of assessed value)	<u>757,138</u>
Legal Debt Margin	<u><u>\$ 4,290,449</u></u>

<u>Fiscal Year</u>	<u>Legal Debt Margin</u>
2000	943,547
2001	973,593
2002	1,103,650
2003	1,198,571
2004	1,355,326
2005	1,778,065
2006	2,428,786
2007	3,349,689
2008	4,171,874

Source: HdL Coren & Cone  
 City of Perris, Finance Department

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

<b>Sewer Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Sewer Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2000	916	811	105	-	-	-
2001	955	841	114	-	-	-
2002	2,039	1,065	974	-	-	-
2003	1,053	1,181	(128)	-	-	-
2004	1,532	1,162	370	672	-	-
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%

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 Income. Operating expenses do not include interest or depreciation.

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

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Water Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2000	1,561	1,437	125	-	-	-
2001	1,722	1,575	146	-	-	-
2002	1,790	2,242	(452)	-	-	-
2003	1,760	1,713	47	-	-	-
2004	1,890	1,934	(44)	-	-	-
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)	-	-	-

**City of Perris  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2000	36,189	413,459	11,425	25.4	21,068	8.6
2001	36,927	n/a	n/a	n/a	22,298	8.8
2002	37,742	n/a	n/a	n/a	23,528	10.2
2003	38,699	n/a	n/a	n/a	24,758	10.1
2004	42,048	567,816	13,504	25.4	25,988	9.3
2005	44,594	n/a	n/a	n/a	27,218	8.3
2006	47,139	n/a	n/a	n/a	28,448	7.2
2007	50,663	n/a	n/a	n/a	29,678	10.4
2008	53,594	n/a	n/a	25.4	33,713	8.4
2009	54,323	n/a	n/a	25.8	34,998	21.3

Source: 1) U.S. Census Bureau

2) CA Dept. of ED., Educational Demographics Unit, District Level Enrollment Reports.

3) Riverside County EDA

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



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

<u>Employer</u>	<u>2008</u>			<u>2004</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>
Starcrest Products of California Inc.	1,400	1	10.69%	1,000	3	7.24%
Eastern Municipal Water District	1,000	2	7.64%	500	7	3.62%
National R V Holdings Inc.	850	3	6.49%	2,177	1	15.77%
Pw Eagle Inc	267	4	2.04%	---	---	---
Wall-Mart	250	5	1.91%	250	9	1.81%
Coreslab Structures Inc.	200	6	1.53%	---	---	---
Clayton Homes	200	7	1.53%	---	---	---
Silver Creek Industries	175	8	1.34%	---	---	---
Navigator Yachts	150	9	1.15%	---	---	---
Stater Brothers	120	10	0.92%	---	---	---
Ross Stores Inc.	---		---	1,400	2	10.14%
Lowe's HIW Inc	---		---	900	4	6.52%
Perris Union High School District	---		---	500	5	3.62%
ModTech Inc.	---		---	500	6	3.62%
Perris Elementary School District	---		---	400	8	2.90%
Golden West Homes	---		---	220	10	1.59%
Totals	<u>\$ 4,612</u>		<u>35.22%</u>	<u>\$ 7,847</u>		<u>56.85%</u>

Source: Community Economic Profile 2008 & 2004 Demographic, Economic & Quality of Life Data by John E Husing

Note: Information for the fiscal year ended June 30, 2009 is not available and will be provided when available.

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

Function	Full-time Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	37	38	40	47	49	61	60	61	61	59
Public safety*										
Police										
Officers	28	28	28	28	29	32	37	48	48	47
Fire										
Firefighters and officers	4	7	7	7	7	7	14	14	16	16
Highways and streets										
Engineering **										
Maintenance	6	7	9	9	10	13	13	13	13	12
Sanitation										
Culture and recreation	4	4	4	4	5	6	8	9	8	8
Water	2	2	2	3	3	3	4	3	3	4
Sewer	2	2	2	2	1	1	1	0	0	0
<b>Total</b>	<b>83</b>	<b>88</b>	<b>92</b>	<b>100</b>	<b>104</b>	<b>123</b>	<b>137</b>	<b>148</b>	<b>149</b>	<b>146</b>

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

\*\*Contracted service with Tri Lakes Engineers

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

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Police</b>					
Physical arrests	1,109	1,297	1,807	1,945	1,765
Parking violations	350	347	555	372	461
Traffic violations	1,720	3,730	2,426	2,263	1,159
<b>Fire</b>					
Number of Calls answered	3,110	3,289	3,436	3,785	4,132
<b>Public Works</b>					
Street resurfacing (miles)	10	10	10	10	10
Potholes repaired (1,000 sq feet)	30	30	30	30	30
<b>Water</b>					
New connections	1	0	0	36	31
Water mains breaks	n/a	n/a	n/a	n/a	n/a
Average daily consumption (100 cubic feet)	n/a	n/a	n/a	n/a	2,286

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

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

Function	Fiscal Year				
	2005	2006	2007	2008	2009
Police					
Physical arrests	1,808	3,862	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	3,688 *

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

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	31	32	27	26	30
Fire Stations	1	1	1	1	1
Highways and streets					
Streets (miles)	110	110	120	130	140
Streetlights	n/a	n/a	n/a	n/a	1,672
Traffic signals	n/a	21	22	24	27
Parks and recreation					
Parks acreage	67	67	67	67	75
Parks	8	8	8	8	12
Tennis courts	4	4	4	4	4
Community centers	3	3	3	3	3
Water					
Water mains (miles)	37	37	37	37	37
Sewer					
Sanitary sewers (miles)	23	23	23	23	25
Storm sewers (1,000 linear feet)	n/a	n/a	n/a	n/a	n/a

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**

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
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	73
Culture and recreation					
Parks acreage	75	75	127	135	144
Parks	12	12	17	18	20
Tennis courts	4	4	4	4	4
Community centers	3	3	3	4	4
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