

# CITY OF MURRIETA CALIFORNIA

## Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009



### ***City Council***

Gary Thomasian, Mayor

Kelly Bennett, Mayor Pro-Tem

Rick Gibbs, Councilmember

Randon Lane, Councilmember

Doug McAllister, Councilmember

*City Manager*

**Rick Dudley**

*Finance Director*

**Joy Canfield**



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**CITY OF MURRIETA**

*One Town Square  
24601 Jefferson Avenue  
Murrieta, CA 92562*

January 22, 2010

Honorable Mayor, Members of the City Council and City Manager:

The City of Murrieta staff is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The information found in this report is provided by the Finance Department to the City Council and the public to assist those interested in the city's fiscal condition.

The City assumes full responsibility for the completeness and reliability of the information contained in this report and has established a framework of internal controls for this purpose. Because the cost of internal controls should not outweigh its benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The independent auditing firm of Lance, Soll & Lunghard has issued an unqualified opinion on the City of Murrieta's financial statements indicating they are free from material misstatement and present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In accordance with the above-mentioned guidelines, the accompanying report is presented in three sections:

*Introductory Section* – Transmittal letter, the City's organizational chart and a list of principal officers.

*Financial Section* – Independent auditors' report, basic financial statements, required supplemental information (including Management's Discussion and Analysis), and component unit individual funds for which data is not provided separately within the basic financial statements.

*Statistical Section* – In May 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 44, *Economic Condition Reporting: the Statistical Section*. GASB No. 44 significantly changes the content and presentation of the information reported in the statistical section of a CAFR. GASB No. 44 was required to be implemented for the fiscal year ending June 30, 2006.

## **PROFILE OF THE CITY OF MURRIETA**

Murrieta became a city on July 1, 1991, after voters approved cityhood by an overwhelming margin in November 1990. It is organized as a general law California city and operates under a council/manager form of government.

The Murrieta Community Services District (MCSD) was activated on July 1, 1993, as a subsidiary of the City of Murrieta to take over functions previously provided by County Service Area 143. The MCSD provides parks and recreation services to the residents of Murrieta, as well as street lighting, street sweeping and landscape maintenance.

The Murrieta Fire Protection District was formed in 1948 as an independent, self-governed special district that provides fire protection services. Effective July 1, 1993, the district was reorganized as a subsidiary district of the City.

The Murrieta Redevelopment Agency was established in July 1992. An amended redevelopment plan in conformity with the City's General Plan was adopted in June 1999. The original RDA plan consists of approximately 1,127 acres located in seven non-contiguous land areas located throughout the City of Murrieta. The plan was amended again in July 2006 to add another 1,193 acres. The Redevelopment Agency will prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the territorial limits of the City of Murrieta.

The Murrieta Public Library officially opened in April 1999 and is under full authority of the City of Murrieta.

Murrieta has experienced significant growth since the mid-1980s and is part of one of the fastest growing areas in California. With a 1980 population of some 2,500 in the area, Murrieta now is home to an estimated 100,714 residents.

## **ECONOMIC CONDITION AND OUTLOOK**

Situated in southwest Riverside County at the confluence of Interstate Highways 15 and 215, Murrieta has been one of the state's hottest growth areas for the last 17 years. The building of new homes has slowed down significantly as the city approaches build-out. The development activity in Murrieta has shifted from residential to commercial and industrial.

The City approved its first Comprehensive Economic Development Strategy in late 2008. The Strategy creates the foundation for new business investment in Murrieta. The Strategy focuses on attracting business and non-residential development, retaining the businesses that we have, and encouraging entrepreneurship and the creation of new businesses.

The Strategy creates a vision of Murrieta over the next 20 years as a diversified, major business hub for the region. With a concerted, unified effort, this can happen in Murrieta since we have the land and location to be the core community of Southwest Riverside County and to capture quality growth as it moves north from San Diego and south from Orange County. The Strategy contains short term, medium term and longer term objectives.

Under the Strategy, the City is working to attract office and light industrial companies including companies focused on health care, medical devices, engineering, biotechnology, aerospace, research and development, higher education, greentech, cleantech and general manufacturing to create new higher paying jobs in the community.

The Strategy is aimed at encouraging the development of master planned corporate office parks and research and development parks, particularly along the I-215/North Murrieta Corporate Corridor, the South Murrieta Business Corridor and in the Golden Triangle North area.

Several major chains chose to open new businesses here in fiscal year 2008-09 despite the economic downturn. Super Target, Dixieline Lumber, Walgreens and several other retail stores and restaurants opened in the newly built Orchard center on the northern end of town. In addition, MOR furniture, Fresh & Easy and Sonic Burger also recently opened locations within the city. A new BMW dealership has been approved and will open in the Murrieta Auto Mall in the next year or so.

With the realignment of Antelope Road, the city is also looking at additional growth occurring in the northern section of town. The construction of Loma Linda University Medical Center Murrieta is well underway with completion scheduled for 2011. Construction of a 120,000-square-foot medical building will begin soon with another to follow in the future.

The Jefferson and Madison Avenue Corridors are also slated for development. Development plans are underway for the Murrieta Education Center and additional proposals include hospitality, restaurants, and other retail stores along with office buildings.

The Economic Development (ED) team has been working on laying the foundation to build a true economic development program. Staff has increased the visibility of the city with brokers, developers and likely tenants; and we continue to attend and participate in trade shows in San Diego, Los Angeles and Orange County.

## **FINANCIAL INFORMATION**

The City's financial records for general governmental operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received and the liability incurred.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **Reporting Entity**

This Comprehensive Annual Financial Report presents information on the financial position and operations of the City of Murrieta as a single comprehensive reporting entity. The City of Murrieta as well as the Murrieta Fire District, Murrieta Community Services District, Murrieta Public Library, Murrieta Financing Authority and Redevelopment Agency are included in this report in accordance with criteria established by the Governmental

Accounting Standards Board (GASB). The reporting entity consists of all the funds and account groups of the primary government (the City of Murrieta), as well as its component units that are legally separate organizations. Blended component units, which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City, include the Murrieta Fire District, Murrieta Community Services District, Murrieta Public Library and Murrieta Redevelopment Agency.

### **Fiscal Policies**

The City maintains economic uncertainty reserves of at least 25% of expenditures for its Library, Fire and General Funds. The City has maintained these reserves even with the current economic challenges.

The City has set aside additional funds in anticipation of revenue taking actions by the State of California due to the economic difficulties the State has been experiencing. The State took such action for fiscal year 2009-10 by waiving Proposition 1A enabling the borrowing of \$2 billion in property tax revenues from local governments. The impact on the City of Murrieta was approximately \$2.3 million. The City of Murrieta is participating in a financing mechanism with most other local government agencies to securitize the state's promise to pay back the City's loan in Fiscal Year 2013. The securitization transaction will allow the City to receive their normal property tax allocation amount in fiscal year 2009-10.

The State is also attempting to take redevelopment funds from cities in fiscal year 2009-10 and 2010-11. Legal action has been taken in an attempt to prevent the State from raiding local agencies redevelopment funds. If unsuccessful, the affect on the City's redevelopment fund will be \$3.1 million over the next two years.

### **Budget Process**

The City Council approves a two-year operating budget and an annual five-year capital improvement program. Public hearings are conducted prior to their adoption. Supplemental appropriations where required during the period are also approved by Council. Expenditures may not exceed appropriations at the fund level. The City Manager is authorized to approve operating transfers between departments within a fund without limit. All other budget adjustments require City Council approval. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget.

### **AWARDS AND ACKNOWLEDGEMENTS**

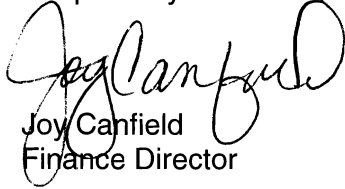
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Murrieta for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements.



A Certificate of Achievement is valid for a period of one year only. The City strives to develop a Comprehensive Annual Financial Report which will continue to meet the Certificate of Achievement Program's requirements, and this report will be submitted to GFOA to determine its eligibility for another certificate.

The preparation and development of this report were made possible by the cooperation of the entire City staff and the diligent work of the Finance Department staff. I would also like to express my appreciation to the City Council and City Manager for their support throughout the year.

Respectfully submitted,



Joy Canfield  
Finance Director

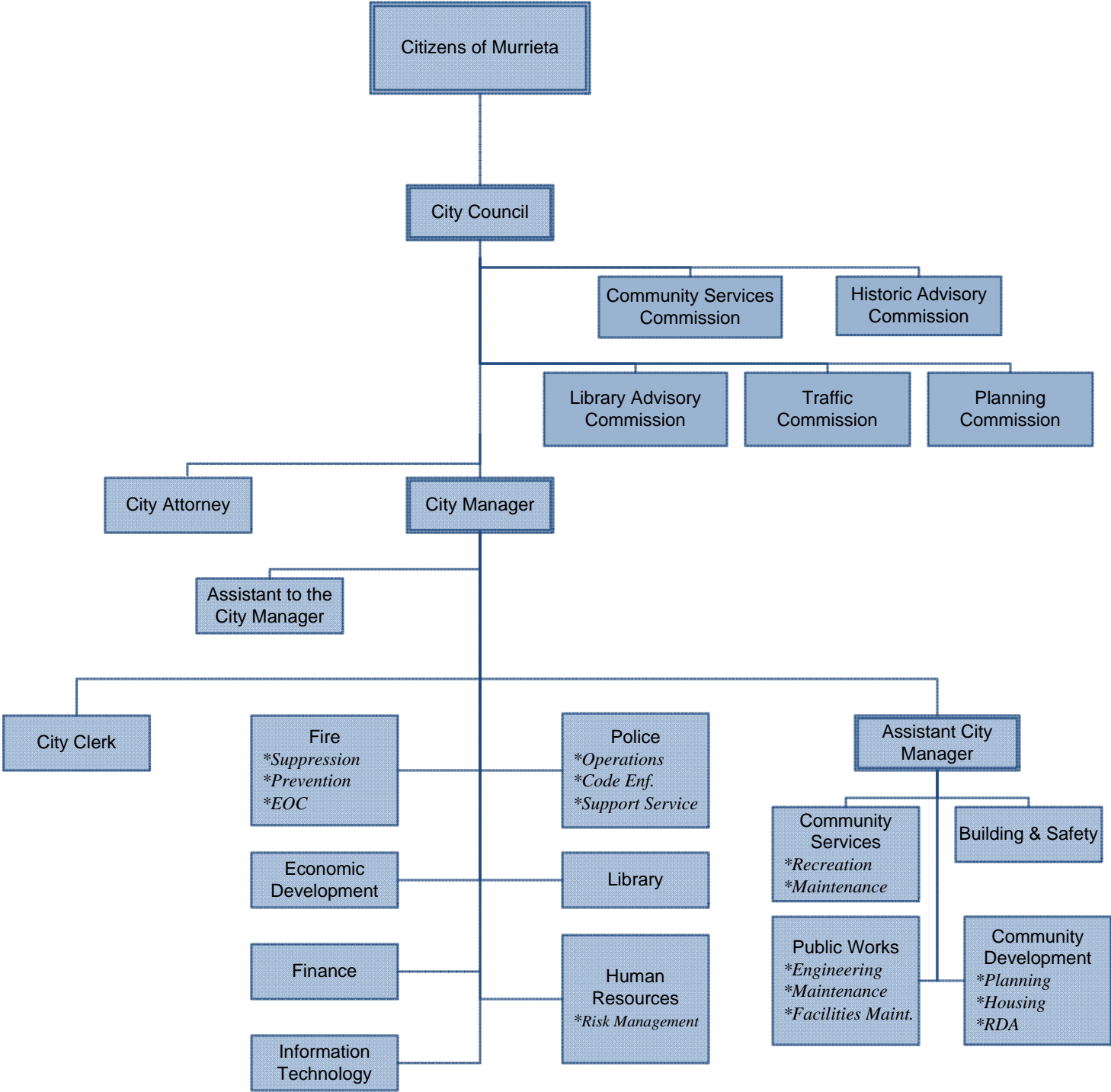


## City of Murrieta List of Principal Officers

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<b>City Manager</b>	Rick Dudley	461-6002
<b>Assistant City Manager</b>	Jim Holston	461-6116
<b>Finance Director</b>	Joy Canfield	461-6437
<b>Director of Building and Safety</b>	Allen Brock	461-6055
<b>City Clerk</b>	A. Kay Vinson	461-6035
<b>Community Development Director</b>	Mary Lanier	461-6069
<b>Community Services Manager</b>	Debbie Tharp	461-6121
<b>Economic Development Director</b>	Bruce Coleman	461-6021
<b>Fire Chief</b>	Paul Christman	461-6152
<b>Human Resources Director</b>	Jeff Price	461-6432
<b>Information Systems Manager</b>	Tom Aronson	461-6025
<b>Director of Library Services</b>	Loretta McKinney	461-6130
<b>Police Chief</b>	Mark Wright	461-6321
<b>Public Works Director/City Engineer</b>	Patrick Thomas	461-6078

# City of Murrieta Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Murietta  
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.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- Donald L. Parker, CPA
- Michael K. Chu, CPA
- David E. Hale, CPA, CFP  
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Murrieta, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Murrieta, 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 financial statements are the responsibility of the City of Murrieta's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Murrieta, as of June 30, 2009, and the respective changes in financial position and cash flows where applicable thereof, and the respective budgetary comparisons for the General Fund, Developer Impact Special Revenue Fund, Fire District Special Revenue Fund, TUMF Special Revenue Fund, and the Community Service District Special Revenue Fund 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 our report dated January 14, 2010, on our consideration of the City of Murrieta's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that 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's basic financial statements.



To the Honorable Mayor and Members of the City Council  
City of Murrieta, California

The accompanying introductory section, the combining and individual fund statements, schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Lance, Solt & Luyhard, LLP*

January 14, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This is the seventh year the City of Murrieta has issued its financial statements in the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). The impact of the new reporting model on the financial statements constitutes the biggest change in the way governmental activities have previously been reported. GASB 34 requires the City to provide this overview of its financial activities for the fiscal year, and should be read in conjunction with the accompanying basic financial statements.

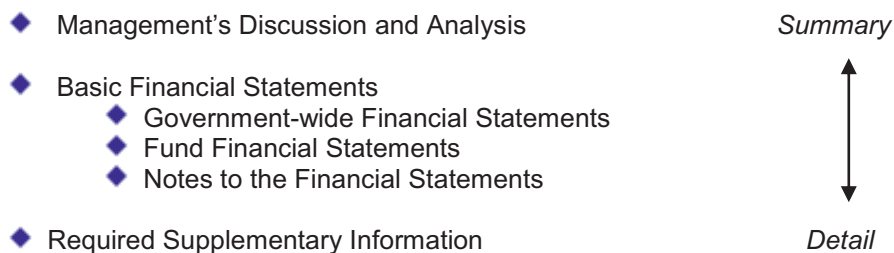
### FINANCIAL HIGHLIGHTS

- The City's net assets increased by \$4,472,819 as a result of this year's operations.
- The City's net assets also reflect a \$34,914,432 restatement due to additional capital assets discovered during the year.
- The City's net assets yielded an overall increase of \$39,387,251.
- Program and general revenues were \$93,269,191.
- The cost of governmental activities was \$88,796,372.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### COMPONENTS OF THE ANNUAL FINANCIAL REPORT



### Government-wide financial statements

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

The statement of net assets presents information on all of the City of Murrieta'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 of Murrieta is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Murrieta that are principally supported by taxes and intergovernmental revenues (government 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 Murrieta include general government, public safety, community development, culture and recreation, and public works.

The government-wide financial statements include not only the City itself, but also the Murrieta Redevelopment Agency, the Murrieta Financing Authority, the Murrieta Fire Protection District, the Murrieta Community Services District, and the Murrieta Public Library Board. Although these entities are legally separate, they function for all practical purposes as a part of the City, and therefore have been included as blended component units as an integral part of the primary government.

## **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Murrieta, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Murrieta can be divided into two categories: governmental 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 statements, governmental fund financial statements focus on near-term 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 a government's near-term financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Murrieta maintains 22 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, the Developer Impact Fund, the Fire District Fund, the TUMF Fund, the Community Service District Fund, and the Murrieta Redevelopment Agency Capital Projects Fund, all of which are considered to be major funds. Data from the other 16 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 elsewhere in this report.

The City of Murrieta adopts an annual appropriated budget for its general fund and four of the five other major funds. A budgetary comparison statement has been provided for the General Fund and all five major funds to demonstrate compliance with this budget.

### **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 statement because the resources of those funds are not available to support the City of Murrieta's own programs.

### **Notes to the Financial Statements**

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



## Combining Statements

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes.

## Government-wide Financial Analysis

Our analysis focuses on the net assets (Table 1) of the City's governmental activities reported in the government-wide statements.

Table 1

	<u>Governmental Activities</u>	
	<u>June 2009</u>	<u>June 2008</u>
Current and Other Assets	\$204,997,014	\$205,130,694
Capital Assets	<u>\$497,714,944</u>	<u>\$460,388,449</u>
<b>Total Assets</b>	<b>\$702,711,958</b>	<b>\$665,519,143</b>
Long-term debt outstanding	\$75,271,392	\$75,838,586
Other Liabilities	<u>\$ 9,180,091</u>	<u>\$10,807,333</u>
<b>Total Liabilities</b>	<b>\$84,451,483</b>	<b>\$86,645,919</b>
Net Assets:		
Invested in capital assets, net of debt	\$433,407,576	\$388,953,449
Restricted	\$150,171,342	\$158,124,475
Unrestricted	<u>\$ 34,681,557</u>	<u>\$ 31,795,300</u>
<b>Total Net Assets</b>	<b>\$618,260,475</b>	<b>\$578,873,224</b>

- The City's net assets increased 6.8% from the prior year (\$578,873,224 to \$618,260,475). The increase of \$39,387,251 comes from the change in net assets of \$4,472,819 and a restatement of \$34,914,432 as recorded in the Statement of Activities and flows through to the Statement of Net Assets. Capital Assets have increased over \$47.1 million due to the aggressive construction of city infrastructure (bridges, facilities, roads, etc.) and as a result of additional assets discovered during the year. Current Assets have decreased by \$133,680 as proceeds from bond issues continue to be expended. Other Liabilities reflect a decrease of approximately \$1.6 million due to a decrease in outstanding accounts payable as of June 30<sup>th</sup>.
- The City of Murrieta uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.
- Long-term debt outstanding consists of capital leases, notes, certificates of participation, and tax allocation bonds that have been separated into the amount due in the next year and the amount due beyond.

## Government Activities

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements of the Changes in Net Assets summarized in Table 2.

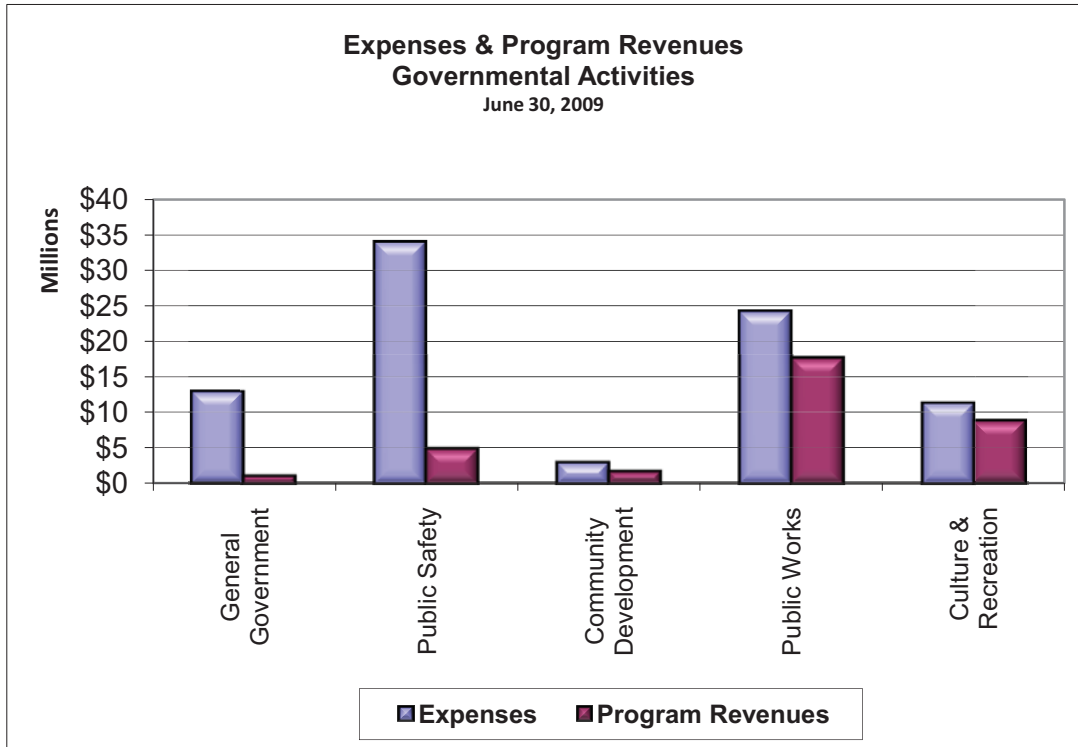
Table 2

	<u>Governmental Activities</u>	
	<u>June 2009</u>	<u>June 2008</u>
<b>Expenses</b>		
Governmental Activities:		
General Government	\$ 12,928,528	\$ 11,082,508
Public Safety	\$ 33,850,633	\$ 30,959,471
Community Development	\$3,054,128	\$ 6,709,243
Culture & Recreation	\$ 11,377,680	\$ 9,292,882
Public Works	\$ 24,144,561	\$ 18,387,357
Interest on Long-Term Debt	\$ 3,440,842	\$ 3,624,665
<b>Total Expenses</b>	<b>\$ 88,796,372</b>	<b>\$ 80,056,126</b>
<b>Revenues</b>		
<i>Program Revenues</i>		
Charges for Services	\$14,809,524	\$ 16,439,840
Operating Contributions and Grants	\$ 2,276,141	\$ 8,498,867
Capital Contributions and Grants	\$17,232,963	\$ 6,543,680
<i>Total Program Revenues</i>	<i>\$34,318,628</i>	<i>\$ 31,482,387</i>
<i>General Revenues</i>		
Taxes		
Property taxes	\$34,123,433	\$ 35,177,579
Transient occupancy tax	\$291,746	\$ 159,397
Sales taxes	\$ 9,870,711	\$ 11,465,852
Franchise taxes	\$ 3,076,644	\$ 3,077,945
Business license taxes	\$ 566,897	\$ 597,638
Other taxes	\$ 1,611,782	\$ 1,742,137
Motor Vehicle in Lieu	\$ 340,815	\$ 438,628
Use of money and property	\$ 8,069,835	\$ 11,989,086
Other	\$ 998,700	\$ 622,945
<i>Total General Revenues</i>	<i>\$58,950,563</i>	<i>\$ 65,271,207</i>
<b>Total Revenues</b>	<b>\$93,269,191</b>	<b>\$ 96,753,594</b>
<b>Change in Net Assets before Transfers</b>	<b>\$ 4,472,819</b>	<b>\$ 16,697,468</b>
Transfers	\$ 0	\$ (996,924)
<b>Change in Net Assets</b>	<b>\$ 4,472,819</b>	<b>\$ 15,700,544</b>
Net Assets - Beginning Balance	\$578,873,224	\$393,367,301
Change in Net Assets	\$ 4,472,819	\$ 15,700,544
Restatement of Net Assets	\$ 34,914,432	\$169,805,379
<b>Net Assets - Ending Balance</b>	<b>\$618,260,475</b>	<b>\$578,873,224</b>

Certain numbers have been reclassified for comparability purposes.

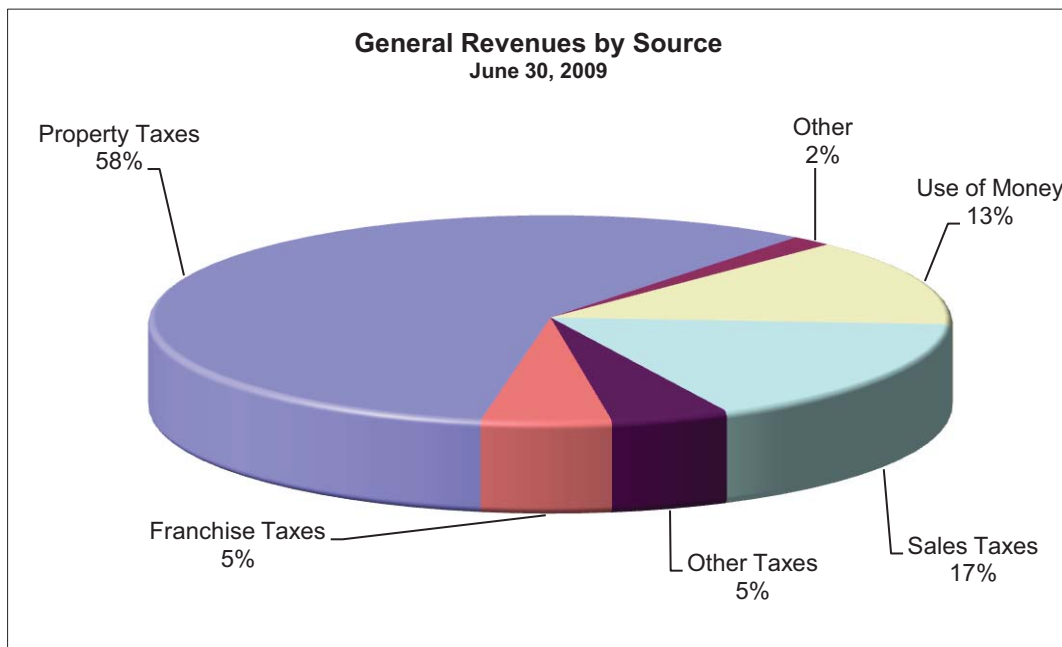
**Chart 1** (Expenses and Program Revenues) highlights the cost of each of the City’s five largest programs – general government, public safety, community development, culture & recreation and public works – as well as the associated program revenue. Developer impact fees comprise a large portion of the culture and recreation revenues, and are allocated towards the construction of future capital projects. Public works expenses include large capital projects that are funded from prior years’ developer impact fees. The other three categories indicate the overall cost of the government is more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. The general revenues are used to make up the difference.

*Chart 1*



**Chart 2** (General Revenues by Source) identifies the various general (or discretionary) revenues available for government programs and services.

*Chart 2 Total*



## **Financial Analysis of the City's Funds**

The City of Murrieta uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City of Murrieta's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Murrieta's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Murrieta's governmental funds reported combined ending fund balances of \$188,687,125; included in this amount is a net increase in fund balance for the General Fund of \$2,350,604, and an increase of \$4,472,468 in the Murrieta Redevelopment Agency Capital Projects Fund. Of the combined ending fund balance amount of \$188,687,125, \$180,408,635 is reserved and/or designated and not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period, 2) reserved for contingency or self-insurance in compliance with city council policy, 3) designated for future capital projects or 4) reserved for land held for resale or advances to other funds.

### **General Fund**

The General Fund is the chief operating fund of the City of Murrieta. At the end of the current fiscal year, excluding transfers, the General Fund had expenditures over revenues of \$931,170. The unreserved, undesignated fund balance of the General Fund was \$226,127 while total fund balance was \$34,914,968. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents .6 percent of total fund expenditures and total fund balance represents 90.6 percent of that same amount.

General Fund revenues decreased \$3,991,893 to \$37,601,876 in fiscal year 2009. Revenues from taxes decreased \$3,146,588 primarily due to a decrease in property tax revenues, which is attributable to the increase in home foreclosures and a decrease in activity in the housing market. Licenses and permit revenues decreased \$125,616 due to a slow-down in development activity. Intergovernmental revenues had a decrease of \$249,556 primarily due to a decrease in reimbursements from the State. Although cash balances in the General Fund increased at year-end by \$2,063,775, revenue from use of money and property decreased by \$919,104. The decrease is attributable to lower investment yields.

General Fund expenditures were \$38,533,046, down by \$6,401,376 from the prior year of \$44,934,422. This decrease is mainly attributable to a reduction of capital construction projects.

### **Developer Impact Fund**

This fund accounts for developer contributions and other revenue sources that are restricted by law or administrative action to expenditures for development purposes related to infrastructure including roads, sidewalks, sewer, facilities, parks and open space.

Developer Impact Fund revenues decreased by \$12,618,907 to \$1,757,619 and expenditures decreased by \$8,913,346 to \$2,969,629 due to the completion of various capital improvement projects, one of which was funded by another government agency.

## **Fire District Fund**

This fund accounts for proceeds of property taxes and other sources that are restricted by law or administrative action to expenditures for the operation of the City's four permanent fire stations and one temporary fire station.

Revenues and expenditures for this fund have increased from the prior year due to the City's commitment to increase fire safety services with the addition of new personnel, and the opening of the fifth (temporary) station.

## **Murrieta Redevelopment Agency Capital Project Fund**

This fund accounts for the financing, construction and administrative activities of the agency.

Revenues decreased in this fund by \$153,214 due to a decrease in funding by the County of Riverside.

The decrease in total expenses of \$6,696,009 is related to a decrease in construction of capital improvements by the agency.

## **TUMF Fund**

This fund accounts for revenue to augment the shortfall from traditional funding sources for transportation facilities

Revenue decreased this year by \$330,584 to \$0. The City did not receive any intergovernmental funding this year. Expenses increased by \$1,080,631 to \$1,479,301 resulting in a negative fund balance of (\$1,547,387) as a result of the lack of intergovernmental funding in the current year.

## **Community Service District Fund**

This fund accounts for the benefit assessments and a special tax that is charged to property owners within the District to provide recreation, park development, street lighting and slope maintenance.

Revenues increased this year by \$587,261 due to an increase in the collection of assessments and an increase in charges for services. Expenses decreased by \$287,753 most of which represents a decrease in capital asset acquisitions in the current year.

## **General Fund Budgetary Highlights**

The actual expenditures of the General Fund were \$12,633,811 less than the final budget. Of the \$12,633,811 savings, \$9 million in the capital budget remained unspent and actual transfers out were approximately \$2 million less than were budgeted. Many of the remaining departments within the City recognized savings ranging from \$8,567 by street lighting to \$527,182 by public works engineering.

- Actual revenues were more than the final budget by \$81,543. The majority of which came from fines & forfeitures.
- Budget amendments and supplemental appropriations were made during the year to increase appropriations for unanticipated expenditures after adoption of the original budget in the amount of \$10,176,472 including transfers.
- The capital outlay budget was increased by \$9,743,538. The budget for transfers out of the General Fund increased by \$240,334 and personnel increased their budget by \$243,858.

## Capital Assets

At the end of FY 2008-2009, the City had capital assets (net of accumulated depreciation) of \$497,714,944, including land, construction in progress (CIP), buildings and improvements, equipment (including vehicles) and infrastructure. This represents an increase of \$37,326,495. Of this amount, \$30,175,372 was the result of an increase due to the restatement of beginning balances, the remaining balance of \$7,151,123 represents additions to infrastructure mostly contributed by developers and equipment acquisitions.

Table 3

### City of Murrieta Capital Assets (Net of Depreciation)

	Governmental Activities	
	June 2009	June 2008
Land	\$172,478,085	\$158,090,983
Construction in Progress	\$ 23,576,264	\$ 38,619,198
Buildings & Improvements	\$ 68,665,669	\$ 65,349,320
Equipment	\$ 8,725,737	\$ 5,099,168
Infrastructure	\$224,269,189	\$193,229,780
<b>Total Capital Assets</b>	<b>\$497,714,944</b>	<b>\$460,388,449</b>

*More detailed information about the City's capital assets is presented in Note 1 and Note 4 to the financial statements.*

## Long-Term Debt

At the end of the current fiscal year, the City of Murrieta had total bonded debt outstanding, along with capital leases, claims/judgments and accrued employee benefits of \$75,271,392.

Table 4

### City of Murrieta Outstanding Debt

	Governmental Activities	
	June 2009	June 2008
Certificates of Participation Series 2001	\$ 4,070,000	\$ 4,560,000
Tax Allocation Bonds Series 2002	\$10,595,000	\$10,840,000
Tax Allocation Bonds Series 2005	\$11,485,000	\$11,730,000
Certificates of Participation Series 2005	\$ 3,190,000	\$ 3,425,000
Certificates of Participation Series 2007	\$ 8,940,000	\$ 9,270,000
Tax Allocation Bonds Series 2007	\$31,380,000	\$31,610,000
Capital Leases	\$554,773	\$625,337
Claims and judgments	\$ 1,486,657	\$ 1,220,286
Accrued employee benefits	\$ 3,517,209	\$ 3,134,261
Unamortized Bond Discount	(\$66,253)	(\$74,897)
Unamortized Bond Premium	\$119,006	\$123,936
<b>Total Outstanding Debt</b>	<b>\$75,271,392</b>	<b>\$76,463,923</b>

*\*More detailed information about the City's long-term debt is presented in Note 5 to the financial statements.*

## **Economic Factors and Next Year's Budgets**

In preparation for the budget for 2010, management looked at the following economic factors:

- Sales tax revenues have declined due to the economic downturn.
- Property tax revenues have decreased due to the reduction of assessed values, the slowdown of the housing market and an increase in foreclosures.

A priority of the City is to maintain a high quality of services while adopting a balanced budget. The proposed budget for FY 09/10 is balanced, and includes the use of \$949,313 of reserves.

## **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director at:

Finance Director  
City of Murrieta  
One Town Square  
24601 Jefferson Ave.  
Murrieta, CA 92562  
(951) 461-6437  
[icanfield@murrieta.org](mailto:icanfield@murrieta.org)



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CITY OF MURRIETA

STATEMENT OF NET ASSETS  
JUNE 30, 2009

	<u>Primary Government Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 162,408,894
Receivables:	
Accounts	1,321,208
Taxes	3,550,791
Loans	750,950
Accrued interest	179,593
Prepaid costs	15,619
Due from other governments	7,503,232
Deferred charges	1,868,674
Land held for resale	10,338,180
Restricted assets:	
Cash with fiscal agent	17,032,976
OPEB asset	26,897
Capital assets not being depreciated	196,054,349
Capital assets, net of depreciation	<u>301,660,595</u>
<b>Total Assets</b>	<b><u>702,711,958</u></b>
<b>Liabilities:</b>	
Accounts payable	4,189,112
Accrued liabilities	1,202,707
Accrued interest	1,225,690
Deposits payable	354,979
Due to other governments	2,207,603
Noncurrent liabilities:	
Due within one year	2,335,843
Due in more than one year	<u>72,935,549</u>
<b>Total Liabilities</b>	<b><u>84,451,483</u></b>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	433,407,576
Restricted for:	
Other post employment benefits	26,897
Community development	20,190,664
Public safety	13,727,458
Public works	62,833,864
Capital projects	40,581,261
Debt service	12,811,198
Unrestricted	<u>34,681,557</u>
<b>Total Net Assets</b>	<b><u>\$ 618,260,475</u></b>



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CITY OF MURRIETA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net</u>
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	<u>(Expenses) Revenues and Changes in Net Assets Primary Government</u>
					<u>Governmental Activities</u>
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 12,928,528	\$ 816,962	\$ 22,231	\$ 317,931	\$ (11,771,404)
Public safety	33,850,633	3,164,725	1,782,325	-	(28,903,583)
Community development	3,054,128	1,105,119	133,409	544,913	(1,270,687)
Culture and recreation	11,377,680	8,548,740	284,016	2,620	(2,542,304)
Public works	24,144,561	1,173,978	54,160	16,367,499	(6,548,924)
Interest on long-term debt	3,440,842	-	-	-	(3,440,842)
<b>Total Governmental Activities</b>	<b>88,796,372</b>	<b>14,809,524</b>	<b>2,276,141</b>	<b>17,232,963</b>	<b>(54,477,744)</b>
<b>Total Primary Government</b>	<b>\$ 88,796,372</b>	<b>\$ 14,809,524</b>	<b>\$ 2,276,141</b>	<b>\$ 17,232,963</b>	<b>(54,477,744)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					34,123,433
Transient occupancy taxes					291,746
Sales taxes					9,870,711
Franchise taxes					3,076,644
Business licenses taxes					566,897
Other taxes					1,611,782
Motor vehicle in lieu - unrestricted					340,815
Use of money and property					8,069,835
Other					998,700
<b>Total General Revenues, Contributions, Special Items and Transfers</b>					<b>58,950,563</b>
Change in Net Assets					4,472,819
Net Assets at Beginning of Year					578,873,224
Restatement of Net Assets					34,914,432
<b>Net Assets at End of Year</b>					<b>\$ 618,260,475</b>

CITY OF MURRIETA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Development Impact</u>	<u>Fire District</u>	<u>TUMF</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 28,032,206	\$ 37,363,496	\$ 12,794,282	\$ -
Receivables:				
Accounts	1,251,963	4,354	16,535	-
Taxes	2,096,630	-	861,060	-
Loans	904	-	-	-
Accrued interest	47,161	-	-	-
Prepaid costs	15,619	-	-	-
Due from other governments	889,085	1,849,105	132,628	2,550,000
Due from other funds	2,115,822	-	-	-
Advances to other funds	4,900,831	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 39,350,221</u></b>	<b><u>\$ 39,216,955</u></b>	<b><u>\$ 13,804,505</u></b>	<b><u>\$ 2,550,000</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 806,473	\$ 176,525	\$ 59,572	\$ 40,307
Accrued liabilities	821,124	-	277,594	-
Deferred revenues	1,080,402	1,841,311	-	2,550,000
Deposits payable	20,195	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	1,507,080
Advances from other funds	1,707,059	-	-	-
<b>Total Liabilities</b>	<b><u>4,435,253</u></b>	<b><u>2,017,836</u></b>	<b><u>337,166</u></b>	<b><u>4,097,387</u></b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	430,514	879,152	127,629	12,183
Reserved for prepaid costs	15,619	-	-	-
Reserved for land held for resale	-	-	-	-
Reserved for local zones and landscape	-	-	-	-
Reserved for loans receivable	904	-	-	-
Reserved for advances to other funds	4,900,831	-	-	-
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Designated for self-insurance	1,575,499	-	425,000	-
Designated for continuing appropriations	1,517,614	-	-	-
Designated for capital projects	4,496,157	36,319,967	-	-
Designated for post employment benefits	-	-	1,500,000	-
Designated for land acquisition	2,000,000	-	38,852	-
Designated for economic uncertainty	17,260,223	-	3,314,258	-
Designated for vehicle and equipment replacement	1,319,547	-	-	-
Designated for unrealized gain/loss	996,641	-	-	-
Designated for police services	175,292	-	-	-
Undesignated	226,127	-	8,061,600	(1,559,570)
<b>Total Fund Balances</b>	<b><u>34,914,968</u></b>	<b><u>37,199,119</u></b>	<b><u>13,467,339</u></b>	<b><u>(1,547,387)</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 39,350,221</u></b>	<b><u>\$ 39,216,955</u></b>	<b><u>\$ 13,804,505</u></b>	<b><u>\$ 2,550,000</u></b>

CITY OF MURRIETA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	Special Revenue Funds <u>Community Service District</u>	Capital Projects Funds <u>Murrieta Redevelopment Agency</u>	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Pooled cash and investments	\$ 6,326,462	\$ 24,032,581	\$ 53,859,867	\$ 162,408,894
Receivables:				
Accounts	16,876	29,846	1,634	1,321,208
Taxes	453,103	-	139,998	3,550,791
Loans	-	750,046	-	750,950
Accrued interest	-	131,245	1,187	179,593
Prepaid costs	-	-	-	15,619
Due from other governments	165,459	1,356	1,915,599	7,503,232
Due from other funds	-	159	-	2,115,981
Advances to other funds	-	-	1,707,059	6,607,890
Land held for resale	-	10,338,180	-	10,338,180
Restricted assets:				
Cash and investments with fiscal agents	-	-	17,032,976	17,032,976
<b>Total Assets</b>	<b><u>\$ 6,961,900</u></b>	<b><u>\$ 35,283,413</u></b>	<b><u>\$ 74,658,320</u></b>	<b><u>\$ 211,825,314</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 438,137	\$ 515,239	\$ 2,152,859	\$ 4,189,112
Accrued liabilities	48,358	15,331	40,300	1,202,707
Deferred revenues	151,897	81,361	754,946	6,459,917
Deposits payable	41,668	-	293,116	354,979
Due to other governments	580,972	-	1,626,631	2,207,603
Due to other funds	-	-	608,901	2,115,981
Advances from other funds	-	4,900,831	-	6,607,890
<b>Total Liabilities</b>	<b><u>1,261,032</u></b>	<b><u>5,512,762</u></b>	<b><u>5,476,753</u></b>	<b><u>23,138,189</u></b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	30,414	997,042	4,674,920	7,151,854
Reserved for prepaid costs	-	-	-	15,619
Reserved for land held for resale	-	10,338,180	-	10,338,180
Reserved for local zones and landscape	4,025,567	-	-	4,025,567
Reserved for loans receivable	-	750,046	-	750,950
Reserved for advances to other funds	-	-	1,707,059	6,607,890
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	23,851,863	23,851,863
Capital projects funds	-	-	20,181,875	20,181,875
Debt service funds	-	-	18,765,850	18,765,850
Designated for self-insurance	-	-	-	2,000,499
Designated for continuing appropriations	-	-	-	1,517,614
Designated for capital projects	94,554	17,685,383	-	58,596,061
Designated for post employment benefits	-	-	-	1,500,000
Designated for land acquisition	-	-	-	2,038,852
Designated for economic uncertainty	-	-	-	20,574,481
Designated for vehicle and equipment replacement	-	-	-	1,319,547
Designated for unrealized gain/loss	-	-	-	996,641
Designated for police services	-	-	-	175,292
Undesignated	1,550,333	-	-	8,278,490
<b>Total Fund Balances</b>	<b><u>5,700,868</u></b>	<b><u>29,770,651</u></b>	<b><u>69,181,567</u></b>	<b><u>188,687,125</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 6,961,900</u></b>	<b><u>\$ 35,283,413</u></b>	<b><u>\$ 74,658,320</u></b>	<b><u>\$ 211,825,314</u></b>



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CITY OF MURRIETA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009**

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Fund balances of governmental funds	\$ 188,687,125
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Governmental funds report all contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, but in the Statement of Net Assets any excess or deficiencies in relation to the ARC are recorded as an asset or a liability.	26,897
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	497,714,944
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the Statement of Net Assets.	1,868,674
Long-term liabilities, including bonds payable, compensated absences and claims and judgments are not due and payable in the current period and, therefore, are not reported in the governmental fund activity:	
Bonds payable	(70,267,526)
Compensated absences	(3,517,209)
Claims and judgments	(1,486,657)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(1,225,690)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>6,459,917</u>
<b>Net assets of governmental activities</b>	<b><u><u>\$ 618,260,475</u></u></b>

## CITY OF MURRIETA

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

	<b>Special Revenue Funds</b>			
	<b>General</b>	<b>Development Impact</b>	<b>Fire District</b>	<b>TUMF</b>
<b>Revenues:</b>				
Taxes	\$ 28,954,917	\$ -	\$ 10,287,041	\$ -
Assessments	-	-	1,498,317	-
Licenses and permits	657,604	-	-	-
Intergovernmental	741,437	73,232	1,086,993	-
Charges for services	1,548,032	-	149,648	-
Use of money and property	3,804,685	844,056	468,491	-
Fines and forfeitures	1,021,187	-	15,331	-
Contributions	-	-	-	-
Developer participation	5,473	829,687	-	-
Miscellaneous	868,541	10,644	25,400	-
<b>Total Revenues</b>	<b>37,601,876</b>	<b>1,757,619</b>	<b>13,531,221</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	11,414,942	30,514	-	-
Public safety	19,659,076	-	12,306,446	-
Community development	2,862,359	-	-	-
Culture and recreation	237,611	-	-	-
Public works	2,424,832	1,437,116	-	-
Capital outlay	1,462,498	1,501,999	342,178	1,479,301
Debt service:				
Principal retirement	395,349	-	-	-
Interest and fiscal charges	76,379	-	-	-
<b>Total Expenditures</b>	<b>38,533,046</b>	<b>2,969,629</b>	<b>12,648,624</b>	<b>1,479,301</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(931,170)	(1,212,010)	882,597	(1,479,301)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,118,070	-	-	-
Transfers out	(818,862)	(375,019)	(727,518)	-
Other debts issued	324,785	-	-	-
Proceeds from sale of capital asset	12,672	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>636,665</b>	<b>(375,019)</b>	<b>(727,518)</b>	<b>-</b>
Net Change in Fund Balances	(294,505)	(1,587,029)	155,079	(1,479,301)
Fund Balances, Beginning of Year, as previously reported	32,564,364	37,690,114	13,257,050	(68,086)
Restatements	2,645,109	1,096,034	55,210	-
Fund Balances, Beginning of Year, as restated	35,209,473	38,786,148	13,312,260	(68,086)
<b>Fund Balances, End of Year</b>	<b>\$ 34,914,968</b>	<b>\$ 37,199,119</b>	<b>\$ 13,467,339</b>	<b>\$ (1,547,387)</b>



CITY OF MURRIETA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>		
	<u>Community Service District</u>	<u>Murrieta Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ 1,714,368	\$ 8,580,516	\$ 49,536,842
Assessments	8,076,824	-	304,181	9,879,322
Licenses and permits	-	-	-	657,604
Intergovernmental	-	317,931	6,346,340	8,565,933
Charges for services	399,991	-	86,465	2,184,136
Use of money and property	193,513	729,837	2,006,743	8,047,325
Fines and forfeitures	-	-	-	1,036,518
Contributions	2,620	-	-	2,620
Developer participation	-	-	119,247	954,407
Miscellaneous	74,939	35,630	29,372	1,044,526
<b>Total Revenues</b>	<b>8,747,887</b>	<b>2,797,766</b>	<b>17,472,864</b>	<b>81,909,233</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	620,377	12,065,833
Public safety	-	-	218,085	32,183,607
Community development	-	-	50,000	2,912,359
Culture and recreation	8,743,119	-	1,904,343	10,885,073
Public works	-	1,708,370	9,544,448	15,114,766
Capital outlay	9,013	2,763,553	3,306,235	10,864,777
Debt service:				
Principal retirement	-	-	1,775,000	2,170,349
Interest and fiscal charges	-	-	3,299,632	3,376,011
<b>Total Expenditures</b>	<b>8,752,132</b>	<b>4,471,923</b>	<b>20,718,120</b>	<b>89,572,775</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,245)	(1,674,157)	(3,245,256)	(7,663,542)
<b>Other Financing Sources (Uses):</b>				
Transfers in	43,138	575,883	2,346,538	4,083,629
Transfers out	(371,929)	(420,403)	(1,369,898)	(4,083,629)
Other debts issued	-	-	-	324,785
Proceeds from sale of capital asset	-	-	-	12,672
<b>Total Other Financing Sources (Uses)</b>	<b>(328,791)</b>	<b>155,480</b>	<b>976,640</b>	<b>337,457</b>
Net Change in Fund Balances	(333,036)	(1,518,677)	(2,268,616)	(7,326,085)
Fund Balances, Beginning of Year, as previously reported	5,688,082	25,298,183	76,219,106	190,648,813
Restatements	345,822	5,991,145	(4,768,923)	5,364,397
Fund Balances, Beginning of Year, as restated	6,033,904	31,289,328	71,450,183	196,013,210
<b>Fund Balances, End of Year</b>	<b>\$ 5,700,868</b>	<b>\$ 29,770,651</b>	<b>\$ 69,181,567</b>	<b>\$ 188,687,125</b>

CITY OF MURRIETA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2009**

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Net change in fund balances - total governmental funds \$ (7,326,085)

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

Governmental funds report all contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, however in the Statement of Activities only the ARC is an expense. 26,897

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 7,151,123

Issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of long-term debt principal consumes the current financial resources of governmental funds. 1,490,567

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 23,795

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (382,948)

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. 3,489,470

**Change in net assets of governmental activities** \$ 4,472,819

CITY OF MURRIETA

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July1, as restated	\$ 35,209,473	\$ 35,209,473	\$ 35,209,473	\$ -
<b>Resources (Inflows):</b>				
Taxes	32,747,570	29,785,752	28,954,917	(830,835)
Licenses and permits	1,112,263	1,112,263	657,604	(454,659)
Intergovernmental	904,379	604,379	741,437	137,058
Charges for services	1,778,149	1,697,067	1,548,032	(149,035)
Use of money and property	1,187,430	1,187,430	3,804,685	2,617,255
Fines and forfeitures	882,500	882,500	1,021,187	138,687
Contributions	316,595	316,595	-	(316,595)
Developer participation	-	-	5,473	5,473
Miscellaneous	371,905	917,080	868,541	(48,539)
Transfers in	2,403,087	2,472,794	1,118,070	(1,354,724)
Other debts issued	-	-	324,785	324,785
Proceeds from sale of capital asset	-	-	12,672	12,672
<b>Amounts Available for Appropriation</b>	<b>76,913,351</b>	<b>74,185,333</b>	<b>74,266,876</b>	<b>81,543</b>
<b>Charges to Appropriation (Outflow):</b>				
City council	283,255	280,492	254,781	25,711
City attorney	600,000	600,000	1,110,735	(510,735)
Administration	686,843	681,258	715,051	(33,793)
Personnel	687,206	931,064	789,859	141,205
Risk management	1,930,800	1,930,800	1,599,436	331,364
Information services	1,110,695	1,209,890	1,075,810	134,080
Solid waste management	41,002	41,002	41,244	(242)
Geographic info systems	554,491	523,712	425,829	97,883
Non-departmental	1,091,919	2,421,162	1,938,580	482,582
Building maintenance	636,333	760,427	654,080	106,347
City clerk	848,993	788,968	699,180	89,788
Finance	2,260,083	2,353,470	2,110,357	243,113
Police administration	1,022,013	1,111,987	947,750	164,237
Code enforcement	522,538	500,018	511,872	(11,854)
Police operations	10,120,488	9,851,056	10,058,939	(207,883)
Police support services	8,227,220	8,026,215	7,912,340	113,875
Public Safety	242,818	-	228,175	(228,175)
Planning	1,165,520	1,167,671	1,111,959	55,712
Building and safety	1,643,760	1,521,997	1,413,500	108,497
Community development	10,714	-	9,930	(9,930)
Economic development	418,218	411,923	326,970	84,953
Parks and recreation	29,495	1,139	14,885	(13,746)
Library	4,600	1,236	1,236	-
Community Promotion	492,930	277,316	221,490	55,826
Maintenance	472,356	438,812	446,087	(7,275)
Street lighting	150,000	150,000	141,433	8,567
Public works	32,628	150,000	223,004	(73,004)
Engineering	2,101,437	2,141,490	1,614,308	527,182
Capital outlay	679,363	10,422,901	1,462,498	8,960,403
Debt service:				
Principal retirement	1,001,605	511,605	395,349	116,256
Interest and fiscal charges	202,150	-	76,379	(76,379)
Transfers out	2,537,774	2,778,108	818,862	1,959,246
<b>Total Charges to Appropriations</b>	<b>41,809,247</b>	<b>51,985,719</b>	<b>39,351,908</b>	<b>12,633,811</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 35,104,104</b>	<b>\$ 22,199,614</b>	<b>\$ 34,914,968</b>	<b>\$ 12,715,354</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON STATEMENT  
DEVELOPMENT IMPACT  
YEAR ENDED JUNE 30, 2009**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 38,786,148	\$ 38,786,148	\$ 38,786,148	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	637,368	73,232	(564,136)
Use of money and property	-	-	844,056	844,056
Developer participation	3,950,876	5,025,442	829,687	(4,195,755)
Miscellaneous	-	-	10,644	10,644
<b>Amounts Available for Appropriation</b>	<b>42,737,024</b>	<b>44,448,958</b>	<b>40,543,767</b>	<b>(3,905,191)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	30,514	(30,514)
Public works	215,000	2,895,323	1,437,116	1,458,207
Capital outlay	40,000	26,382,122	1,501,999	24,880,123
Debt service:				
Principal retirement	235,000	-	-	-
Interest and fiscal charges	140,019	-	-	-
Transfers out	-	375,019	375,019	-
<b>Total Charges to Appropriations</b>	<b>630,019</b>	<b>29,652,464</b>	<b>3,344,648</b>	<b>26,307,816</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 42,107,005</b>	<b>\$ 14,796,494</b>	<b>\$ 37,199,119</b>	<b>\$ 22,402,625</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON STATEMENT  
FIRE DISTRICT  
YEAR ENDED JUNE 30, 2009**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 13,312,260	\$ 13,312,260	\$ 13,312,260	\$ -
<b>Resources (Inflows):</b>				
Taxes	10,515,025	10,176,148	10,287,041	110,893
Assessments	1,400,000	1,400,000	1,498,317	98,317
Intergovernmental	315,000	921,580	1,086,993	165,413
Charges for services	112,500	112,500	149,648	37,148
Use of money and property	275,548	275,548	468,491	192,943
Fines and forfeitures	-	-	15,331	15,331
Miscellaneous	6,000	6,000	25,400	19,400
<b>Amounts Available for Appropriation</b>	<b><u>25,936,333</u></b>	<b><u>26,204,036</u></b>	<b><u>26,843,481</u></b>	<b><u>639,445</u></b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	11,715,059	12,395,587	12,306,446	89,141
Capital outlay	472,500	913,572	342,178	571,394
Transfers out	1,376,525	727,518	727,518	-
<b>Total Charges to Appropriations</b>	<b><u>13,564,084</u></b>	<b><u>14,036,677</u></b>	<b><u>13,376,142</u></b>	<b><u>660,535</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 12,372,249</u></b>	<b><u>\$ 12,167,359</u></b>	<b><u>\$ 13,467,339</u></b>	<b><u>\$ 1,299,980</u></b>

CITY OF MURRIETA

BUDGETARY COMPARISON STATEMENT  
 TUMF  
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (68,086)	\$ (68,086)	\$ (68,086)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	16,599,981	-	(16,599,981)
<b>Amounts Available for Appropriation</b>	<b>(68,086)</b>	<b>16,531,895</b>	<b>(68,086)</b>	<b>(16,599,981)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	-	16,599,981	1,479,301	15,120,680
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>16,599,981</b>	<b>1,479,301</b>	<b>15,120,680</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (68,086)</b>	<b>\$ (68,086)</b>	<b>\$ (1,547,387)</b>	<b>\$ (1,479,301)</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON STATEMENT  
COMMUNITY SERVICE DISTRICT  
YEAR ENDED JUNE 30, 2009**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 6,033,904	\$ 6,033,904	\$ 6,033,904	\$ -
<b>Resources (Inflows):</b>				
Assessments	7,865,412	7,926,391	8,076,824	150,433
Charges for services	395,100	395,100	399,991	4,891
Use of money and property	201,000	201,000	193,513	(7,487)
Contributions	-	-	2,620	2,620
Miscellaneous	50,000	51,000	74,939	23,939
Transfers in	1,174,599	815,870	43,138	(772,732)
<b>Amounts Available for Appropriation</b>	<b>15,720,015</b>	<b>15,423,265</b>	<b>14,824,929</b>	<b>(598,336)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	-	-
Culture and recreation	9,821,410	9,830,134	8,743,119	1,087,015
Capital outlay	15,000	204,896	9,013	195,883
Transfers out	283,021	192,919	371,929	(179,010)
<b>Total Charges to Appropriations</b>	<b>10,119,431</b>	<b>10,227,949</b>	<b>9,124,061</b>	<b>1,103,888</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,600,584</b>	<b>\$ 5,195,316</b>	<b>\$ 5,700,868</b>	<b>\$ 505,552</b>



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CITY OF MURRIETA

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009

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	<b>Agency Funds</b>
<b>Assets:</b>	
Pooled cash and investments	\$ 13,772,384
Receivables:	
Accounts	975,194
Taxes	918,451
Deposits	243,200
Restricted assets:	
Cash and investments with fiscal agents	<u>22,202,078</u>
<b>Total Assets</b>	<b><u>\$ 38,111,307</u></b>
<b>Liabilities:</b>	
Accounts payable	\$ 87,843
Deposits payable	13,108,507
Due to bondholders	<u>24,914,957</u>
<b>Total Liabilities</b>	<b><u>\$ 38,111,307</u></b>

**CITY OF MURRIETA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The City of Murrieta is a reporting entity, which consists of the primary government and component units:

Reporting Entity:

Primary Government:

City of Murrieta

Component Units:

Redevelopment Agency of the City of Murrieta  
Murrieta Financing Authority  
Murrieta Fire Protection District  
Murrieta Community Services District  
Murrieta Public Library Board

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Murrieta (the primary government) and its component units. Component units are entities for which the government is considered to be financially accountable.

The City of Murrieta was incorporated on July 1, 1991, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected five-member board. The City operates under a council-manager form of government and currently provides a wide variety of services to its citizens, including: police, fire, public services, community development, general and administrative and other services. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units. Component units are legally separate entities that meet any one of the following three tests:

1. The City appoints the voting majority of the board of the potential component unit and is able to impose its will on the component unit and/or is in a relationship of financial benefit or burden with the potential component unit.
2. The potential component unit is fiscally dependent upon the City.
3. The financial statements would be misleading if data from the potential component unit were not included.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

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

Component units are legally separate entities, however, the City Council serves in separate sessions as the governing body of these related Agencies and are, in substance, part of the City's operations so data from these units are combined with data of the City. Based on the above criteria, the accompanying financial statements include the financial activities of the following entities:

**Blended Component Units**

The Redevelopment Agency of the City of Murrieta was established by City Ordinance No. 59, adopted July 7, 1992, pursuant to the State of California Health and Safety Code, Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of Murrieta. The operations of the Redevelopment Agency are reported in the Debt Service and Capital Projects Funds. Separate financial statements are prepared for the Agency and may be obtained at the City Hall.

The Murrieta Financing Authority was formed on March 1, 1993, by a joint powers agreement between the City and the Redevelopment Agency of the City of Murrieta. It was created for the purpose of assisting in the financing and refinancing of certain redevelopment activities of the Agency and certain public programs and projects of the City, and for the purpose of aiding in the financing and refinancing of public capital improvements. Separate financial statements are not prepared for the Authority.

The Murrieta Fire Protection District was an independent (self-governed) special district formed pursuant to the State of California Health and Safety Code commencing with Section 13800, for the purpose of providing fire protection services. Effective July 1, 1993, the District was reorganized to a subsidiary district of the City of Murrieta. The District continues to operate as a special district under the same Health and Safety Code provisions. As a subsidiary district, the City Council of the City of Murrieta now serves as the District's governing Board of Directors. The operations of the Fire Protection District are reported as a special revenue fund. Separate financial statements are not prepared for the District.

On June 25, 1992, the Board of Supervisors of the County of Riverside adopted resolution No. 50-90 to form the Murrieta Community Services District (MCSD) as a subsidiary of the City of Murrieta and detach the area within City boundaries from the county service area (CSA143). The formation of MCSD and the detachment from CSA143 were effective on July 1, 1993. As a subsidiary district, the City Council of the City of Murrieta now serves as the district's governing Board of Directors. The operations of the Community Services District are reported as a special revenue fund. Separate financial statements are not prepared for the district.

The Murrieta Public Library Board was established on February 17, 1998, by City Ordinance 185. The City provides for the Murrieta public library system and adopted the provisions of an act of the legislature of the State of California entitled "Municipal Libraries" as set forth in Education Code Section 18900 et. seq. regarding the regulation and maintenance of a public library system. The City Council of the City of Murrieta now serves as the library's governing Board of Directors. The operations of the Murrieta Public Library are reported as a special revenue fund. Separate financial statements are not prepared for the library.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

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

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Fiduciary activities of the City are not included in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of gas tax which is 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Development Impact Special Revenue Fund accounts for developer contributions and other revenue sources that are restricted by law or administrative action to expenditures for development purposes.
- The Fire District Special Revenue Fund accounts for proceeds of property taxes and other sources that are restricted by law or administrative action to expenditures for the operation of the City's fire stations.
- The TUMF Special Revenue Fund accounts for revenue to augment the shortfall from traditional funding sources for transportation facilities. These funds will mitigate the traffic impacts from new development on the regional system of highways and arterials.
- The Community Service District Special Revenue Fund accounts for the benefit assessments and a special tax that is charged to property owners within the District to provide recreation, park development, street lighting, and slope maintenance.
- The Murrieta Redevelopment Agency Capital Projects Fund accounts for the financing, construction and administrative activities of the agency.

Additionally, the City reports the following fund types:

- Agency Funds - These funds are for the receipt of assessments related to issuance of Community Facilities District and Assessment District bonds and use the funds to pay the debt service on these bonds.

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

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

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

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

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.

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

**d. Assets, Liabilities and Net Assets or Equity**

1. Investments

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

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

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. As of June 30, 2009, the City has no inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

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

4. Capital Assets

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

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

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

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	20 - 50
Equipment	5 - 20
Furniture and fixtures	10 - 20
Infrastructure	20 - 50

5. Compensated Absences

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Murrieta has four employee bargaining groups, and each group has its own Memorandum of Understanding (MOU). The Murrieta Firefighters Association MOU calls for vacation pay to be payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two years worth of vacation leave in any calendar year. The Police Officers Association MOU, the Murrieta General Employees Association MOU and the Murrieta Supervisors Association MOU all call for annual leave pay to be payable to employees at the time annual leave is taken or upon termination of employment. Normally, an employee cannot accrue more than 544 hours of annual leave in any calendar year.

Sick leave is payable when an employee is unable to work because of illness. Employees with continuous employment of five years or more may receive a payment of 25% of unused sick leave when they resign or retire at the then rate of compensation. Employees with continuous employment over ten years may receive a payment of 50% of the unused sick leave when they resign or retire at the then rate of compensation.

The liability for compensated absences will be paid in future years from the General Fund.

**City of Murrieta  
Notes to Financial Statements (Continued)**

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

6. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Equity

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

**e. Reconciliation of Government-Wide and Fund Financial Statements**

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$(70,267,526) difference are as follows:

Bonds payable	\$ (69,660,000)
Capital lease payable	(554,773)
Deferred discount on bonds (to be amortized over the life of the debt)	66,253
Deferred premium on bonds (to be amortized over the life of the debt)	<u>(119,006)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ (70,267,526)</u>

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



**City of Murrieta  
Notes to Financial Statements (Continued)**

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$7,151,123 difference are as follows:

Capital outlay	\$ 10,864,777
Depreciation expense	(11,729,937)
Gain on disposition of assets	114,986
Developer dedications	<u>7,901,297</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 7,151,123</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of long-term debt principal consumes the current financial resources of governmental funds." The details of this \$1,490,567 are as follows:

Bond repayments	\$ 1,775,000
Capital leases issued	(324,785)
Capital lease repayments	395,349
Claims and judgments	(266,371)
Amortization of bond discount/premium	(3,714)
Amortization of debt issuance costs	<u>(84,912)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,490,567</u>

**II. STEWARDSHIP**

**Note 2: Stewardship, Compliance and Accountability**

**a. Budgetary Data**

General Budget Policies

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by Council. Supplemental appropriations, where required during the period, are also approved by the Council. There were several supplemental appropriations required during the year. At fiscal year-end, all operating budget appropriations lapse. Expenditures are monitored at the departmental level for the general fund and the fund level for all other funds with a legally adopted budget. These levels are considered the legal level of control.

**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 2: Stewardship, Compliance and Accountability (Continued)**

Department heads are authorized to transfer budgeted amounts within their departments, within the same fund, with the approval of the City Manager. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for all governmental funds.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain capital projects funds, which adopt project-length budgets.

**Encumbrances**

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

**b. Excess of expenditures over appropriations in individual funds at the department level are as follows:**

<u>Fund</u>	<u>Expenditure</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
City attorney	\$ 1,110,735	\$ 600,000	\$ 510,735
Administration	715,051	681,258	33,793
Solid waste management	41,244	41,002	242
Code enforcement	511,872	500,018	11,854
Police operations	10,058,939	9,851,056	207,883
Public safety	228,175	-	228,175
Community development	9,930	-	9,930
Parks and recreation	14,885	1,139	13,746
Maintenance	446,087	438,812	7,275
Public works	223,004	150,000	73,004

The City did not adopt a budget for the following funds:

- Special Revenue Funds:  
    Seized Assets Forfeitures
- Capital Projects Fund:  
    Community Facilities District

**c. The following funds contained deficit fund balances or net assets:**

<u>Fund</u>	<u>Amount</u>
Special Revenue Funds:	
TUMF	\$ (1,547,387)
Block Grants	(686,527)
Federal Grants	(93,026)

These deficit balances will be addressed through future year's revenues and transfers.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2009, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 179,441,870
Fiduciary funds	<u>35,974,462</u>
Total Cash and Investments	<u>\$ 215,416,332</u>

The City of Murrieta maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Deposits

At June 30, 2009, the carrying amount of the City's deposits was \$1,552,412 and the bank balance was \$3,848,683. The \$2,296,271 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

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

- U.S. Treasury Obligations (bills, notes, and bonds)
- U.S. Government Agency Obligations
- Banker's Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Medium Term Corporate Notes
- Shares of Beneficial Interest
- Local Agency Investment Fund (State Pool)
- Time Deposits
- Money Market Mutual Funds

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 3: Cash and Investments (Continued)**

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

At June 30, 2009, the City had various investments including Federal Agency Securities, US Treasury Obligations, Corporate Medium Term Notes, Money Market Funds and investments in External Investment Pools. The City's investment policy does not limit investments in Federal Agency Securities and Treasury Obligations to ratings issued by nationally recognized statistical rating organizations. As of June 30, 2009, the City's investments in Federal Agency Securities consisted of investments with Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. At June 30, 2009, all Federal Agency Securities and Treasury Obligations were rated "AAA" by Standard & Poor's. The City's investment policy does restrict investments in Corporate Medium Term Notes (MTN's) to those rated A or better by a nationally recognized statistical rating organization. As of June 30, 2009, the City's investment in MTN's consisted of investments with various corporations that were within acceptable investment grade ranges allowed by the City's investment policy. As of June 30, 2009, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 3: Cash and Investments (Continued)**

As of June 30, 2009, none of the City's deposits or investments were exposed to custodial credit risk.

**Concentration of Credit Risk**

The City's investment policy imposes restrictions on percentages that the City can invest in certain types of investments and with any one issuer for certain types of investments. GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2009, the City's investments with each of the following issuers exceed 5% of its total investments:

Issuer	Amount Invested	Percentage of Portfolio
Federal Home Loan Bank	\$ 18,710,121	9%
Federal Home Loan Mortgage Corporation	28,352,350	13%
Federal National Mortgage Association	36,238,968	17%
Federal Farm Credit Bank	29,807,560	14%

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

**Interest Rate Risk**

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that the weighted average maturity of the portfolio should not exceed two years, and the City will not invest in securities maturing more than five years from date of purchase. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	
Federal Agency Securities	\$ 4,565,640	\$ 18,032,469	\$ 72,317,860	\$ 18,193,030	\$ 113,108,999
US Treasury	-	3,598,840	-	-	3,598,840
Corporate Bonds	6,529,790	3,033,620	8,078,540	-	17,641,950
Money Market Funds	11,742,766	-	-	-	11,742,766
California Local Agency Investment Fund	28,536,309	-	-	-	28,536,309
Cash with Fiscal Agent:					
Money Market Mutual Funds	37,435,393	-	-	-	37,435,393
Federal Agency Securities	-	-	1,799,663	-	1,799,663
	\$ 88,809,898	\$ 24,664,929	\$ 82,196,063	\$ 18,193,030	\$ 213,863,920

**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Adjustments*	Adjusted Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 158,090,983	\$ 7,039,647	\$ 165,130,630	\$ 121,155	\$ -	\$ 7,226,300	\$ 172,478,085
Construction-in-progress	38,619,198	(626,573)	37,992,625	9,590,820	-	(24,007,181)	23,576,264
Total Capital Assets, Not Being Depreciated	196,710,181	6,413,074	203,123,255	9,711,975	-	(16,780,881)	196,054,349
Capital assets, being depreciated:							
Buildings and improvements	75,422,023	322,327	75,744,350	-	-	1,121,810	76,866,160
Equipment	7,643,035	4,702,106	12,345,141	1,272,573	76,000	33,398	13,575,112
Infrastructure	282,531,205	16,789,378	299,320,583	7,921,848	-	15,625,673	322,868,104
Total Capital Assets, Being Depreciated	365,596,263	21,813,811	387,410,074	9,194,421	76,000	16,780,881	413,309,376
Less accumulated depreciation:							
Buildings and improvements	10,072,703	(3,280,532)	6,792,171	1,408,320	-	-	8,200,491
Equipment	2,543,867	1,060,117	3,603,984	1,296,055	50,664	-	4,849,375
Infrastructure	89,301,425	271,928	89,573,353	9,025,562	-	-	98,598,915
Total Accumulated Depreciation	101,917,995	(1,948,487)	99,969,508	11,729,937	50,664	-	111,648,781
Total Capital Assets, Being Depreciated, Net	263,678,268	23,762,298	287,440,566	(2,535,516)	25,336	16,780,881	301,660,595
Governmental Activities Capital Assets, Net	<u>\$ 460,388,449</u>	<u>\$ 30,175,372</u>	<u>\$ 490,563,821</u>	<u>\$ 7,176,459</u>	<u>\$ 25,336</u>	<u>\$ -</u>	<u>\$ 497,714,944</u>

\* Adjustments are to reflect the changes based on the valuation that was performed during the previous fiscal year and to record developer contributions not recorded in prior years.

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

Governmental Activities:	
General government	\$ 511,578
Public safety	1,510,607
Public works	9,143,050
Parks and recreation	545,515
Community development	19,187
Total Depreciation Expense - Governmental Activities	<u>\$ 11,729,937</u>

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt**

**a. Bonds Payable**

1. On March 1, 2001, the Murrieta Financing Authority issued \$7,540,000 of Certificates of Participation Series 2001 to finance a police facility. The Authority and the City have entered into a lease agreement whereby the City will lease the project from the Authority. To secure the timely payment of the lease, the City has pledged general revenues, funds or monies. The Authority has assigned the lease payments to the trustee who may hold the City liable for all lease payments should the City default on its obligation. The Certificates shall mature on March 1 in each of the years and shall pay interest starting at 3.10% and increasing each year thereafter. The certificates maturing on and after March 1, 2010, are subject to redemption at the option of the City, while Certificates maturing on March 1, 2016, are subject to mandatory redemption.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2009:

Year Ending June 30,	Principal	Interest	Total
2009-2010	\$ 510,000	\$ 182,550	\$ 692,550
2010-2011	530,000	161,640	691,640
2011-2012	555,000	139,380	694,380
2012-2013	580,000	113,850	693,850
2013-2014	605,000	87,170	692,170
2014-2019	<u>1,290,000</u>	<u>89,700</u>	<u>1,379,700</u>
Totals	<u>\$ 4,070,000</u>	<u>\$ 774,290</u>	<u>\$ 4,844,290</u>

2. On August 1, 2002, the Agency issued the Murrieta Redevelopment Project Tax Allocation Bonds Issue of 2002 in the amount of \$12,000,000. The bonds bear interest at rates varying from 1.40% to 3.75%. Interest on the bonds is payable semi-annually each February 1 and August 1 beginning August 1, 2003.

The following is a schedule by years of future minimum debt service requirements as of June 30, 2009:

Year Ending June 30,	Principal	Interest	Total
2009-2010	\$ 255,000	\$ 505,261	\$ 760,261
2010-2011	260,000	496,726	756,726
2011-2012	270,000	487,316	757,316
2012-2013	280,000	477,206	757,206
2013-2014	290,000	464,888	754,888
2014-2019	1,680,000	2,092,144	3,772,144
2019-2024	2,135,000	1,628,847	3,763,847
2024-2029	2,720,000	1,030,000	3,750,000
2029-2034	<u>2,705,000</u>	<u>278,375</u>	<u>2,983,375</u>
Totals	<u>\$ 10,595,000</u>	<u>\$ 7,460,763</u>	<u>\$ 18,055,763</u>

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt (Continued)**

3. On February 15, 2005, the Murrieta Financing Authority issued \$4,100,000 of Certificates of Participation to finance the City Hall Facility. The Authority and the City have entered into a lease agreement whereby the City will lease the project from the Authority. The Certificates shall mature on March 1 in each of the years and shall pay interest starting at 3.000% and increasing each year thereafter. The certificates maturing on March 1, 2015, are subject to optional redemption prior to maturity, in whole or in part.

The following is a schedule of years of future minimum debt service requirements as of June 30, 2009:

Year Ending June 30,	Principal	Interest	Total
2009-2010	\$ 240,000	\$ 127,969	\$ 367,969
2010-2011	250,000	120,469	370,469
2011-2012	255,000	112,344	367,344
2012-2013	265,000	103,419	368,419
2013-2014	275,000	93,813	368,813
2014-2019	1,550,000	290,975	1,840,975
2019-2024	<u>355,000</u>	<u>15,531</u>	<u>370,531</u>
Totals	<u>\$ 3,190,000</u>	<u>\$ 864,520</u>	<u>\$ 4,054,520</u>

4. On February 23, 2005, the Murrieta Redevelopment Agency issued \$12,195,000 Murrieta Redevelopment Project 2005 Tax Allocation Bonds for the purpose of financing redevelopment activities. The bonds consist of \$6,395,000 serial bonds with annual maturity dates from August 1, 2006 through August 1, 2025, with interest rates ranging from 3.0% to 4.375%, and term bonds of \$2,570,000 with an interest rate of 4.5%, maturing August 1, 2030, and term bonds of \$3,230,000 with an interest rate of 5.0%, maturing August 1, 2035. Interest is payable semiannually beginning August 1, 2005.

The following is a schedule of years of future minimum debt service requirements as of June 30, 2009:

Year Ending June 30,	Principal	Interest	Total
2009-2010	\$ 250,000	\$ 494,118	\$ 744,118
2010-2011	260,000	486,468	746,468
2011-2012	265,000	478,427	743,427
2012-2013	275,000	469,818	744,818
2013-2014	280,000	460,624	740,624
2014-2019	1,570,000	2,136,644	3,706,644
2019-2024	1,905,000	1,786,793	3,691,793
2024-2029	2,355,000	1,326,925	3,681,925
2029-2034	2,935,000	722,588	3,657,588
2034-2039	<u>1,390,000</u>	<u>70,500</u>	<u>1,460,500</u>
Totals	<u>\$ 11,485,000</u>	<u>\$ 8,432,905</u>	<u>\$ 19,917,905</u>



**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt (Continued)**

5. On July 12, 2007, the Murrieta Redevelopment Agency issued \$31,610,000 Murrieta Redevelopment Project 2007 Tax Allocation Bonds for the purpose of financing redevelopment activities in the project fund. The bonds consist of \$6,190,000 serial bonds with annual maturity dates from August 1, 2008 through August 1, 2021, with interest rates ranging from 4.00% to 4.375%, term bonds of \$1,950,000 with an interest rate of 5.0% and annual maturity dates from August 1, 2022 through August 1, 2024, term bonds of \$3,065,000 with an interest rate of 4.75% and annual maturity dates from August 1, 2025 through August 1, 2028, term bonds of \$14,100,000 with an interest rate of 5.0% and annual maturity dates from August 1, 2029 through August 1, 2037, and escrow term bonds of \$6,305,000 with an interest rate of 4.7%, and annual maturity dates from August 1, 2011 through August 1, 2037. Interest is payable semiannually beginning February 1, 2008.

The following is a schedule of years of future minimum debt service requirements as of June 30, 2009:

Year Ending June 30,	Principal	Interest	Total
2009-2010	\$ 295,000	\$ 1,493,058	\$ 1,788,058
2010-2011	310,000	1,480,183	1,790,183
2011-2012	510,000	1,461,613	1,971,613
2012-2013	535,000	1,438,881	1,973,881
2013-2014	560,000	1,416,088	1,976,088
2014-2019	3,175,000	6,682,138	9,857,138
2019-2024	3,930,000	5,903,783	9,833,783
2024-2029	4,955,000	4,841,429	9,796,429
2029-2034	6,895,000	3,472,933	10,367,933
2034-2039	10,215,000	1,101,158	11,316,158
Totals	<u>\$ 31,380,000</u>	<u>\$ 29,291,264</u>	<u>\$ 60,671,264</u>

6. On October 24, 2007, the Murrieta Financing Authority issued \$9,105,000 of Refunding Certificates of Participation to advance refund the 1997 Certificates of Participation. The bonds consist of \$6,500,000 serial bonds with annual maturity dates from April 1, 2008 through April 1, 2023, with interest rates ranging from 3.50% to 5.00% and term bonds of \$2,605,000 with an interest rate of 4.54% and annual maturity dates from April 1, 2024 through April 1, 2027. Interest is payable semiannually beginning April 1, 2008.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt (Continued)**

The following is a schedule of years of future minimum debt service requirements as of June 30, 2009:

Year Ending June 30,	Principal	Interest	Total
2009-2010	\$ 350,000	\$ 374,514	\$ 724,514
2010-2011	365,000	362,264	727,264
2011-2012	375,000	346,489	721,489
2012-2013	390,000	333,833	723,833
2013-2014	405,000	320,183	725,183
2014-2019	2,265,000	1,354,988	3,619,988
2019-2024	2,795,000	830,304	3,625,304
2024-2029	1,995,000	177,188	2,172,188
Totals	<u>\$ 8,940,000</u>	<u>\$ 4,099,763</u>	<u>\$ 13,039,763</u>

**b. Capital Leases**

The City of Murrieta entered into several capital lease agreements for City operations. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Obligations under capital leases as of June 30, 2009, are as follows:

Daimler Chrysler Credit Services

The present value of the minimum lease payment on police cars was capitalized at \$157,256 using an incremental borrowing rate of 5.60% at the inception of the lease. The lease is payable in 12 quarterly installments of \$14,130 which began October 30, 2006. \$ 13,814

The present value of the minimum lease payment on a police car was capitalized at \$22,285 using an incremental borrowing interest rate of 5.43% at the inception of the lease. The lease is payable in 12 quarterly installments of \$2,025, which began July 26, 2006. 1,998

The present value of the minimum lease payment on a police car was capitalized at \$20,729 using an incremental borrowing interest rate of 5.60% at the inception of the lease. The lease is payable in 12 quarterly installments of \$1,863, which began November 17, 2006. 1,837

The present value of the minimum lease payment on a police car was capitalized at \$26,415 using an incremental borrowing interest rate of 5.86% at the inception of the lease. The lease is payable in 12 quarterly installments of \$2,416, which began July 3, 2007. 9,328

The present value of the minimum lease payment on police cars was capitalized at \$75,583 using an incremental borrowing interest rate of 6.18% at the inception of the lease. The lease is payable in 12 quarterly installments of \$6,949, which began October 22, 2007. 39,537

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt (Continued)**

The present value of the minimum lease payment on police cars was capitalized at \$119,321 using an incremental borrowing interest rate of 6.18% at the inception of the lease. The lease is payable in 12 quarterly installments of \$10,970, which began December 11, 2007. 62,403

The present value of the minimum lease payment on police cars was capitalized at \$115,432 using an incremental borrowing interest rate of 6.18% at the inception of the lease. The lease is payable in 12 quarterly installments of \$10,613, which began January 3, 2008. 69,890

The present value of the minimum lease payment on police cars was capitalized at \$118,907 using an incremental borrowing rate of 6.18% at the inception of the lease. The lease is payable in 12 quarterly installments of \$10,932 which began January 23, 2008. 71,995

The present value of the minimum lease payment on a police car was capitalized at \$24,097 using an incremental borrowing interest rate of 6.18% at the inception of the lease. The lease is payable in 12 quarterly installments of \$2,211, which began February 21, 2008. 14,556

Ford Motor Credit Corporation

The present value of the minimum lease payment on police cars was capitalized at \$140,971 using an incremental borrowing interest rate of 5.45% at the inception of the lease. The lease is payable in 12 quarterly installments of \$12,642, which began January 17, 2007. 24,775

The present value of the minimum lease payment on police cars was capitalized at \$58,205 using an incremental borrowing interest rate of 6.40% at the inception of the lease. The lease is payable in 12 quarterly installments of \$5,285, which began November 19, 2007. 25,203

The present value of the minimum lease payment on police cars was capitalized at \$324,784 using an incremental borrowing interest rate of 5.65% at the inception of the lease. The lease is payable in 12 quarterly installments of \$29,202, which began September 2, 2008. 219,437

Total capital leases payable as of June 30, 2009 \$ 554,773

The following schedule summarizes the debt to maturity payments for capital leases:

Year Ending June 30,	Total
2010	\$ 343,891
2011	<u>241,844</u>
Total Payments	585,735
Less Amount Representing Interest	<u>(30,962)</u>
Outstanding Principal	<u>\$ 554,773</u>

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt (Continued)**

- c. The following is a schedule of changes in long-term debt of the City for the fiscal year ended June 30, 2009:

	Outstanding July 1, 2008	Adjustments*	Additions	Retirements or Payments	Balance June 30, 2009	Due Within One Year
Bonds payable:						
Certificates of Participation, Series 2001	\$ 4,560,000	\$ -	\$ -	\$ 490,000	\$ 4,070,000	\$ 510,000
Tax Allocation Bonds, Series 2002	10,840,000	-	-	245,000	10,595,000	255,000
Certificates of Participation, Series 2005	3,425,000	-	-	235,000	3,190,000	240,000
Tax Allocation Bonds, Series 2005	11,730,000	-	-	245,000	11,485,000	250,000
Tax Allocation Bonds, Series 2007	31,610,000	-	-	230,000	31,380,000	295,000
Refunding Certificates of Participation, Series 2007	9,270,000	-	-	330,000	8,940,000	350,000
Capital Leases	-	625,337	324,785	395,349	554,773	332,641
Claims and judgments	1,220,286	-	303,206	36,835	1,486,657	44,876
Compensated absences	3,134,261	-	434,923	51,975	3,517,209	58,326
<b>Total</b>	<b>\$ 75,789,547</b>	<b>\$ 625,337</b>	<b>\$ 1,062,914</b>	<b>\$ 2,259,159</b>	<b>75,218,639</b>	<b>\$ 2,335,843</b>
Unamortized bond discount					(66,253)	
Unamortized bond premium					119,006	
<b>Net Long-Term Debt</b>					<b>\$ 75,271,392</b>	

\* Adjustments were to add capital lease not recorded in prior years

**d. Defeased bonds**

In 2007-2008, the City defeased the Certificates of Participation Series 1997 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2009, the following bond issues are considered defeased:

	Original Amount	Outstanding Balance at June 30, 2009
Certificates of Participation, Series 1997	\$ 11,000,000	\$ 8,600,000

The Refunding Certificates of Participation, Series 2007 defeased the Certificates of Participation, Series 1997. The net economic gain due to this refunding is \$92,595 and positive cash flow is \$565,469. The portion of proceeds of new bonds for the defeased debt is in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 5: Long-Term Debt (Continued)**

**e. Debt Service Requirements**

The Agency has pledged, as security for tax allocation bonds it has issued, either directly or through the Financing Authority, a portion of the tax increment revenue that it receives. These bonds were to provide financing for various capital projects within the project area. The Agency has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$98,644,932 with annual debt service requirements as indicated above. For the current year, the total tax increment revenue, net of pass through payments, recognized by the Agency was \$6,857,473 and the debt service obligation on the bonds was \$3,237,868.

**Note 6: Interfund Receivable, Payable and Transfers**

The composition of interfund balances as of June 30, 2009, is as follows:

**a. Due To / From Other Funds**

Funds	Due To Other Funds		Total
	TUMF	Other Governmental Funds	
Due From Other Funds:			
General Fund	\$ 1,507,080	\$ 608,742	\$ 2,115,822
Murrieta Redevelopment Agency - Capital Projects Fund	-	159	159
Total	<u>\$ 1,507,080</u>	<u>\$ 608,901</u>	<u>\$ 2,115,981</u>

These were the result of routine interfund transactions due to eliminating temporary deficit cash balances.

**b. Advances To/From Other Funds**

Funds	Advances From Other Funds		Total
	General Fund	Murrieta Redevelopment Agency Capital Project Fund	
Advances to Other Funds:			
General Fund	\$ -	\$ 4,900,831	\$ 4,900,831
Other Governmental Funds	1,707,059	-	1,707,059
Total	<u>\$ 1,707,059</u>	<u>\$ 4,900,831</u>	<u>\$ 6,607,890</u>

The General Fund has made loans to the Redevelopment Agency for \$4,900,831 for Agency operations. Non-major governmental funds have advanced monies to the General Fund for purposes of working capital.

**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 6: Interfund Receivable, Payable and Transfers (Continued)**

**c. Interfund Transfers:**

	Transfers Out:						Total
	General Fund	Development Impact	Fire District	Community Service District	Murrieta Redevelopment Agency Capital Projects	Other Governmental Funds	
Transfers In:							
General	\$ -	\$ -	\$ 727,518	\$ 322,552	\$ -	\$ 68,000	\$ 1,118,070
Community Service District	43,138	-	-	-	-	-	43,138
Murrieta Redevelopment Agency Capital Projects	-	-	-	-	-	575,883	575,883
Other Governmental Funds	775,724	375,019	-	49,377	420,403	726,015	2,346,538
<b>Total</b>	<b>\$ 818,862</b>	<b>\$ 375,019</b>	<b>\$ 727,518</b>	<b>\$ 371,929</b>	<b>\$ 420,403</b>	<b>\$ 1,369,898</b>	<b>\$ 4,083,629</b>

During the year, interfund transfers were made for purposes of financing administrative costs, capital improvements and repayment of debt. Specifically, the following transfers were made:

- Certain Funds made payments to the General Fund for administrative costs (including vehicle and equipment replacement) incurred. These transfers to the General Fund for the year were \$727,518 from Fire Fund, \$322,522 from Community Service District Fund, and \$68,000 from Non-Major.
- The General Fund made a payment of \$697,150 to the Citywide Debt Service Fund for debt service payments on various COP's.
- The General Fund contributed \$43,138 to the CSD fund as a general fund contribution.
- The RDA Capital Projects fund transferred \$420,403 to the RDA Debt Service Fund for debt service payments.
- The RDA Debt Service Fund transferred \$573,883 to the RDA Capital Projects Fund to cover the cost of operations and capital projects.
- The Development Impact Fund transferred \$375,019 and the Transportation fund transferred \$726,015 to the Citywide Debt Service fund for debt service purposes.
- The other transfers to the General Fund and Non-Major Funds from the Community Services District and Non-Major Funds were for administrative costs.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 7: Fund Balance and Net Assets**

Fund balance restatements:

Major governmental funds:

General Fund:

To adjust revenues and expenditure relating to GovPartner from the prior year	\$ 1,475,681
To record revenues and expenditures relating to the prior year	172,536
To increase fund balance for PERMA deposit that was previously expensed	979,324
To correct accounts receivable that was incorrectly adjusted in the prior year	17,568
	<u>2,645,109</u>

Development Impact - Special Revenue Fund:

To recognize revenues received in the prior year	987,155
To record prior year expenditures in the proper fund	108,879
	<u>1,096,034</u>

Fire District - Special Revenue Fund:

To recognize revenues received in the prior year	20,925
To record prior year expenditures in the proper fund	(2,627)
To adjust fund balance for expenditures recorded twice in the prior year	30,934
To record expenditures relating to the prior year	5,978
	<u>55,210</u>

Community Service District - Special Revenue Fund:

To record prior year revenue received in the proper fund	345,822
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Murrieta Redevelopment Agency - Capital Projects Fund:

To transfer 2007 TAB bonds proceeds to the proper fund	5,991,145
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Nonmajor governmental funds:

State Gas Tax - Special Revenue Fund:

To record prior year expenditures in the proper fund	(20,129)
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Block Grants - Special Revenue Fund:

To recognize revenues received in the prior year	8,108
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Other Grants - Special Revenue Fund:

To record prior year revenues and expenditures in the proper fund	(66,288)
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Murrieta Public Library - Special Revenue Fund:

To recognize revenues received in the prior year	29,700
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Developer Agreement - Special Revenue Fund:

To recognize revenues received in the prior year	1,977,868
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Citywide - Debt Service Fund:

To record prior year revenues and expenditures in the proper fund	3,842
To adjust revenue relating to the Revenue Refunding Bonds received in the prior year to the correct fund	(710,879)
	<u>(707,037)</u>

Murrieta Redevelopment Agency - Debt Service Fund:

To transfer 2007 TAB bonds proceeds to the proper fund	<u>(5,991,145)</u>
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Total Fund Balance Restatements	<u>\$ 5,364,397</u>
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**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 7: Fund Balance and Net Assets (Continued)**

In addition to the adjustments to fund balance, the following restatements have been made to net assets:

Government-wide Net Assets:	
Fund balance restatements (above)	\$ 5,364,397
To adjust beginning balance of long term debt for capital leases not recorded in prior years	(625,337)
To adjust beginning balance of capital assets to reflect the changes based on the valuation that was performed during the previous fiscal year	<u>30,175,372</u>
Total Net Asset restatements	<u>\$ 34,914,432</u>

**IV. OTHER DISCLOSURES**

**Note 8: Summary Disclosure of Self-Insurance Contingencies**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City currently reports all of its risk management activities in its General Fund. The City is self-insured for the first \$125,000 on each general liability claim, \$250,000 on each workers' compensation and employers' liability claim, and \$50,000 on each employment practices claim. The insurance coverage in excess of the self-insured amount is provided by the Public Entity Risk Management Authority (PERMA) and various excess providers up to a limit of \$50,000,000 for general liability, statutory limits for workers' compensation, \$5,000,000 for employers' liability, and \$50,000,000 for employment practices liability. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). At June 30, 2009, the amount of these liabilities was \$1,486,657. The amount represents an estimate of \$819,336 for reported claims through June 30, 2009, and \$667,321 of IBNR. This liability is the City's best estimate based on available information.

There are no significant reductions in insurance coverage from prior years and also there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

Changes in the reported liability since June 30, 2009, resulted from the following:

Year	Liability at Beginning	Claims and Changes in Estimates	Claim Payments	Liability at End
2008	\$ 779,793	\$ 484,615	\$ (44,122)	\$ 1,220,286
2009	1,220,286	303,206	(36,835)	1,486,657

The City of Murrieta is a member of the Public Entity Risk Management Authority (a joint powers authority of 18 California Cities, three Transit Agencies and five Special Districts) for the purpose of pooling losses and claims of general liability and workers' compensation with those of other member cities and agencies. The City continues to carry commercial insurance, both primary and excess, for all other risks of loss.



**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 8: Summary Disclosure of Self-Insurance Contingencies (Continued)**

The Murrieta Fire District belongs to the Fire Agencies Insurance Risk Authority (FAIRA), a joint powers authority consisting of 99 districts in California and Nevada for the purpose of pooling losses and claims for excess liability, property and physical damage.

**Note 9: Pension Plan**

Plan Description

The City of Murrieta contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes 7% of the contributions required of City employees who participate in the miscellaneous plan and the full 9% for safety employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate. The current miscellaneous plan rate is 12.29% for fire employees and 14.70% for non-safety employees, of annual covered payroll. The current safety plan rate is 25.11% for fire employees, and 23.74% for police employees, of annual covered payroll. Part-time employees become eligible to contribute 8% of their total annual salary when they work more than 1,000 total hours. The city is required to contribute 14.70% for participating part-time employees. Benefit provisions and all other requirements are established by state statute and contracts with employee bargaining groups.

Annual Pension Cost

For 2009, the City's annual pension cost of \$7,344,862 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method.

Three-Year Trend Information for PERS (Amounts in Thousands)		
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
6/30/2007	\$ 5,243	100%
6/30/2008	7,302	100%
6/30/2009	7,345	100%

For fiscal year 2008-2009, the City of Murrieta participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the

**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 9: Pension Plan (Continued)**

employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date, starting with the June 30, 2003 valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

**Defined Contribution Plan**

In accordance with the Federal Omnibus Budget Reconciliation Act of 1990, the City provides pension benefits for all of its hourly employees through a defined contribution plan provided and administered by Public Agency Retirement Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All hourly employees are eligible to participate from the date of employment. Federal legislation requires a contribution of at least 7.5% to a retirement plan. The plan is established by City ordinance. The City contributes 1.3% of the employee's salary as deferred compensation. Additionally, employees contribute 6.2% of salary towards this program on a pre-tax basis. The City's contribution for each employee (and interest earned by the accounts) is fully vested immediately.

For the year ended June 30, 2009, the City's payroll covered by the plan was \$421,279. The City made employer contributions of \$5,477 (1.3% of current covered payroll), and employees contributed \$26,119 (6.2% of current covered payroll).

**Note 10: Post-Employment Benefits**

**Plan Description**

The City provides other postemployment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS), by contributing a predetermined monthly maximum of \$695 for Tier 1 retirees which includes retirees of the Fire Department, Police Officers who retired before 7/1/2007, and members of the Murrieta Supervisors' Association, Management and Confidential, and Murrieta General Employees who retired before 1/1/2008, \$833 for Tier 2 retirees which include retirees from the Firefighters' Association, Police Officers hired before but retired after 6/30/07, and members of the Murrieta Supervisors' Association, Management and Confidential, and Murrieta General Employees hired before but retired after 1/1/08, and \$360 for Tier 3 retirees with at least 10 years of service identified which includes Police Officers hired after 6/30/07 and members of the Murrieta Supervisors' Association, Management and Confidential, and Murrieta General Employees hired after 1/1/08 towards health insurance. These benefits are provided per contract between the City and the employee associations. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, CA 95814 or by visiting the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City, City Council and/or the employee associations. Currently, contributions are not required from plan members. A contribution of \$1,640,176 was made during the 2008-2009 fiscal year and was not included in the January 1, 2008, actuarial study. The purpose of the contributions were to cover the required contribution rate of 3.80% of annual covered payroll (annual payroll of active employees covered by the plan) and to prefund benefits.

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 10: Post-Employment Benefits (Continued)**

As a result, the City calculated and recorded a Net OPEB Asset, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented below:

Annual required contribution (ARC)	\$ 1,613,279
Adjustment to ARC	<u>-</u>
Annual OPEB cost	1,613,279
Contribution made	<u>(1,640,176)</u>
Increase (decrease) in net OPEB obligation	(26,897)
Net OPEB obligation (asset) - July 1, 2008	<u>-</u>
Net OPEB obligation (asset) - June 30, 2009	<u><u>\$ (26,897)</u></u>

The contribution rate of 3.80% is based on the ARC of \$1,613,279, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period.

**Annual OPEB Costs and Net OPEB Obligation (Asset)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2008-09 fiscal year and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
06/30/07	n/a	n/a	n/a
06/30/08	n/a	n/a	n/a
06/30/09	\$ 1,613,279	101.67%	\$ (26,897)

**Funded Status and Funding Progress**

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 City 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 below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Only one year is presented as this is the first year of the plan.

**City of Murrieta  
Notes to Financial Statements (Continued)**

**Note 10: Post-Employment Benefits (Continued)**

Schedule of Funding Progress for OPEB  
(Amount in Thousands)

Valuation Type	Actuarial Valuation date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll	Interest Rate	Salary Scale
Actual	1/1/2008	\$ -	\$ 2,492	\$ 341	86.3%	\$ 21,869	1.6%	7.75%	3.25%

**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 the 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 the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008, actuarial valuation, the Individual Entry Age actuarial cost method was used. The actuarial assumptions include a 7.75% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 7.00%. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2009, was twenty-nine years. The number of active participants is 337.

**Note 11: Joint Financing Acquisition Agreements**

- a. On September 1, 1991, the City entered into a joint financing and acquisition agreement with the Community Facilities District No. 89-5 (Rancon Business Center) of the County of Riverside and Rancon Business Center/Rancho California, a California joint venture. On July 1, 1991, the City of Murrieta was incorporated. The boundaries of the CFD No. 89-5 are completely within the boundaries of the City of Murrieta, however, the Rancho California Water District now functions as the legislative body of the CFD No. 89-5. On October 24, 1991, the CFD No. 89-5 issued its \$18,825,000 Series 1991 Bonds to provide financing for the construction and acquisition of certain public facilities, which include the acquisition and construction of certain road and associated landscaping facilities. Funds for the bond debt service requirements, as they come due, are to be obtained from a special tax levied against lands within the CFD No. 89-5. The road facilities that were previously to be owned, maintained and operated by the County are to be owned, maintained and operated by the City.
- b. On December 1, 1991, the City entered into a joint financing and acquisition agreement with the Community Facilities District No. 89-4 (Walsh Medical Arts Center) of the County of Riverside and Kevin P. Walsh and Regina M. Walsh. The boundaries of the CFD No. 89-4 are completely within the boundaries of the City, however, the board of the County will continue to function as the legislative body of the CFD No. 89-4. On December 20, 1991, the CFD No. 89-4 issued its \$4,825,000 Series 1991 Bonds to provide financing for the construction and acquisition of certain public facilities, which include the acquisition and construction of certain roads and associated landscaping facilities and certain flood control

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 11: Joint Financing Acquisition Agreements (Continued)**

and drainage facilities. Funds for the bonds debt service requirements, as they come due, are to be obtained from a special tax levied against lands within the CFD No. 89-4. The road facilities that were previously to be owned, maintained and operated by the County are to be owned, maintained and operated by the City. The flood facilities that were previously to be owned, maintained and operated by the Riverside County Flood Control and Water Conservation District are to be owned, maintained and operated by the City.

**Note 12: Debt without Government Commitment**

- a. On October 16, 2001, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2001-1 (Bluestone Communities/Murrieta Highlands) Improvement Areas A and B. The City is not obligated in any manner for the bonds. Series A Bonds were issued in the amount of \$10,255,000 with interest rates ranging from 3.25% to 6.25%. Series B Bonds were issued in the amount of \$8,105,000 with interest rates ranging from 3.50% to 6.30%. The bond proceeds will be used to finance the acquisition and construction of certain public facilities to be owned, operated and maintained by the City of Murrieta, Eastern Municipal Water District, and Menifee Union School District and various other improvements. Each bond series is secured by and payable from a pledge of the respective improvement area's special tax revenues derived from certain special taxes collected by the district from real property within the boundaries of each improvement area. The bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in the payments of the special tax. The outstanding balance at June 30, 2009, for these bonds was:

Series A	\$ 9,190,000
Series B	7,405,000

- b. On July 17, 2001, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2000-1 (Greer Ranch). The City is not obligated in any manner for the bonds. The term bonds were issued in the amount of \$15,785,000 with interest rates ranging from 6.000% to 6.375% and are due on September 1, each year. The bond proceeds will be used for the purpose of financing the acquisition of certain public facilities which will benefit the land within the City of Murrieta Community Facilities District No. 2000-1. The bonds are secured and payable from a pledge of the special tax revenues derived from the proceeds of any foreclosure actions brought following a delinquency in payment of the special tax. The outstanding balance of these bonds at June 30, 2009, was \$15,365,000.
- c. On June 2, 2003, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2001-1 (Bluestone Communities / Murrieta Highlands). The City is not obligated in any manner for the bonds. Series A Bonds were issued in the amount of \$1,240,000 with interest rates ranging from 4.450% to 5.625%. Series B Bonds were issued in the amount of \$810,000 with interest rates ranging from 4.625% to 5.800%. The bond proceeds will be used for the purpose of financing the acquisition and construction of certain public facilities to be owned, operated and maintained by the City of Murrieta, Eastern Municipal Water District, and Menifee Union School District and various other improvements. Each bond series is secured by and payable from a pledge of the respective improvement area's special tax revenues derived from certain special taxes collected by the district from real property within the boundaries of each improvement area. The bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in the payments of the special tax. The outstanding balance at June 30, 2009, for these bonds was:

Series A	\$ 1,090,000
Series B	710,000

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 12: Debt without Government Commitment (Continued)**

- d. On March 2, 2004, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2003-4 (Bluestone/Mapleton). The City is not obligated in any manner for the bonds. The bonds were issued in the amount of \$4,000,000 with interest rates ranging from 2.0% to 5.2% and are due on September 1, each year. The bond proceeds will be used to finance certain public facilities which will benefit the land with the City of Murrieta Community Facilities District No. 2003-4. The bonds are secured and payable from a pledge of the special tax revenues derived from certain special taxes collected by the District from real property within its boundaries. The bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in payment of the special tax. The outstanding balance of these bonds at June 30, 2009, was \$3,735,000.
- e. On October 21, 2003, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2003-2 (Blackmore Ranch). The City is not obligated in any manner for the bonds. The bonds were issued in the amount of \$7,000,000 with interest rates ranging from 2.0% to 5.5% and are due on September 1 each year. The bond proceeds will be used for the purpose of financing the acquisition of certain public facilities which will benefit the land within the City of Murrieta Community Facilities District No. 2003-2. The bonds are secured and payable from a pledge of the special tax revenues derived from certain special taxes collected by the District from real property within its boundaries. The bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in the payments of the special tax. The outstanding balance at June 30, 2009, was \$6,560,000.
- f. On March 4, 2002, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2003-1 (Murrieta Springs). The City is not obligated in any manner for the bonds. Bonds in the amount of \$26,570,000 were issued with interest rates ranging from 2.50% to 5.30%. The bond proceeds will be used to finance the acquisition, purchase, modification, expansion, improvement, rehabilitation, lease and/or construction of certain public facilities and connection and capacity fees which benefit the property proposed for development. The bonds are secured by and payable from a pledge of the Special Tax Revenues derived from certain special taxes collected by the District from real property within its boundaries. The outstanding balance of these bonds at June 30, 2009, was \$25,105,000.
- g. On November 2, 2004, the City Council of the City of Murrieta adopted a resolution of issuance of Special Tax Bonds for Community Facilities District No. 2004-1 (Bremerton). The City is not obligated in any manner for the bonds. Bonds in the amount of \$4,710,000 were issued with interest rates ranging from 3.00% to 5.30%. The bond proceeds will be used to finance the acquisition and construction of certain public facilities to be owned, operated, and maintained by the City of Murrieta. The bonds are secured by and payable from a pledge of the Special Tax Revenues derived from certain special taxes collected by the District from real property within its boundaries. The outstanding balance of these bonds at June 30, 2009, was \$4,450,000.
- h. On July 6, 2004, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2000-2 (The Oaks). The City is not obligated in any manner for the bonds. Series A Bonds were issued in the amount of \$23,910,000 with interest rates ranging from 3.75% to 6.00%. Series B Bonds were issued in the amount of \$10,670,000 with interest rates ranging from 4.75% to 6.00%. The bond proceeds will be used to finance the acquisition and construction of certain public facilities which will benefit the land within the City of Murrieta Community Facilities District No, 2000-2. Each bond series is secured by and payable from a pledge of the respective improvement area's special tax revenues derived from certain special taxes

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 12: Debt without Government Commitment (Continued)**

collected by the district from real property within the boundaries of each improvement area. The bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in the payments of the special tax. The outstanding balance of these bonds at June 30, 2009, was:

Series A	\$23,810,000
Series B	10,635,000

- i. On April 5, 2005, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Communities Facilities District No. 2005-1 (Springbrook). The City is not obligated in any manner for the bonds. Bonds were issued in the amount of \$4,455,000 with interest rates ranging from 3.250% to 5.100%. The bond proceeds will be used to finance, among other things, certain public facilities to be owned, operated or maintained by the City and Eastern Municipal Water District (the "Water District") and Menifee Union School District (the "School District"), including capacity in existing facilities, and various costs to meet the needs of new development within the District. The bonds are secured and payable from a pledge of the Special Tax Revenues derived from certain Special Taxes collected by the District from real property within the District and from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Tax. The outstanding balance of these bonds at June 30, 2009, was \$4,430,000.
- j. On April 5, 2005, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2003-3 (Creekside Village). The City is not obligated in any manner for the bonds. Bonds were issued in the amount of \$18,070,000 with interest rates ranging from 3.250% to 5.000%. The bond proceeds will be used to finance, among other things, certain public facilities to be owned or operated and maintained by the City, Eastern Municipal Water District (the "Water District") and Murrieta Valley Unified School District (the "School District"), including capacity in existing facilities and various related costs. The bonds are secured by and payable from a pledge of the Special Tax Revenues derived from certain Special Taxes collected by the District from real property within Improvement Area No. 1, and from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Tax. The outstanding balance of these bonds at June 30, 2009, was \$17,995,000.
- k. On April 5, 2005, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2004-3 (Meadowlane / Amberwalk I & II). The City is not obligated in any manner for the bonds. The term bonds were issued in the amount of \$5,335,000 with interest rates ranging from 3.300% to 5.200% and are due on September 1, each year. The bond proceeds will be used for the purpose of financing the acquisition of certain public facilities which will benefit the land within the City of Murrieta Community Facilities District No. 2004-3. The bonds are secured and payable from a pledge of the Special Tax Revenues derived from certain Special Taxes collected by the District from real property within the improvement area and the proceeds of any foreclosure actions brought following a delinquency in payment of the special tax. The outstanding balance of these bonds at June 30, 2009, was \$5,155,000.
- l. On April 5, 2005, the City Council of the City of Murrieta adopted a resolution of issuance for Special Tax Bonds for Community Facilities District No. 2004-2 (Murrieta Fields). The City is not obligated in any manner for the bonds. The term bonds were issued in the amount of \$2,605,000 with interest rates ranging from 2.95% to 5.25% and are due on September 1, each year. The bond proceeds will be used for the purpose of financing the acquisition of certain public facilities which will benefit the land within the City of Murrieta Community Facilities District No. 2004-2. The bonds are secured and payable from a pledge of the Special Tax Revenues derived from certain Special Taxes collected by the District from real property within the improvement area and the proceeds of any foreclosure actions brought

**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 12: Debt without Government Commitment (Continued)**

following a delinquency in payment of the special tax. The outstanding balance of these bonds at June 30, 2009, was \$2,515,000.

- m. On October 18, 2005, the City Council of the City of Murrieta adopted a resolution of issuance for Refunding Revenue Bonds. The City is not obligated in any manner for the bonds. Bonds in the amount of \$8,500,000 with interest rates ranging from 3.250% to 4.950% were issued on December 1, 2005, to refund outstanding limited obligation improvement bonds for Assessment District 98-1 (Grizzly Ridge) and Assessment District 95-1 (Murrieta Oaks). The bonds are secured by certain unpaid reassessments levied by the City pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds. The outstanding balance of these bonds at June 30, 2009, was \$7,530,000.

The aforementioned bonds are not indebtedness to the City and there exists no legal obligation on the part of the City to make payments on the bonds from any other source other than the revenues and assets pledged thereof. The programs are completely administered by the trustees and have been excluded from the accompanying combined financial statements.

**Note 13: Jointly Governed Organization**

The City, in conjunction with 4 other governmental entities, created the Southwest Communities Financing Authority (Authority) on November 30, 2004. The Authority was formed to issue bonds for the construction of an animal shelter to be used by the member agencies. The Authority's board is comprised of one member from each participating entity. The City has the following fiscal obligations: debt repayment of any bonds issued, administrative costs and operation of the animal shelter. The debt service payments and the animal shelter operating costs will be prorated to each member based on the percentage of the animals housed at the facility, on an annual basis. The administrative costs will be borne equally by all members. The City did not incur any costs for the year ended June 30, 2009.

**Note 14: Contingent Liabilities and Commitments**

Various claims and lawsuits are pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, in the opinion of the City's management, on advice of legal counsel, it is unlikely that they will have a material adverse effect on the accompanying financial statements.

**Note 15: Subsequent Events**

**a. Subsequent Event – ERAF Tax Increment Revenue Shift**

On July 23, 2009, the California Legislature passed SB 26, requiring a shift in tax increment revenues during fiscal years 2009-2010 and 2010-2011 to be deposited into the county "Supplemental" Educational Revenue Augmentation Fund (SERAF) to be distributed to meet the State's Prop 98 obligations to schools. It is estimated that the Agency's share of the SERAF shift for fiscal year 2009-2010 and 2010-2011, will amount to approximately \$2,548,524 and \$524,696, respectively.

**b. Local Government Revenues Withheld by the State of California**

On July 24, 2009 the legislation approved the "borrowing" of up to 8 percent of the local property tax under Proposition 1A (2004). The City is a participant in the Proposition 1A Securitization Program offered by California Communities, a joint powers authority sponsored by the League of California Cities and California State Association of Counties. California Communities sold bonds on November 10, 2009 securitizing the future payments by the State and will remit the proceeds of the bonds to the local governments who opt to



**City of Murrieta**  
**Notes to Financial Statements (Continued)**

**Note 15: Subsequent Events (Continued)**

participate in the program. The purchase price paid on the sale of the City's receivable is 100% or \$1,509,239. Participants of the Securitization program have no obligation on the bonds and no credit exposure to the State. Distribution of the proceeds to the participants is expected 50% on January 15, 2010 and 50% on May 3, 2010.

CITY OF MURRIETA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

	Special Revenue Funds			
	State Gas Tax	Measure A	Air Quality Management District	Block Grants
<b>Assets:</b>				
Cash and investments	\$ 6,454,565	\$ 10,149,466	\$ 344,795	\$ -
Receivables:				
Accounts	1,121	-	504	-
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	208,728	495,294	-	602,411
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 6,664,414</b>	<b>\$ 10,644,760</b>	<b>\$ 345,299</b>	<b>\$ 602,411</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 135,308	\$ 584,696	\$ 663	\$ 418,986
Accrued liabilities	16,106	-	-	-
Deferred revenues	-	-	-	602,411
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	267,541
<b>Total Liabilities</b>	<b>151,414</b>	<b>584,696</b>	<b>663</b>	<b>1,288,938</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	46,374	1,103,570	7,012	754,280
Reserved for advances to other funds	-	-	-	-
Unreserved:				
Designated for capital improvement projects	6,466,626	8,956,494	337,624	-
Designated for debt service	-	-	-	-
Designated for economic uncertainty	-	-	-	-
Undesignated	-	-	-	(1,440,807)
<b>Total Fund Balances</b>	<b>6,513,000</b>	<b>10,060,064</b>	<b>344,636</b>	<b>(686,527)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,664,414</b>	<b>\$ 10,644,760</b>	<b>\$ 345,299</b>	<b>\$ 602,411</b>

## CITY OF MURRIETA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	Other Grants	Seized Assets Forfeitures	SLESF	Murrieta Public Library
<b>Assets:</b>				
Cash and investments	\$ 18,084	\$ 554,914	\$ -	\$ 3,115,543
Receivables:				
Accounts	-	-	-	9
Taxes	-	-	-	139,942
Accrued interest	-	-	-	-
Due from other governments	366,210	856	139,128	7,233
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 384,294</b>	<b>\$ 555,770</b>	<b>\$ 139,128</b>	<b>\$ 3,262,727</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 77,260	\$ 2,535	\$ -	\$ 75,481
Accrued liabilities	-	-	-	23,300
Deferred revenues	59,508	-	-	-
Deposits payable	-	293,116	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	139,128	-
<b>Total Liabilities</b>	<b>136,768</b>	<b>295,651</b>	<b>139,128</b>	<b>98,781</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	52,664	-	-	14,654
Reserved for advances to other funds	-	-	-	-
Unreserved:				
Designated for capital improvement projects	194,862	-	-	-
Designated for debt service	-	-	-	-
Designated for economic uncertainty	-	-	-	509,868
Undesignated	-	260,119	-	2,639,424
<b>Total Fund Balances</b>	<b>247,526</b>	<b>260,119</b>	<b>-</b>	<b>3,163,946</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 384,294</b>	<b>\$ 555,770</b>	<b>\$ 139,128</b>	<b>\$ 3,262,727</b>

CITY OF MURRIETA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

	<b>Special Revenue Funds</b>			
	<b>Developer Agreement</b>	<b>SB 1266 Prop. 1B Funds</b>	<b>NPDES</b>	<b>Federal Grants</b>
<b>Assets:</b>				
Cash and investments	\$ 5,964,124	\$ 2,675,254	\$ 421,850	\$ 420,239
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	93,027
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,964,124</b>	<b>\$ 2,675,254</b>	<b>\$ 421,850</b>	<b>\$ 513,266</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 340,337	\$ 929	\$ 2,023	\$ 513,265
Accrued liabilities	-	-	894	-
Deferred revenues	-	-	-	93,027
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>340,337</b>	<b>929</b>	<b>2,917</b>	<b>606,292</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	359,998	-	64,972	2,271,396
Reserved for advances to other funds	-	-	-	-
Unreserved:				
Designated for capital improvement projects	5,263,789	2,674,325	-	-
Designated for debt service	-	-	-	-
Designated for economic uncertainty	-	-	-	-
Undesignated	-	-	353,961	(2,364,422)
<b>Total Fund Balances</b>	<b>5,623,787</b>	<b>2,674,325</b>	<b>418,933</b>	<b>(93,026)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,964,124</b>	<b>\$ 2,675,254</b>	<b>\$ 421,850</b>	<b>\$ 513,266</b>

CITY OF MURRIETA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

(Continued)

	Capital Projects Funds		Debt Service Funds	
	Area Drainage	Community Facilities District	Citywide	Murrieta Redevelopment Agency
<b>Assets:</b>				
Cash and investments	\$ 9,103,927	\$ -	\$ -	\$ 14,637,106
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	56
Accrued interest	-	-	-	1,187
Due from other governments	-	-	-	2,712
Advances to other funds	1,707,059	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	11,078,324	1,791,651	4,163,001
<b>Total Assets</b>	<b>\$ 10,810,986</b>	<b>\$ 11,078,324</b>	<b>\$ 1,791,651</b>	<b>\$ 18,804,062</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 376	\$ -	\$ 250	\$ 750
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	1,626,631
Due to other funds	-	-	202,073	159
<b>Total Liabilities</b>	<b>376</b>	<b>-</b>	<b>202,323</b>	<b>1,627,540</b>
<b>Fund Balances:</b>				
Reserved:				
Reserved for encumbrances	-	-	-	-
Reserved for advances to other funds	1,707,059	-	-	-
Unreserved:				
Designated for capital improvement projects	9,103,551	11,078,324	-	-
Designated for debt service	-	-	1,589,328	17,176,522
Designated for economic uncertainty	-	-	-	-
Undesignated	-	-	-	-
<b>Total Fund Balances</b>	<b>10,810,610</b>	<b>11,078,324</b>	<b>1,589,328</b>	<b>17,176,522</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,810,986</b>	<b>\$ 11,078,324</b>	<b>\$ 1,791,651</b>	<b>\$ 18,804,062</b>

CITY OF MURRIETA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2009

	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Cash and investments	\$ 53,859,867
Receivables:	
Accounts	1,634
Taxes	139,998
Accrued interest	1,187
Due from other governments	1,915,599
Advances to other funds	1,707,059
Restricted assets:	
Cash and investments with fiscal agents	17,032,976
	<u>17,032,976</u>
<b>Total Assets</b>	<b><u>\$ 74,658,320</u></b>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 2,152,859
Accrued liabilities	40,300
Deferred revenues	754,946
Deposits payable	293,116
Due to other governments	1,626,631
Due to other funds	608,901
	<u>608,901</u>
<b>Total Liabilities</b>	<b><u>5,476,753</u></b>
<b>Fund Balances:</b>	
Reserved:	
Reserved for encumbrances	4,674,920
Reserved for advances to other funds	1,707,059
Unreserved:	
Designated for capital improvement projects	44,075,595
Designated for debt service	18,765,850
Designated for economic uncertainty	509,868
Undesignated	(551,725)
	<u>(551,725)</u>
<b>Total Fund Balances</b>	<b><u>69,181,567</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 74,658,320</u></b>



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## CITY OF MURRIETA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

	<b>Special Revenue Funds</b>			
	<b>State Gas Tax</b>	<b>Measure A</b>	<b>Air Quality Management District</b>	<b>Block Grants</b>
<b>Revenues:</b>				
Taxes	\$ 1,611,782	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	856,614	2,089,375	114,570	-
Charges for services	-	-	-	-
Use of money and property	155,856	287,745	11,570	-
Developer participation	-	-	-	-
Miscellaneous	2,538	5,292	-	-
<b>Total Revenues</b>	<b>2,626,790</b>	<b>2,382,412</b>	<b>126,140</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	50,000
Culture and recreation	-	-	-	-
Public works	1,133,204	9,604	51,550	-
Capital outlay	147,316	1,450,890	-	602,530
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,280,520</b>	<b>1,460,494</b>	<b>51,550</b>	<b>652,530</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,346,270	921,918	74,590	(652,530)
<b>Other Financing Sources (Uses):</b>				
Transfers in	49,377	-	-	-
Transfers out	-	(726,014)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>49,377</b>	<b>(726,014)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	1,395,647	195,904	74,590	(652,530)
Fund Balances, Beginning of Year	5,137,482	9,864,160	270,046	(42,105)
Restatements	(20,129)	-	-	8,108
Fund Balances, Beginning of Year, as Restated	5,117,353	9,864,160	270,046	(33,997)
<b>Fund Balances, End of Year</b>	<b>\$ 6,513,000</b>	<b>\$ 10,060,064</b>	<b>\$ 344,636</b>	<b>\$ (686,527)</b>



CITY OF MURRIETA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009

(Continued)

	<b>Special Revenue Funds</b>			
	<b>Other Grants</b>	<b>Seized Assets Forfeitures</b>	<b>SLESF</b>	<b>Murrieta Public Library</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,825,629
Assessments	-	-	-	-
Intergovernmental	525,409	98,600	139,128	182,426
Charges for services	-	-	-	86,465
Use of money and property	10,984	18,057	-	108,516
Developer participation	-	-	-	-
Miscellaneous	-	-	-	21,542
<b>Total Revenues</b>	<b>536,393</b>	<b>116,657</b>	<b>139,128</b>	<b>2,224,578</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	43,606	-	151,202	-
Community development	-	-	-	-
Culture and recreation	35,097	-	-	1,869,246
Public works	-	-	-	-
Capital outlay	390,204	-	-	7,405
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	2,609	-	-
<b>Total Expenditures</b>	<b>468,907</b>	<b>2,609</b>	<b>151,202</b>	<b>1,876,651</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,486	114,048	(12,074)	347,927
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(64,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,000)</b>
Net Change in Fund Balances	67,486	114,048	(12,074)	283,927
Fund Balances, Beginning of Year	246,328	146,071	12,074	2,850,319
Restatements	(66,288)	-	-	29,700
Fund Balances, Beginning of Year, as Restated	180,040	146,071	12,074	2,880,019
<b>Fund Balances, End of Year</b>	<b>\$ 247,526</b>	<b>\$ 260,119</b>	<b>\$ -</b>	<b>\$ 3,163,946</b>

## CITY OF MURRIETA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

	<b>Special Revenue Funds</b>			
	<b>Developer Agreement</b>	<b>SB 1266 Prop. 1B Funds</b>	<b>NPDES</b>	<b>Federal Grants</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	304,181	-
Intergovernmental	31,027	1,445,855	-	863,336
Charges for services	-	-	-	-
Use of money and property	169,024	85,823	11,584	-
Developer participation	9,231	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>209,282</b>	<b>1,531,678</b>	<b>315,765</b>	<b>863,336</b>
<b>Expenditures:</b>				
Current:				
General government	2,052	-	381,191	-
Public safety	-	-	-	23,277
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	242,163	-	-	909,831
Capital outlay	256,308	421,666	6,662	23,254
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>500,523</b>	<b>421,666</b>	<b>387,853</b>	<b>956,362</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(291,241)	1,110,012	(72,088)	(93,026)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	78,574	-
Transfers out	-	-	(4,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>74,574</b>	<b>-</b>
Net Change in Fund Balances	(291,241)	1,110,012	2,486	(93,026)
Fund Balances, Beginning of Year	3,937,160	1,564,313	416,447	-
Restatements	1,977,868	-	-	-
Fund Balances, Beginning of Year, as Restated	5,915,028	1,564,313	416,447	-
<b>Fund Balances, End of Year</b>	<b>\$ 5,623,787</b>	<b>\$ 2,674,325</b>	<b>\$ 418,933</b>	<b>\$ (93,026)</b>

## CITY OF MURRIETA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009

(Continued)

	Capital Projects Funds		Debt Service Funds	
	Area Drainage	Community Facilities District	Citywide	Murrieta Redevelopment Agency
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 5,143,105
Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	271,324	386,731	14,017	475,512
Developer participation	110,016	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>381,340</b>	<b>386,731</b>	<b>14,017</b>	<b>5,618,617</b>
<b>Expenditures:</b>				
Current:				
General government	4,320	35,300	-	197,514
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	7,198,096	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	1,055,000	720,000
Interest and fiscal charges	-	-	758,737	2,538,286
<b>Total Expenditures</b>	<b>4,320</b>	<b>7,233,396</b>	<b>1,813,737</b>	<b>3,455,800</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	377,020	(6,846,665)	(1,799,720)	2,162,817
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	1,798,183	420,404
Transfers out	-	-	-	(575,884)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,798,183</b>	<b>(155,480)</b>
Net Change in Fund Balances	377,020	(6,846,665)	(1,537)	2,007,337
Fund Balances, Beginning of Year	10,433,590	17,924,989	2,297,902	21,160,330
Restatements	-	-	(707,037)	(5,991,145)
Fund Balances, Beginning of Year, as Restated	10,433,590	17,924,989	1,590,865	15,169,185
<b>Fund Balances, End of Year</b>	<b>\$ 10,810,610</b>	<b>\$ 11,078,324</b>	<b>\$ 1,589,328</b>	<b>\$ 17,176,522</b>

CITY OF MURRIETA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2009**

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	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 8,580,516
Assessments	304,181
Intergovernmental	6,346,340
Charges for services	86,465
Use of money and property	2,006,743
Developer participation	119,247
Miscellaneous	29,372
	<hr/>
<b>Total Revenues</b>	<b>17,472,864</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	620,377
Public safety	218,085
Community development	50,000
Culture and recreation	1,904,343
Public works	9,544,448
Capital outlay	3,306,235
Debt service:	
Principal retirement	1,775,000
Interest and fiscal charges	3,299,632
	<hr/>
<b>Total Expenditures</b>	<b>20,718,120</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/> (3,245,256)
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	2,346,538
Transfers out	(1,369,898)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>976,640</b>
	<hr/>
Net Change in Fund Balances	<hr/> (2,268,616)
	<hr/>
Fund Balances, Beginning of Year	76,219,106
Restatements	(4,768,923)
	<hr/>
Fund Balances, Beginning of Year, as Restated	71,450,183
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 69,181,567</b>
	<hr/> <hr/>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
STATE GAS TAX - SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2009**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1, as restated	\$ 5,117,353	\$ 5,117,353	\$ 5,117,353	\$ -
<b>Resources (Inflows):</b>				
Taxes	1,657,500	1,657,500	1,611,782	(45,718)
Intergovernmental	-	936,253	856,614	(79,639)
Use of money and property	-	-	155,856	155,856
Miscellaneous	-	-	2,538	2,538
Transfers in	-	-	49,377	49,377
<b>Amounts Available for Appropriation</b>	<b>6,774,853</b>	<b>7,711,106</b>	<b>7,793,520</b>	<b>82,414</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	1,136,587	1,416,962	1,133,204	283,758
Capital outlay	-	4,596,722	147,316	4,449,406
<b>Total Charges to Appropriations</b>	<b>1,136,587</b>	<b>6,013,684</b>	<b>1,280,520</b>	<b>4,733,164</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,638,266</b>	<b>\$ 1,697,422</b>	<b>\$ 6,513,000</b>	<b>\$ 4,815,578</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE A  
YEAR ENDED JUNE 30, 2009**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 9,864,160	\$ 9,864,160	\$ 9,864,160	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,380,000	2,380,000	2,089,375	(290,625)
Use of money and property	-	-	287,745	287,745
Miscellaneous	-	-	5,292	5,292
<b>Amounts Available for Appropriation</b>	<b>12,244,160</b>	<b>12,244,160</b>	<b>12,246,572</b>	<b>2,412</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	150,000	9,604	140,396
Capital outlay	-	10,226,900	1,450,890	8,776,010
Debt service:				
Principal retirement	330,000	-	-	-
Interest and fiscal charges	396,014	-	-	-
Transfers out	-	726,014	726,014	-
<b>Total Charges to Appropriations</b>	<b>726,014</b>	<b>11,102,914</b>	<b>2,186,508</b>	<b>8,916,406</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 11,518,146</b>	<b>\$ 1,141,246</b>	<b>\$ 10,060,064</b>	<b>\$ 8,918,818</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY MANAGEMENT DISTRICT  
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 270,046	\$ 270,046	\$ 270,046	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	117,000	117,000	114,570	(2,430)
Use of money and property	-	-	11,570	11,570
<b>Amounts Available for Appropriation</b>	<b>387,046</b>	<b>387,046</b>	<b>396,186</b>	<b>9,140</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	144,361	51,550	92,811
Capital outlay	-	192,000	-	192,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>336,361</b>	<b>51,550</b>	<b>284,811</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 387,046</b>	<b>\$ 50,685</b>	<b>\$ 344,636</b>	<b>\$ 293,951</b>

CITY OF MURRIETA

BUDGETARY COMPARISON SCHEDULE  
 BLOCK GRANTS  
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (33,997)	\$ (33,997)	\$ (33,997)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,461,797	-	(1,461,797)
<b>Amounts Available for Appropriation</b>	<b>(33,997)</b>	<b>1,427,800</b>	<b>(33,997)</b>	<b>(1,461,797)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	-	50,000	50,000	-
Capital outlay	-	1,461,797	602,530	859,267
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,511,797</b>	<b>652,530</b>	<b>859,267</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (33,997)</b>	<b>\$ (83,997)</b>	<b>\$ (686,527)</b>	<b>\$ (602,530)</b>



CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
OTHER GRANTS  
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 180,040	\$ 180,040	\$ 180,040	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	20,000	12,380,902	525,409	(11,855,493)
Use of money and property	-	-	10,984	10,984
Transfers in	-	27,000	-	(27,000)
<b>Amounts Available for Appropriation</b>	<b>200,040</b>	<b>12,587,942</b>	<b>716,433</b>	<b>(11,871,509)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	80,371	43,606	36,765
Culture and recreation	20,000	57,001	35,097	21,904
Capital outlay	-	12,270,531	390,204	11,880,327
<b>Total Charges to Appropriations</b>	<b>20,000</b>	<b>12,407,903</b>	<b>468,907</b>	<b>11,938,996</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 180,040</b>	<b>\$ 180,039</b>	<b>\$ 247,526</b>	<b>\$ 67,487</b>

CITY OF MURRIETA

BUDGETARY COMPARISON SCHEDULE  
 SLESF  
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,074	\$ 12,074	\$ 12,074	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	187,016	246,513	139,128	(107,385)
<b>Amounts Available for Appropriation</b>	<b>199,090</b>	<b>258,587</b>	<b>151,202</b>	<b>(107,385)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	186,859	127,361	151,202	(23,841)
<b>Total Charges to Appropriations</b>	<b>186,859</b>	<b>127,361</b>	<b>151,202</b>	<b>(23,841)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,231</b>	<b>\$ 131,226</b>	<b>\$ -</b>	<b>\$ (131,226)</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
MURRIETA PUBLIC LIBRARY  
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 2,880,019	\$ 2,880,019	\$ 2,880,019	\$ -
<b>Resources (Inflows):</b>				
Taxes	1,813,750	1,732,450	1,825,629	93,179
Intergovernmental	117,822	156,929	182,426	25,497
Charges for services	94,200	94,200	86,465	(7,735)
Use of money and property	57,418	57,418	108,516	51,098
Miscellaneous	15,085	-	21,542	21,542
<b>Amounts Available for Appropriation</b>	<b>4,978,294</b>	<b>4,921,016</b>	<b>5,104,597</b>	<b>183,581</b>
<b>Charges to Appropriation (Outflow):</b>				
Culture and recreation	1,993,659	2,133,502	1,869,246	264,256
Capital outlay	9,591	40,095	7,405	32,690
Transfers out	95,025	95,025	64,000	31,025
<b>Total Charges to Appropriations</b>	<b>2,098,275</b>	<b>2,268,622</b>	<b>1,940,651</b>	<b>327,971</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,880,019</b>	<b>\$ 2,652,394</b>	<b>\$ 3,163,946</b>	<b>\$ 511,552</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
DEVELOPER AGREEMENT  
YEAR ENDED JUNE 30, 2009**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 5,915,028	\$ 5,915,028	\$ 5,915,028	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	31,027	31,027
Use of money and property	-	-	169,024	169,024
Developer participation	-	-	9,231	9,231
<b>Amounts Available for Appropriation</b>	<b>5,915,028</b>	<b>5,915,028</b>	<b>6,124,310</b>	<b>209,282</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	2,052	(2,052)
Public works	-	313,417	242,163	71,254
Capital outlay	-	2,819,639	256,308	2,563,331
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>3,133,056</b>	<b>500,523</b>	<b>2,632,533</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,915,028</b>	<b>\$ 2,781,972</b>	<b>\$ 5,623,787</b>	<b>\$ 2,841,815</b>

CITY OF MURRIETA

BUDGETARY COMPARISON SCHEDULE  
 SB 1266 PROP. 1B FUNDS  
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,564,313	\$ 1,564,313	\$ 1,564,313	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,953,363	1,445,855	(507,508)
Use of money and property	-	-	85,823	85,823
<b>Amounts Available for Appropriation</b>	<b>1,564,313</b>	<b>3,517,676</b>	<b>3,095,991</b>	<b>(421,685)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	-	-
Capital outlay	-	3,478,000	421,666	3,056,334
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>3,478,000</b>	<b>421,666</b>	<b>3,056,334</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,564,313</b>	<b>\$ 39,676</b>	<b>\$ 2,674,325</b>	<b>\$ 2,634,649</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
NPDES  
YEAR ENDED JUNE 30, 2009**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 416,447	\$ 416,447	\$ 416,447	\$ -
<b>Resources (Inflows):</b>				
Assessments	285,000	285,000	304,181	19,181
Use of money and property	-	-	11,584	11,584
Transfers in	211,986	145,122	78,574	(66,548)
<b>Amounts Available for Appropriation</b>	<b>913,433</b>	<b>846,569</b>	<b>810,786</b>	<b>(35,783)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	488,886	540,011	381,191	158,820
Capital outlay	-	7,000	6,662	338
Transfers out	8,100	4,000	4,000	-
<b>Total Charges to Appropriations</b>	<b>496,986</b>	<b>551,011</b>	<b>391,853</b>	<b>159,158</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 416,447</b>	<b>\$ 295,558</b>	<b>\$ 418,933</b>	<b>\$ 123,375</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
FEDERAL GRANTS  
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	3,866,835	863,336	(3,003,499)
<b>Amounts Available for Appropriation</b>	-	<b>3,866,835</b>	<b>863,336</b>	<b>(3,003,499)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	-	-
Public safety	-	24,614	23,277	1,337
Public works	-	-	909,831	(909,831)
Capital outlay	-	13,833,034	23,254	13,809,780
<b>Total Charges to Appropriations</b>	-	<b>13,857,648</b>	<b>956,362</b>	<b>12,901,286</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ (9,990,813)</b>	<b>\$ (93,026)</b>	<b>\$ 9,897,787</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
MURRIETA REDEVELOPMENT AGENCY - CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2009**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 31,289,328	\$ 31,289,328	\$ 31,289,328	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	-	1,714,368	1,714,368
Intergovernmental	-	511,000	317,931	(193,069)
Use of money and property	102,903	102,903	729,837	626,934
Miscellaneous	-	-	35,630	35,630
Transfers in	2,093,968	2,179,547	575,883	(1,603,664)
<b>Amounts Available for Appropriation</b>	<b>33,486,199</b>	<b>34,082,778</b>	<b>34,662,977</b>	<b>580,199</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	871,975	1,467,779	1,708,370	(240,591)
Capital outlay	-	19,596,106	2,763,553	16,832,553
Transfers out	-	889,479	420,403	469,076
<b>Total Charges to Appropriations</b>	<b>871,975</b>	<b>21,953,364</b>	<b>4,892,326</b>	<b>17,061,038</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 32,614,224</b>	<b>\$ 12,129,414</b>	<b>\$ 29,770,651</b>	<b>\$ 17,641,237</b>



CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
AREA DRAINAGE  
YEAR ENDED JUNE 30, 2009**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 10,433,590	\$ 10,433,590	\$ 10,433,590	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	271,324	271,324
Developer participation	-	100,000	110,016	10,016
<b>Amounts Available for Appropriation</b>	<b>10,433,590</b>	<b>10,533,590</b>	<b>10,814,930</b>	<b>281,340</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	4,320	(4,320)
Capital outlay	-	4,670,000	-	4,670,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>4,670,000</b>	<b>4,320</b>	<b>4,665,680</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,433,590</b>	<b>\$ 5,863,590</b>	<b>\$ 10,810,610</b>	<b>\$ 4,947,020</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
CITYWIDE - DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 1,590,865	\$ 1,590,865	\$ 1,590,865	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	14,017	14,017
Transfers in	-	1,798,183	1,798,183	-
<b>Amounts Available for Appropriation</b>	<b>1,590,865</b>	<b>3,389,048</b>	<b>3,403,065</b>	<b>14,017</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	-	1,055,000	1,055,000	-
Interest and fiscal charges	-	743,183	758,737	(15,554)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,798,183</b>	<b>1,813,737</b>	<b>(15,554)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,590,865</b>	<b>\$ 1,590,865</b>	<b>\$ 1,589,328</b>	<b>\$ (1,537)</b>

CITY OF MURRIETA

**BUDGETARY COMPARISON SCHEDULE  
MURRIETA REDEVELOPMENT AGENCY  
YEAR ENDED JUNE 30, 2009**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1, as restated	\$ 15,169,185	\$ 15,169,185	\$ 15,169,185	\$ -
<b>Resources (Inflows):</b>				
Taxes	5,806,040	5,644,222	5,143,105	(501,117)
Use of money and property	297,643	297,643	475,512	177,869
Transfers in	-	3,250,637	420,404	(2,830,233)
<b>Amounts Available for Appropriation</b>	<b>21,272,868</b>	<b>24,361,687</b>	<b>21,208,206</b>	<b>(3,153,481)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	217,727	426,575	197,514	229,061
Debt service:				
Principal retirement	720,000	720,000	720,000	-
Interest and fiscal charges	2,530,635	2,530,637	2,538,286	(7,649)
Transfers out	2,093,968	5,009,874	575,884	4,433,990
<b>Total Charges to Appropriations</b>	<b>5,562,330</b>	<b>8,687,086</b>	<b>4,031,684</b>	<b>4,655,402</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,710,538</b>	<b>\$ 15,674,601</b>	<b>\$ 17,176,522</b>	<b>\$ 1,501,921</b>

CITY OF MURRIETA

COMBINING BALANCE SHEET  
 ALL AGENCY FUNDS  
 JUNE 30, 2009

	<b>Trust Accounts</b>	<b>Community Facilities Districts</b>	<b>Totals</b>
<b>Assets:</b>			
Pooled cash and investments	\$ 12,506,208	\$ 1,266,176	\$ 13,772,384
Receivables:			
Accounts	656,393	318,801	975,194
Taxes	-	918,451	918,451
Deposits	-	243,200	243,200
Restricted assets:			
Cash and investments with fiscal agents	-	22,202,078	22,202,078
<b>Total Assets</b>	<b><u>\$ 13,162,601</u></b>	<b><u>\$ 24,948,706</u></b>	<b><u>\$ 38,111,307</u></b>
<b>Liabilities:</b>			
Accounts payable	\$ 74,794	\$ 13,049	\$ 87,843
Deposits payable	13,087,807	20,700	13,108,507
Due to bondholders	-	24,914,957	24,914,957
<b>Total Liabilities</b>	<b><u>\$ 13,162,601</u></b>	<b><u>\$ 24,948,706</u></b>	<b><u>\$ 38,111,307</u></b>

CITY OF MURRIETA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED JUNE 30, 2009**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b><u>Trust Accounts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 19,518,343	\$ 96,996,297	\$ 104,008,432	\$ 12,506,208
Receivables:				
Accounts	660,431	9,835,012	9,839,050	656,393
Due from other governments	2,785	5,590	8,375	-
<b>Total Assets</b>	<b><u>\$ 20,181,559</u></b>	<b><u>\$ 106,836,899</u></b>	<b><u>\$ 113,855,857</u></b>	<b><u>\$ 13,162,601</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 4,910,670	\$ 4,835,876	\$ 74,794
Accrued liabilities	-			-
Deposits payable	20,168,961	19,230,522	26,311,676	13,087,807
Due to bondholders	12,598	503,651	516,249	-
<b>Total Liabilities</b>	<b><u>\$ 20,181,559</u></b>	<b><u>\$ 24,644,843</u></b>	<b><u>\$ 31,663,801</u></b>	<b><u>\$ 13,162,601</u></b>
<b><u>Community Facilities Districts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 1,249,436	\$ 10,034,167	\$ 10,017,427	\$ 1,266,176
Receivables:				
Accounts	-	524,621	205,820	318,801
Taxes	-	918,451	-	918,451
Deposits	-	243,200	-	243,200
Restricted assets:				
Cash and investments with fiscal agents	18,623,153	22,631,215	19,052,290	22,202,078
<b>Total Assets</b>	<b><u>\$ 19,872,589</u></b>	<b><u>\$ 34,351,654</u></b>	<b><u>\$ 29,275,537</u></b>	<b><u>\$ 24,948,706</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 86,225	\$ 73,176	\$ 13,049
Deposits payable	-	20,700	-	20,700
Due to bondholders	19,872,589	36,686,917	31,644,549	24,914,957
<b>Total Liabilities</b>	<b><u>\$ 19,872,589</u></b>	<b><u>\$ 36,793,842</u></b>	<b><u>\$ 31,717,725</u></b>	<b><u>\$ 24,948,706</u></b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 20,767,779	\$ 107,030,464	\$ 114,025,859	\$ 13,772,384
Receivables:				
Accounts	660,431	10,359,633	10,044,870	975,194
Taxes	-	918,451	-	918,451
Deposits	-	243,200	-	243,200
Due from other governments	2,785	5,590	8,375	-
Restricted assets:				
Cash and investments with fiscal agents	18,623,153	22,631,215	19,052,290	22,202,078
<b>Total Assets</b>	<b><u>\$ 40,054,148</u></b>	<b><u>\$ 141,188,553</u></b>	<b><u>\$ 143,131,394</u></b>	<b><u>\$ 38,111,307</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 4,996,895	\$ 4,909,052	\$ 87,843
Deposits payable	20,168,961	19,251,222	26,311,676	13,108,507
Due to bondholders	19,885,187	37,190,568	32,160,798	24,914,957
<b>Total Liabilities</b>	<b><u>\$ 40,054,148</u></b>	<b><u>\$ 61,438,685</u></b>	<b><u>\$ 63,381,526</u></b>	<b><u>\$ 38,111,307</u></b>



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## **Statistical Section**

*This part of the City of Murrieta's Statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.*

### **Contents**

#### **Financial Trends**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

- \* **Net Assets by Component**
- \* **Changes in Net Assets**
- \* **Fund Balances of Governmental Funds**
- \* **Changes in Fund Balances of Governmental Funds**

#### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property taxes.*

- \* **Assessed Value and Estimated Actual Value of Taxable Property**
- \* **Direct and Overlapping Property Tax Rates**
- \* **Principal Property Tax Payers**
- \* **Property Tax Levies and Collections**

#### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

- \* **Ratios of Outstanding Debt by Type**
- \* **Direct and Overlapping Debt**
- \* **Legal Debt Margin Information**
- \* **Pledged-Revenue Coverage**

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and help make comparisons over time and with other governments.*

- \* **Demographic and Economic Statistics**
- \* **Principal Employers**

#### **Operating Information**

*These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city promotes and the*

- \* **Full-time Equivalent City Government Employees by Function/Program**
- \* **Operating Indicators by Function/Program**
- \* **Capital Assets Statistics by Function/Program**

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



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CITY OF MURRIETA

Net Assets by Component  
Last Seven Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Government activities</b>							
Invested in capital assets, net of related debt	\$ 130,236,238	\$ 148,069,012	\$ 157,457,911	\$ 181,319,538	\$ 227,255,667	\$ 388,953,449	\$ 433,407,576
Restricted	85,535,749	105,575,326	166,292,711	144,585,135	106,457,194	158,124,475	150,171,342
Unrestricted	18,651,729	24,765,185	59,449,734	67,351,247	59,654,440	31,795,300	34,681,557
<b>Total governmental activities net assets</b>	<b>\$ 234,423,716</b>	<b>\$ 278,409,523</b>	<b>\$ 383,200,356</b>	<b>\$ 393,255,920</b>	<b>\$ 393,367,301</b>	<b>\$ 578,873,224</b>	<b>\$ 618,260,475</b>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-
Unrestricted	-	-	(312,382)	(996,924)	(996,924)	-	-
<b>Total business-type activities net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (312,382)</b>	<b>\$ (996,924)</b>	<b>\$ (996,924)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Primary government</b>							
Invested in capital assets, net of related debt	\$ 130,236,238	\$ 148,069,012	\$ 157,457,911	\$ 181,319,538	\$ 227,255,667	\$ 388,953,449	\$ 433,407,576
Restricted	85,535,749	105,575,326	166,292,711	144,585,135	106,457,194	158,124,475	150,171,342
Unrestricted	18,651,729	24,765,185	59,137,352	66,354,323	58,657,516	31,795,300	34,681,557
<b>Total primary government activities net assets</b>	<b>\$ 234,423,716</b>	<b>\$ 278,409,523</b>	<b>\$ 382,887,974</b>	<b>\$ 392,258,996</b>	<b>\$ 392,370,377</b>	<b>\$ 578,873,224</b>	<b>\$ 618,260,475</b>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF MURRIETA

**Changes in Net Assets  
Last Seven Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
Governmental Activities:							
General government	\$ 4,783,232	\$ 4,123,603	\$ 6,740,604	\$ 6,747,425	\$ 10,087,751	\$ 11,082,508	\$ 12,928,528
Public safety	14,245,981	15,254,642	17,203,012	20,885,730	25,001,721	30,959,471	33,850,633
Community development	3,323,198	4,378,804	4,236,006	6,231,904	8,021,239	6,709,243	3,054,128
Culture and recreation	4,646,608	4,085,539	5,172,745	7,111,942	9,005,255	9,292,882	11,377,680
Public works	6,947,216	13,800,797	15,429,425	40,669,302	43,265,151	18,387,357	24,144,561
Interest on long-term debt	1,373,096	1,449,033	1,560,289	2,057,929	1,971,126	3,624,665	3,440,842
<b>Total Governmental Activities expenses</b>	<b>35,319,331</b>	<b>43,092,418</b>	<b>50,342,081</b>	<b>83,704,232</b>	<b>97,352,243</b>	<b>80,056,126</b>	<b>88,796,372</b>
Business-Type Activities:							
Telecommunications/Data	-	-	312,382	684,542	701,180	-	-
<b>Total Business-Type Activities Expenses</b>	<b>-</b>	<b>-</b>	<b>312,382</b>	<b>684,542</b>	<b>701,180</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government Expenses</b>	<b>\$35,319,331</b>	<b>\$ 43,092,418</b>	<b>\$ 50,654,463</b>	<b>\$ 84,388,774</b>	<b>\$ 98,053,423</b>	<b>\$ 80,056,126</b>	<b>\$ 88,796,372</b>
<b>Program Revenues</b>							
Governmental Activities:							
Charges for services:							
General government	\$ 84,742	\$ 3,388,347	\$ 1,078,411	\$ 1,090,882	\$ 930,371	\$ 715,509	\$ 816,962
Public safety	6,221,785	7,473,464	8,060,755	9,771,582	2,664,576	2,802,342	3,164,725
Community development	783,600	2,501,178	4,829,821	3,660,588	2,548,902	1,670,867	1,105,119
Culture and recreation	3,222,226	6,515,168	7,403,892	8,063,034	7,464,736	7,471,929	8,548,740
Public works	19,869,290	18,967,732	19,949,478	11,392,876	5,184,295	3,779,193	1,173,978
Operating Contributions:							
General Government	-	-	-	-	-	479,995	22,231
Public safety	720,108	672,349	542,173	1,100,679	1,617,107	1,524,381	1,782,325
Community development	1,463,516	3,155,962	1,855,576	658,810	176,824	356,959	133,409
Culture and recreation	426,779	725,618	1,249,175	221,780	218,829	51,495	284,016
Public works	1,678,572	5,145,054	6,234,252	4,698,485	2,380,541	6,086,037	54,160
Capital Contributions and Grants:							
General Government	-	-	-	-	-	709,069	317,931
Community development	-	-	-	-	-	-	544,913
Culture and recreation	-	-	-	1,424,797	4,475,223	48,818	2,620
Public works	-	11,763,476	78,875,924	6,826,766	3,442,107	5,785,793	16,367,499
<b>Total Governmental Activities Program Revenues</b>	<b>34,470,618</b>	<b>60,308,348</b>	<b>130,079,457</b>	<b>48,910,279</b>	<b>31,103,511</b>	<b>31,482,387</b>	<b>34,318,628</b>
Business-Type Activities:							
Charges for services:							
Telecommunications/Data	-	-	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government Program Revenues</b>	<b>\$34,470,618</b>	<b>\$ 60,308,348</b>	<b>\$130,079,457</b>	<b>\$ 48,910,279</b>	<b>\$ 31,103,511</b>	<b>\$ 31,482,387</b>	<b>\$ 34,318,628</b>
<b>Net (Expense)/Revenue</b>							
Governmental Activities	(848,713)	17,215,930	79,737,376	(34,793,953)	(66,248,732)	(48,573,739)	(54,477,744)
Business-Type Activities	-	-	(312,382)	(684,542)	(701,180)	-	-
<b>Total primary Government Net Expense</b>	<b>\$ (848,713)</b>	<b>\$ 17,215,930</b>	<b>\$ 79,424,994</b>	<b>\$ (35,478,495)</b>	<b>\$ (66,949,912)</b>	<b>\$ (48,573,739)</b>	<b>\$ (54,477,744)</b>

CITY OF MURRIETA

**Changes in Net Assets  
Last Seven Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Taxes:							
Property taxes, levied for general purpose	\$ 4,295,485	\$ 5,591,024	\$ 8,573,152	\$ 16,704,753	\$ 31,972,045	\$ 35,177,579	\$ 34,123,433
Transient occupancy taxes	-	129,355	157,343	164,164	181,873	159,397	291,746
Sales taxes	6,520,985	8,517,836	11,112,453	12,383,784	12,633,646	11,465,852	9,870,711
Franchise taxes	1,198,423	1,703,356	1,881,765	2,157,628	2,574,499	3,077,945	3,076,644
Business licenses taxes	381,648	488,716	564,025	633,817	642,955	597,638	566,897
Other taxes	5,667,219	3,479,265	3,231,269	3,210,479	3,138,352	1,742,137	1,611,782
Intergovernmental, unrestricted:							
Motor Vehicle In Lieu	3,035,262	3,081,504	5,204,655	505,884	615,029	438,628	340,815
Use of money and property	3,619,889	468,649	4,006,488	7,107,090	11,573,196	11,989,086	8,069,835
Gain on sale of assets	-	111,286	8,122	-	-	-	-
Other	963,026	101,084	320,577	1,382,292	1,628,706	622,945	998,700
Transfers	-	-	-	-	(701,180)	(996,924)	-
<b>Total Governmental Activities</b>	<b>25,681,937</b>	<b>23,672,075</b>	<b>35,059,849</b>	<b>44,249,891</b>	<b>64,259,121</b>	<b>64,274,283</b>	<b>58,950,563</b>
Business-Type Activities:							
Transfers							
	-	-	-	-	701,180	996,924	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>701,180</b>	<b>996,924</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$25,681,937</b>	<b>\$ 23,672,075</b>	<b>\$ 35,059,849</b>	<b>\$ 44,249,891</b>	<b>\$ 64,960,301</b>	<b>\$ 65,271,207</b>	<b>\$ 58,950,563</b>
<b>Changes in Net Assets</b>							
Governmental Activities	\$24,833,224	\$ 40,888,005	\$ 114,797,225	\$ 9,455,938	\$ (1,989,611)	\$ 15,700,544	\$ 4,472,819
Business-Type Activities	-	-	(312,382)	(684,542)	-	996,924	-
<b>Total Primary Government</b>	<b>\$24,833,224</b>	<b>\$ 40,888,005</b>	<b>\$ 114,484,843</b>	<b>\$ 8,771,396</b>	<b>\$ (1,989,611)</b>	<b>\$ 16,697,468</b>	<b>\$ 4,472,819</b>

CITY OF MURRIETA

**Fund Balances of Governmental Funds  
Last Seven Fiscal Years  
(Modified Accrual Basis Of Accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 6,663,492	\$ 8,357,448	\$ 15,149,187	\$ 21,238,782	\$ 19,613,288	\$ 16,926,629	\$ 5,347,868
Unreserved	13,075,644	16,050,373	18,699,784	22,395,562	26,454,828	15,488,472	29,567,100
Total General Fund	<u>\$ 19,739,136</u>	<u>\$ 24,407,821</u>	<u>\$ 33,848,971</u>	<u>\$ 43,634,344</u>	<u>\$ 46,068,116</u>	<u>\$ 32,415,101</u>	<u>\$ 34,914,968</u>
All Other Governmental Funds							
Reserved	\$ 8,056,388	\$ 14,724,885	\$ 6,509,809	\$ 9,499,809	\$ 10,985,808	\$ 18,568,716	\$ 23,542,192
Unreserved, reported in nonmajor,							
Special revenue funds	58,277,889	69,845,714	81,786,556	83,346,273	70,492,895	70,824,253	73,596,857
Capital Projects funds	15,821,391	16,425,896	97,276,858	66,202,768	26,592,886	45,382,511	37,867,258
Debt service funds	4,140,039	4,823,152	6,709,223	8,238,461	11,411,958	23,458,232	18,765,850
Total all other Governmental Funds	<u>\$ 86,295,707</u>	<u>\$ 105,819,647</u>	<u>\$ 192,282,446</u>	<u>\$ 167,287,311</u>	<u>\$ 119,483,547</u>	<u>\$ 158,233,712</u>	<u>\$ 153,772,157</u>

CITY OF MURRIETA

**Changes In Fund Balances Of Governmental Funds  
Last Seven Fiscal Years  
(Modified Accrual Basis Of Accounting)**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>							
Taxes and assessments	\$ 22,725,370	\$ 34,711,834	\$ 38,580,791	\$ 50,293,453	\$ 58,831,956	\$ 62,169,213	\$ 59,416,164
Licenses and permits	1,898,037	1,405,870	2,027,081	3,076,073	2,424,475	783,220	657,604
Intergovernmental	5,946,544	9,853,597	12,658,071	7,040,360	9,930,969	15,204,752	8,565,933
Non-committal debt revenue	-	11,763,476	78,875,924	4,796,609	-	-	-
Charges for services	6,242,373	2,445,084	5,075,248	2,368,224	2,254,941	1,925,991	2,184,136
Use of money and property	3,591,072	513,649	4,018,457	7,091,585	11,552,352	11,971,340	8,047,325
Fines and Forfeitures	502,858	448,947	536,032	729,875	712,471	648,103	1,036,518
Contributions	-	-	224,264	615,721	587,672	539,279	2,620
Miscellaneous	1,108,507	873,240	791,398	2,299,974	2,390,371	1,767,783	1,044,526
Developer participation	18,137,794	21,644,413	20,978,840	11,779,092	5,140,196	3,641,515	954,407
<b>Total revenues</b>	<b>60,152,555</b>	<b>83,660,110</b>	<b>163,766,106</b>	<b>90,090,966</b>	<b>93,825,403</b>	<b>98,651,196</b>	<b>81,909,233</b>
<b>Expenditures:</b>							
General government	3,602,654	5,199,551	6,459,828	7,208,902	9,850,771	10,282,735	12,065,833
Public safety	13,788,808	14,801,347	19,920,785	20,399,726	24,176,851	30,499,961	32,183,607
Community development	3,322,236	4,413,902	4,907,270	5,176,547	6,997,006	6,701,076	2,912,359
Culture and recreation	4,063,508	4,817,042	5,333,484	6,632,388	8,441,994	8,835,916	10,885,073
Public works	11,511,739	17,534,211	13,519,093	36,038,290	31,197,654	2,947,780	15,114,766
Capital outlay	8,796,140	9,790,412	21,139,861	27,828,949	56,747,398	41,659,799	10,864,777
Debt service:							
Principal retirement	1,034,582	2,655,000	865,000	1,120,000	1,375,000	1,450,000	2,170,349
Interest	1,378,606	1,459,630	1,355,648	1,946,884	1,955,147	2,983,258	3,376,011
Debt issuance costs	-	-	649,796	-	-	1,350,867	-
<b>Total expenditures</b>	<b>47,498,273</b>	<b>60,671,095</b>	<b>74,150,765</b>	<b>106,351,686</b>	<b>140,741,821</b>	<b>106,711,392</b>	<b>89,572,775</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>12,654,282</b>	<b>22,989,015</b>	<b>89,615,341</b>	<b>(16,260,720)</b>	<b>(46,916,418)</b>	<b>(8,060,196)</b>	<b>(7,663,542)</b>
<b>Other financing sources (uses):</b>							
Transfers in	2,561,702	2,578,628	4,554,548	5,273,407	18,377,937	28,306,184	4,083,629
Transfers out	(2,561,702)	(2,578,628)	(4,554,548)	(5,273,407)	(19,079,117)	(29,303,108)	(4,083,629)
Long-term debt issued	12,000,000	-	16,295,000	-	-	41,160,000	324,785
Bond Premium	-	-	-	-	-	128,208	-
Proceeds from sale of capital assets	-	-	-	-	-	1,981	12,672
Payment to refunded bond escrow agent	-	-	-	-	-	(9,193,600)	-
Other financing uses	(23,133)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>11,976,867</b>	<b>-</b>	<b>16,295,000</b>	<b>-</b>	<b>(701,180)</b>	<b>31,099,665</b>	<b>337,457</b>
<b>Net change in fund balances / net assets</b>	<b>\$ 24,631,149</b>	<b>\$ 22,989,015</b>	<b>\$ 105,910,341</b>	<b>\$ (46,260,720)</b>	<b>\$ 23,039,469</b>	<b>\$</b>	<b>\$ (7,326,085)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.7%</b>	<b>5.2%</b>	<b>2.9%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>4.3%</b>	<b>2.8%</b>

**CITY OF MURRIETA**

**Assessed Value and Estimated Actual Value of Taxable Property**

**Last Ten Fiscal Years**

*(in thousands of dollars)*

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
2000	2,008,055	165,312	464,787	(14,767)	2,623,387	0.1786%	N/A	N/A
2001	2,288,163	180,628	511,052	(14,330)	2,965,513	0.1830%	N/A	N/A
2002	2,623,455	226,917	620,687	(14,816)	3,456,243	0.1968%	N/A	N/A
2003	3,629,199	266,828	800,199	(19,397)	4,676,829	0.1781%	N/A	N/A
2004	4,641,685	320,165	800,443	(23,487)	5,738,806	0.1756%	N/A	N/A
2005	5,734,929	375,314	956,669	(34,721)	7,032,191	0.1777%	N/A	N/A
2006	7,149,061	426,943	1,137,695	(38,923)	8,674,776	0.1757%	N/A	N/A
2007	9,282,961	601,796	1,240,298	(28,162)	11,096,893	0.1752%	N/A	N/A
2008	10,251,620	805,796	1,448,626	(27,805)	12,478,237	0.1790%	N/A	N/A
2009	9,297,716	915,032	1,622,304	(28,562)	11,806,490	0.1876%	N/A	N/A

N/A - Data Not Available

**Source:**

HDL Coren & Cone  
City of Murrieta Finance Department

**CITY OF MURRIETA**

**Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years**

*(rate per \$100 of taxable value)*

<b>City Direct Rates</b>					
<b>Fiscal Year</b>	<b>General Basic Tax Levy</b>	<b>Murrieta Unified District</b>	<b>Murrieta Fire Dept</b>	<b>Murrieta Library</b>	<b>Total Direct Rate</b>
2000	0.0740	0.3480	0.1190	-	0.5410
2001	0.0740	0.3480	0.1190	-	0.5410
2002	0.0740	0.3480	0.1190	-	0.5410
2003	0.0740	0.3480	0.1190	-	0.5410
2004	0.0740	0.3480	0.1190	-	0.5410
2005	0.0780	0.3650	0.0670	0.0310	0.5410
2006	0.0780	0.3650	0.0670	0.0310	0.5410
2007	0.0780	0.3650	0.0670	0.0310	0.5410
2008	0.0780	0.3650	0.0670	0.0310	0.5410
2009	0.0780	0.3655	0.0671	0.0312	0.5418

<b>Overlapping Rates</b>				
<b>Fiscal Year</b>	<b>Riverside County</b>	<b>Elsinore Area Elementary School Fund</b>	<b>Other</b>	<b>Total Overlapping Rates</b>
2000	0.232000	0.0790	0.148000	0.4590
2001	0.232000	0.0790	0.148000	0.4590
2002	0.232000	0.0790	0.148000	0.4590
2003	0.232000	0.0790	0.148000	0.4590
2004	0.232000	0.0790	0.148000	0.4590
2005	0.244000	0.0830	0.132000	0.4590
2006	0.244000	0.0830	0.132000	0.4590
2007	0.244000	0.0830	0.132000	0.4590
2008	0.244000	0.0830	0.132000	0.4590
2009	0.243900	0.0828	0.131500	0.4582

**Source:** HdL Coren & Cone

CITY OF MURRIETA

Principal Property Tax Payers,  
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2009</u>			<u>Taxpayer</u>	<u>2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Murrieta 492	\$ 68,125,040	1	0.58%	Bear Creek Golf Club Inc.	\$ 27,206,475	1	1.04%
Murrieta Oaks	54,918,651	2	0.47%	Murrieta Town Center	25,463,249	2	0.97%
United Dominion Realty	48,420,139	3	0.41%	Tenet Healthsystem Heritage Inc.	16,748,369	3	0.64%
Eagle Glen Apartments	45,729,384	4	0.39%	Cal Oaks Partners	16,076,289	4	0.61%
Village Walk Retail	43,815,923	5	0.37%	Peoples SW R.E. LTD.	15,342,804	5	0.58%
Wal Mart Realty Co.	41,024,795	6	0.35%	M. M. Collins	14,549,305	6	0.55%
Oleanders Capital Group	38,977,106	7	0.33%	M & H Realty Partners IV, LP	12,853,048	7	0.49%
Murrieta Spectrum	36,925,943	8	0.31%	Copper Canyon Development	11,756,500	8	0.45%
Universal Health Services	35,611,105	9	0.30%	Home Depot USA, Inc.	11,623,806	9	0.44%
Alta Murrieta	32,699,015	10	0.28%	Bennett Investment Corporation	11,445,311	10	0.44%
Total	<u>\$ 446,247,101</u>		<u>3.78%</u>		<u>\$ 163,065,156</u>		<u>6.22%</u>

Source: HDL Coren & Cone and Riverside County Assessor



**CITY OF MURRIETA**

**Property Tax Levies and Collections,  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount*</b>	<b>Percent of Levy</b>
2000	1,494,859	1,341,413	90%	88,143	1,429,556	96%
2001	1,632,590	1,395,817	85%	86,967	1,482,784	91%
2002	1,898,666	1,697,337	89%	93,374	1,790,711	94%
2003	2,498,697	1,783,362	71%	195,295	1,978,657	79%
2004	3,068,744	2,757,746	90%	258,503	3,016,249	98%
2005	3,806,179	3,475,438	91%	339,385	3,814,823	100%
2006	4,724,811	4,156,376	88%	654,636	4,811,012	102%
2007	6,119,393	5,202,655	85%	928,003	6,130,658	100%
2008	6,813,549	5,592,324	82%	1,028,211	6,620,535	97%
2009	6,316,368	5,061,233	80%	844,824	5,906,057	94%

N/A - Data Not Available

Sources:

City of Murrieta Finance Department  
Office of Auditors-Controllers

**CITY OF MURRIETA**

**Ratios of Outstanding Debt by Type,  
Last Seven Fiscal Years**  
*(dollars in thousands, except per capita)*

<b>Fiscal Year</b>	<b>Government Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>a</sup></b>	<b>Per Capita<sup>a</sup></b>
	<b>Bonds Payable</b>	<b>Capital Leases</b>			
2003	\$ 30,550,000	\$ 83,621	\$ 30,633,621	68.04%	\$ 447
2004	27,895,000	-	27,895,000	57.12%	353
2005	43,325,000	-	43,325,000	81.87%	506
2006	42,205,000	-	42,205,000	72.66%	454
2007	40,830,000	-	40,830,000	66.91%	420
2008	71,435,000	625,337	72,060,337	N/A	719
2009	69,660,000	554,772	70,214,772	N/A	697

N/A - Data Not Available

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**CITY OF MURRIETA**

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

2008-09 Assessed Valuation:	\$ 11,798,438,371
Redevelopment Incremental Valuation:	<u>887,937,417</u>
Adjusted Assessed Valuation:	<u>\$ 10,910,500,954</u>

<b><u>Overlapping Tax and Assessment Debt:</u></b>	<b>Gross Bonded Debt Balance</b>	<b>% Applicable to City (1)</b>	<b>City's Share of Debt</b>
Metropolitan Water District	\$ 293,425,000	0.581%	\$ 1,704,799
Murrieta Valley Unified School District	187,300,863	82.259%	154,071,817
Murrieta Valley Unified School District Community Facilities Districts	101,538,536	100.000%	101,538,536
Temecula Valley Unified School District	37,105,000	0.013%	4,824
Perris Union High School District	57,412,260	5.809%	3,335,078
Menifee Union School District	45,493,922	9.333%	4,245,948
Eastern Municipal Water District Improvement Districts	7,142,000	8.666% & 99.839%	2,646,613
Rancho California Water District Community Facilities Districts	29,405,000	100.000%	29,405,000
Eastern Municipal Water District Community Facilities Districts	7,970,000	100.000%	7,970,000
Elsinore Valley Municipal Water District Community Facilities Districts	5,970,000	100.000%	5,970,000
Murrieta County Water District Community Facilities Districts	13,725,000	100.000%	13,725,000
City of Murrieta Community Facilities Districts	138,300,000	100.000%	138,300,000
Riverside County Community Facilities Districts	5,833,900	100.000%	5,833,900
City of Murrieta 1915 Act Bonds	7,253,000	100.000%	7,253,000
Eastern Municipal Water District 1915 Act Bonds	<u>9,900,000</u>	0.976%	<u>96,624</u>
Total Overlapping Tax and Assessment Debt	<u>\$ 947,774,481</u>		<u>\$ 476,101,139</u>

<b><u>Direct and Overlapping General Fund Debt:</u></b>			
Riverside County General Fund Obligations	\$ 761,194,659	6.3075%	\$ 48,008,547
Riverside County Pension Obligations	382,090,000	6.307%	24,098,416
Riverside County Board of Education Certificates of Participation	8,270,000	6.307%	521,589
Mt. San Jacinto Community College District General Fund Obligations	12,720,000	15.997%	2,034,818
Murrieta Valley Unified School District Certificates of Participation	64,810,000	82.259%	53,312,058
Other School District Certificates of Participation	40,185,000	Various	2,577,855
City of Murrieta General Fund Obligations	16,200,000	100.000%	16,200,000
Ortega Trail Recreation and Park District Certificates of Participation	270,000	1.072%	2,894
Valley-Wide Recreation and Park District Certificates of Participation	<u>690,000</u>	0.086%	<u>593</u>
Total Gross Direct and Overlapping General Fund Debt	1,286,429,659		146,756,770
Less: Riverside County self-supporting obligations	-		1,031,471
Perris Union High School District self-supporting obligations	<u>-</u>		<u>290,450</u>
Net Direct and Overlapping Debt General Fund Debt	<u>\$ 1,286,429,659</u>		<u>\$ 145,434,849</u>

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

Source:  
California Municipal Statistics, Inc.

**CITY OF MURRIETA**

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

**Legal Debt Margin Calculation for Fiscal Year 2009**

Assessed value	\$ 11,806,490,402
Debt limit (15% of assessed value)	1,770,973,560
Debt applicable to limit:	
General obligation bonds	<u>16,200,000</u>
Total net debt applicable to limit	<u>16,200,000</u>
Legal debt margin	<u>\$ 1,754,773,560</u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt Applicable to Limit</u>	<u>Legal Debt Limit</u>	<u>Legal Debt Limit as a Percentage of Debt limit</u>
2000	393,508,106	10,510,000	382,998,106	97.33%
2001	444,826,954	10,340,000	434,486,954	97.68%
2002	518,436,490	17,315,000	501,121,490	96.66%
2003	701,524,398	16,730,000	684,794,398	97.62%
2004	860,820,896	16,120,000	844,700,896	98.13%
2005	1,054,828,613	15,485,000	1,039,343,613	98.53%
2006	1,301,216,387	18,695,000	1,282,521,387	98.56%
2007	1,664,533,991	17,785,000	1,646,748,991	98.93%
2008	1,854,480,684	17,255,000	1,837,225,684	99.07%
2009	1,754,773,560	16,200,000	1,738,573,560	99.08%

**CITY OF MURRIETA**

**Pledged-Revenue Coverage  
Last Seven Fiscal Years**

Tax Allocation Bonds				
Fiscal Year	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2003	\$ 1,893,144	\$ -	\$ 313,837	6.03
2004	2,538,087	225,000	522,326	3.40
2005	3,431,025	230,000	507,908	4.65
2006	4,683,772	230,000	995,577	3.82
2007	7,080,538	465,000	1,008,608	4.80
2008	6,701,627	475,000	1,813,602	2.93
2009	6,857,473	720,000	2,515,636	2.12

Notes: Details regarding the city's debt can be found in the notes to the financial statements.

**CITY OF MURRIETA**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income* (2)</b>	<b>Per Capita Income* Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
2000	44,282	37,014,951	23,739	3.5%
2001	46,457	39,974,556	24,744	3.3%
2002	51,939	42,010,066	24,941	4.1%
2003	68,539	45,023,257	25,489	4.4%
2004	79,037	48,833,782	26,406	4.0%
2005	85,648	52,916,603	27,527	3.5%
2006	92,933	58,081,949	29,029	3.3%
2007	97,257	61,023,518	29,560	3.8%
2008	100,173	N/A	N/A	5.4%
2009	100,714	N/A	N/A	9.3%

**\* Note:** This is the data of the County of Riverside. The data for the City is not available

**Source:** (1) State of California Department of Finance  
 (2) U.S. Department of Commerce Bureau of Economic Analysis  
 (3) State of California Economic Development Department

**CITY OF MURRIETA**

**Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2009</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Murrieta Valley Unified School District	1,900	1	7.63%
Southwest Healthcare System	1,500	2	6.02%
Target	500	3	2.01%
City of Murrieta	401	4	1.61%
Walmart	340	5	1.37%
Home Depot	295	6	1.18%
OakGrove Institute	245	7	0.98%
County of Riverside	220	8	0.88%
Sam's Club	220	9	0.88%
Lowe's	200	10	0.80%
	<b>5,821</b>		<b>23.38%</b>

<b>Employer</b>	<b>2000</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment (1)</b>
Murrieta Valley Unified School District	1,100	1	5.45%
Rancho Springs Medical Center	550	2	2.72%
Inland Valley Regional Medical Center	450	3	2.23%
OakGrove Institute	185	4	0.92%
Home Depot	180	5	0.89%
Best Buy	150	6	0.74%
City of Murrieta	120	7	0.59%
Cyroquip	100	8	0.50%
Stretch Forming	100	9	0.50%
American Industrial Manufacturing Services	95	10	0.47%
	<b>3,030</b>		<b>15.00%</b>

(1) Total city employment information not available

**Source:**

City of Murrieta Chamber of Commerce

**CITY OF MURRIETA**

**Full-time-Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years**

Fiscal Years:	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Function/Program</b>										
General government										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administrative Services	28.00	28.00	29.00	29.85	28.20	39.68	40.28	45.88	54.15	51.30
Community Development										
Administration	2.00	2.00	2.00	16.00	16.00	19.20	23.20	18.20	21.50	3.85
Planning	4.00	4.00	4.25	7.00	10.00	11.20	11.20	12.20	10.45	10.45
Inspection	5.00	5.00	6.00	6.00	6.50	6.50	6.50	6.50	16.20	16.20
Housing Services/Code Enforcement	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	0.00
Police										
Administration	2.00	2.00	2.00	2.00	2.00	2.38	2.38	2.00	2.72	2.72
Operations	41.00	40.00	42.00	48.00	58.00	70.00	77.00	61.00	67.00	67.00
Code Enforcement	19.00	20.00	21.00	2.00	2.00	5.00	7.00	7.00	8.00	7.00
PD Support	16.00	16.00	17.00	64.00	76.00	90.00	27.00	53.00	70.28	71.28
Fire										
Administration	2.00	2.00	2.00	12.00	13.00	14.38	7.38	7.00	10.00	12.00
Fire Suppression (including Paramedics)	39.00	39.00	39.00	39.00	40.00	85.00	82.00	91.00	55.00	48.00
Fire Prevention/Inspection	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Works										
Admin/Engineering	9.00	9.00	9.00	14.00	20.00	27.20	28.20	28.20	15.95	15.95
Maintenance	38.00	38.00	38.00	7.00	7.00	10.00	11.00	11.00	4.75	15.75
Mechanic	4.00	4.00	4.00	3.00	3.00	4.00	0.00	3.00	1.50	1.50
Recreation & Community Services										
Administration	5.00	5.00	4.75	15.67	19.30	22.50	27.50	31.50	8.00	21.50
Recreation	7.00	7.00	8.00	13.33	14.70	18.50	20.50	21.50	35.50	35.50
Library	8.00	9.00	8.50	11.00	11.00	15.00	13.00	24.00	25.00	25.00
Total Authorized Personnel *	<u>235.00</u>	<u>236.00</u>	<u>243.50</u>	<u>301.85</u>	<u>337.70</u>	<u>451.54</u>	<u>395.14</u>	<u>433.98</u>	<u>417.00</u>	<u>412.00</u>

N/A - Data Not Available

\* Excludes part-time Council members and Crossing Guards.

**Notes:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated dividing total labor hours by 2,080.

**Source:** City of Murrieta Annual Budget



**CITY OF MURRIETA**

**Operating Indicators by Function/Program  
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2009</u>
Community development										
Number of:										
Business licenses (A)	N/A	N/A	562	795	1,023	1,224	1,436	1,610	1,505	3,112
Plan checks (B)	N/A	N/A	120	183	185	182	204	297	275	N/A
NPDES inspections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35	20	40
Code violations (calendar basis)	N/A	N/A	267	230	376	1,204	1,103	1,315	1,119	1,182
Police										
Number of:										
Part 1 Crimes	837	1,203	1,367	1,370	1,612	1,990	2,486	2,375	2,136	1,827
Parking violations	257	445	486	425	524	559	570	815	1,346	1,042
Traffic (moving) violations	1,920	2,901	3,056	4,139	4,382	4,977	6,846	6,988	6,075	9,691
Crime reports	2,881	4,067	4,626	6,399	6,377	7,133	8,682	8,315	8,290	8,317
Public works										
Miles of:										
Street resurfacing/repair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	10	14
Street sweeping	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,160	2,316	11,760
Number of:										
Traffic signals maintained	23	26	32	38	50	54	64	75	77	79
Trees pruned per year	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,150	2,215	637
Recreation & community services										
Number of enrollees:										
Aquatics	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,901	4,500	4,750
Community services/seniors	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	22,305	24,596
Day camp	N/A	N/A	N/A	N/A	N/A	N/A	N/A	360	280	285
Park program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,000	6,300	7,675
Classes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,486	7,210	7,210
Special events	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,000	5,103	12,000

N/A - Data not available

(A) - Includes new & renewal licenses, excludes temporary licenses

(B) - Excludes temporary plan checks.

**Sources:** Various city departments.

**CITY OF MURRIETA**

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2009</u>
Public Safety Stations	0	0	0	1	1	1	1	1	1	1
Fire Stations	0	0	0	2	3	4	4	4	4	5
Culture and recreation										
Park Sites	0	0	0	30	31	34	36	44	46	47
Municipal Pools	0	0	0	1	1	1	1	1	1	1
Public Library	0	0	0	1	1	1	1	1	1	1

**Notes:** No capital asset indicators are available for the general government.

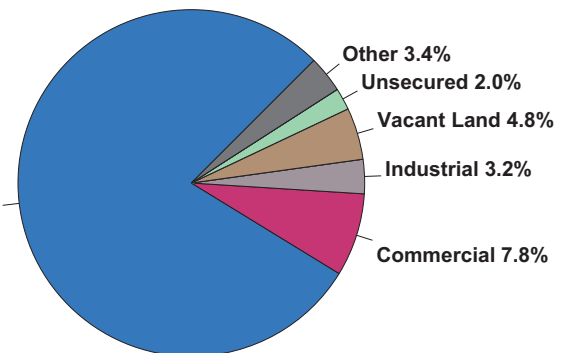
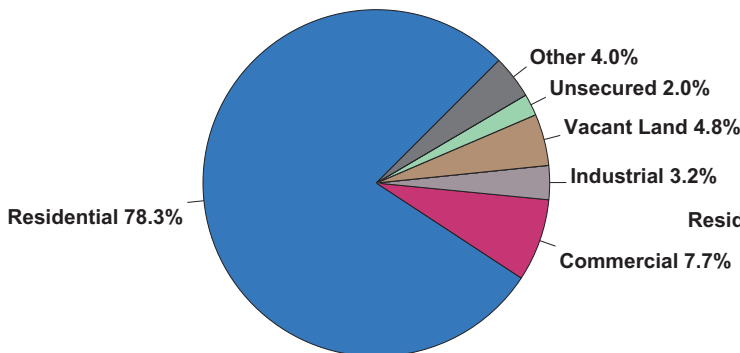
**Sources:**  
Various city departments.

# THE CITY OF MURRIETA USE CATEGORY SUMMARY, 2008/09

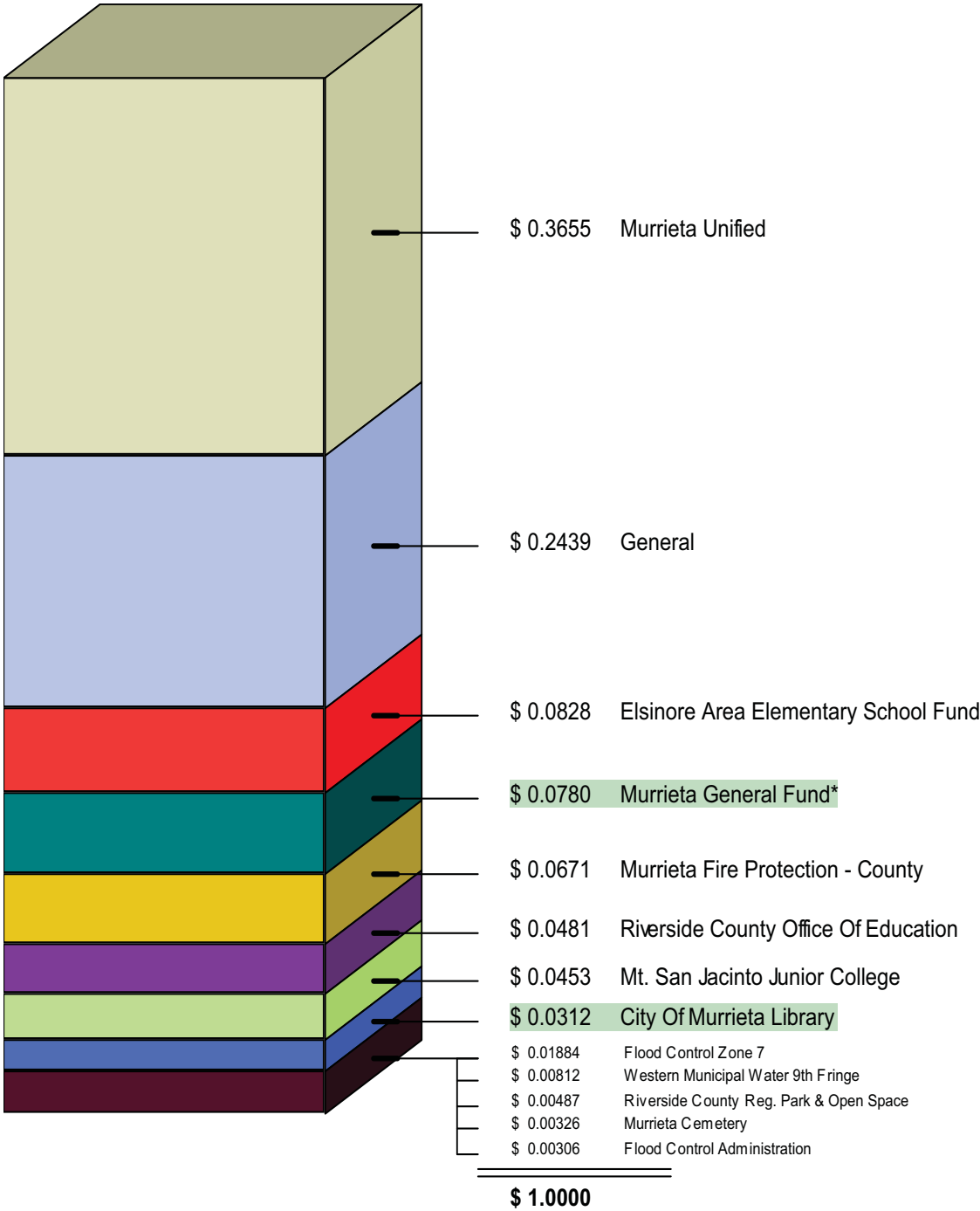
<i><b>BASIC PROPERTY VALUE TABLE</b></i>					
CATEGORY	PARCELS	ASSESSED VALUE		NET TAXABLE VALUE	
<b>Residential</b>	<b>29,528</b>	<b>\$ 9,324,150,454</b>	<b>78.3%</b>	<b>\$ 9,297,716,446</b>	<b>78.8%</b>
<b>Commercial</b>	<b>411</b>	<b>\$ 916,284,170</b>	<b>7.7%</b>	<b>\$ 915,031,947</b>	<b>7.8%</b>
<b>Industrial</b>	<b>393</b>	<b>\$ 378,081,913</b>	<b>3.2%</b>	<b>\$ 377,583,892</b>	<b>3.2%</b>
<b>Irrigated</b>	<b>2</b>	<b>\$ 936,042</b>	<b>0.0%</b>	<b>\$ 936,042</b>	<b>0.0%</b>
<b>Dry Farm</b>	<b>38</b>	<b>\$ 30,885,492</b>	<b>0.3%</b>	<b>\$ 30,885,492</b>	<b>0.3%</b>
<b>Recreational</b>	<b>47</b>	<b>\$ 38,686,228</b>	<b>0.3%</b>	<b>\$ 38,686,228</b>	<b>0.3%</b>
<b>Institutional</b>	<b>72</b>	<b>\$ 181,099,685</b>	<b>1.5%</b>	<b>\$ 143,880,129</b>	<b>1.2%</b>
<b>Government</b>	<b>4</b>	<b>\$ 11,057,275</b>	<b>0.1%</b>	<b>\$ 852,125</b>	<b>0.0%</b>
<b>Miscellaneous</b>	<b>1</b>	<b>\$ 1,024,032</b>	<b>0.0%</b>	<b>\$ 1,024,032</b>	<b>0.0%</b>
<b>Vacant Land</b>	<b>1,615</b>	<b>\$ 573,851,513</b>	<b>4.8%</b>	<b>\$ 571,199,422</b>	<b>4.8%</b>
<b>Exempt</b>	<b>1,657</b>	<b>\$ 28,594,588</b>	<b>0.2%</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>SBE Nonunitary</b>	<b>[1]</b>	<b>\$ 182,160</b>	<b>0.0%</b>	<b>\$ 182,160</b>	<b>0.0%</b>
<b>Possessory Int.</b>	<b>[95]</b>	<b>\$ 16,204,221</b>	<b>0.1%</b>	<b>\$ 16,029,630</b>	<b>0.1%</b>
<b>Unsecured</b>	<b>[1,853]</b>	<b>\$ 241,602,039</b>	<b>2.0%</b>	<b>\$ 241,004,019</b>	<b>2.0%</b>
<b>Unknown</b>	<b>9</b>	<b>\$ 171,478,838</b>	<b>1.4%</b>	<b>\$ 171,478,838</b>	<b>1.5%</b>
<b>TOTALS</b>	<b>33,777</b>	<b>\$ 11,914,118,650</b>		<b>\$ 11,806,490,402</b>	

**ASSESSED VALUE**

**NET TAXABLE VALUE**



# THE CITY OF MURRIETA PROPERTY TAX DOLLAR BREAKDOWN



**ATI (Annual Tax Increment) Ratios for Tax Rate Area 024-007, Excluding Redevelopment Factors & Additional Debt Service**

\*ERAF (Educational Revenue Augmentation Fund) general fund tax shifts are not included in tax ratio figures

Data Source: Riverside County Assessor 2008/09 Annual Tax Increment Tables

Prepared On 7/30/2009 By NEC

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# THE CITY OF MURRIETA

## 2008/09 CITY ROLL SUMMARY

### Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	32,120	1	1,853
TRAs	229	1	155
<b>Values</b>			
Land	3,757,120,139	182,160	4,812
Improvements	7,862,295,807	0	10,946,963
Personal Property	12,481,398	0	155,064,838
Fixtures	11,946,519	0	70,455,646
Aircraft	0	0	5,129,780
<b>Total Value</b>	<b>\$11,643,843,863</b>	<b>\$182,160</b>	<b>\$236,472,259</b>
<b>Exemptions</b>			
Real Estate	78,435,640	0	0
Personal Property	0	0	598,020
Fixtures	0	0	0
Aircraft	0	0	0
Homeowners*	117,271,744	0	0
<b>Total Exemptions*</b>	<b>\$78,435,640</b>	<b>\$0</b>	<b>\$598,020</b>
<b>Total Net Value</b>	<b>\$11,565,408,223</b>	<b>\$182,160</b>	<b>\$235,874,239</b>

Combined Values	Total
<b>Total Values</b>	<b>\$11,880,498,282</b>
<b>Total Exemptions</b>	<b>\$79,033,660</b>
<b>Net Total Values</b>	<b>\$11,801,464,622</b>
<b>Net Aircraft Values</b>	<b>\$5,129,780</b>

\* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

Data Source: Riverside County Assessor 2008/09 Combined Tax Rolls  
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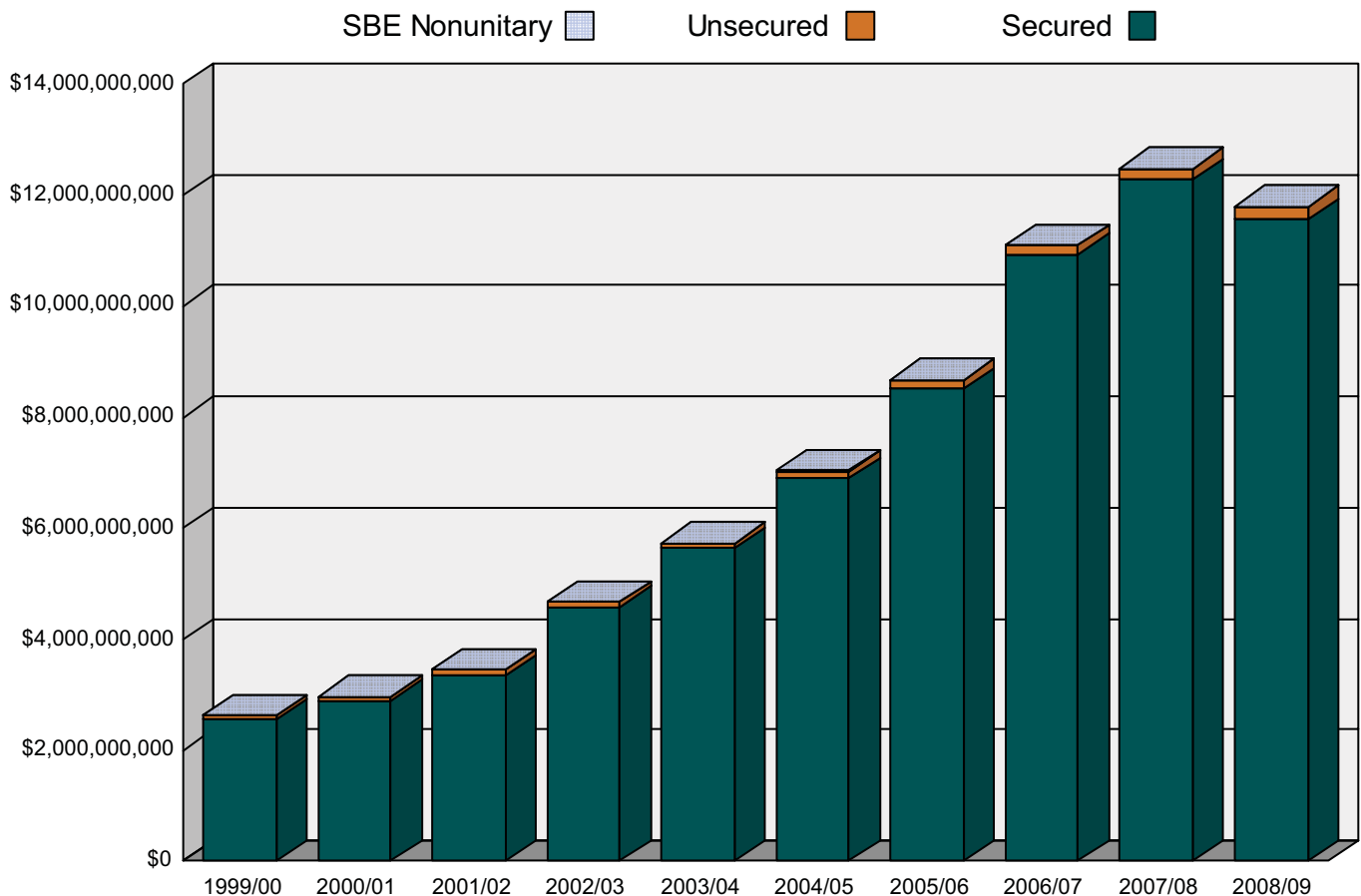
Prepared On 7/30/2009 By NEC

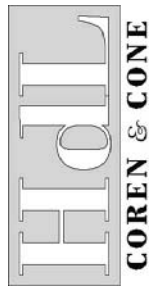
# THE CITY OF MURRIETA

## NET TAXABLE ASSESSED VALUE HISTORY

1999/00 - 2008/09 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
1999/00	\$2,558,630,746	\$62,734,843	\$2,021,781	\$2,623,387,370	
2000/01	\$2,895,801,355	\$69,421,887	\$289,785	\$2,965,513,027	13.04%
2001/02	\$3,356,641,439	\$99,312,040	\$289,785	\$3,456,243,264	16.55%
2002/03	\$4,582,827,561	\$93,788,659	\$213,100	\$4,676,829,320	35.32%
2003/04	\$5,634,833,818	\$103,843,818	\$128,336	\$5,738,805,972	22.71%
2004/05	\$6,899,127,237	\$132,935,178	\$128,336	\$7,032,190,751	22.54%
2005/06	\$8,521,924,842	\$152,722,732	\$128,336	\$8,674,775,910	23.36%
2006/07	\$10,933,001,145	\$163,709,968	\$182,160	\$11,096,893,273	27.92%
2007/08	\$12,279,697,179	\$198,358,556	\$182,160	\$12,478,237,895	12.45%
2008/09	\$11,565,304,223	\$241,004,019	\$182,160	\$11,806,490,402	-5.38%





# THE CITY OF MURRIETA 2008/09 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value % of Net AV	Parcels	Value % of Net AV	Value % of Net AV	% of Net AV	
1) MURRIETA 492 (Pending Appeals On Parcels)	2	\$68,125,040 0.59%			\$68,125,040 0.58%	0.58%	Unknown Murrieta RDA AB1290
2) MURRIETA OAKS	1	\$54,918,651 0.47%			\$54,918,651 0.47%	0.47%	Residential Murrieta General Fund
3) UNITED DOMINION REALTY	2	\$48,420,139 0.42%			\$48,420,139 0.41%	0.41%	Residential Murrieta General Fund
4) EAGLE GLEN APARTMENTS (Pending Appeals On Parcels)	3	\$45,729,384 0.40%			\$45,729,384 0.39%	0.39%	Residential Murrieta General Fund
5) VILLAGE WALK RETAIL	7	\$43,815,923 0.38%			\$43,815,923 0.37%	0.37%	Commercial Murrieta General Fund
6) WALMART REALTY/SAM'S	5	\$36,520,885 0.32%	3	\$4,503,910 1.87%	\$41,024,795 0.35%	0.35%	Commercial Murrieta RDA AB1290
7) OLEANDERS CAPITAL GROUP (Pending Appeals On Parcels)	2	\$38,977,106 0.34%			\$38,977,106 0.33%	0.33%	Commercial Murrieta General Fund
8) MURRIETA SPECTRUM	4	\$36,925,943 0.32%			\$36,925,943 0.31%	0.31%	Commercial Murrieta RDA AB1290
9) UNIVERSAL HEALTH SERVICES RANCHO SPRING	2	\$29,525,103 0.26%	3	\$6,086,002 2.53%	\$35,611,105 0.30%	0.30%	Commercial Murrieta General Fund
10) ALTA MURRIETA	2	\$32,699,015 0.28%			\$32,699,015 0.28%	0.28%	Residential Murrieta General Fund
<b>Top Ten Total</b>	30	\$435,657,189 3.77%	6	\$10,589,912 4.39%	\$446,247,101 3.78%	3.78%	
<b>City Total</b>		\$11,565,590,383		\$241,004,019	\$11,806,594,402		

Top Owners last edited on 7/30/09 by nicholec using sales through 07/01/09

Data Source: Riverside County Assessor 2008/09 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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