

**CITY OF JURUPA VALLEY**  
Jurupa Valley, California

Comprehensive Annual Financial Report

Year Ended June 30, 2012

Prepared by

FINANCIAL SERVICES

ALAN KREIMEIER

Director of Administrative Services

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**CITY OF JURUPA VALLEY**

Comprehensive Annual Financial Report

Year Ended June 30, 2012

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## **INTRODUCTORY SECTION**

# City of Jurupa Valley

September 6, 2013

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

It is with great pleasure that we present to you the City of Jurupa Valley's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This report gives its readers a comprehensive view of the City's financial activities during the fiscal year and the financial position at the end of the fiscal year. The basic financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). They were audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

The CAFR consists of management's representations concerning the finances of the City. Accordingly, management assumes full responsibility for the completeness and reliability of all information presented in the report. To provide a reasonable basis for making these representations, management has implemented a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information to prepare the City's financial statements in conformity to GAAP. The City's internal control procedures are established on the principle that the cost of internal controls should not outweigh their benefits. As a result the City has designed the internal control systems to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's basic financial statements were audited by Mayer Hoffman McCann P.C., an independent firm of certified public accountants. The purpose of an independent audit is to provide reasonable assurance that the financial statements of the City of Jurupa Valley for the fiscal year ended June 30, 2012 are free of any material misstatements. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **Profile of the City of Jurupa Valley, California**

The City of Jurupa Valley, California was incorporated as a general law city effective July 1, 2011. Jurupa Valley is the 28<sup>th</sup> city in Riverside County and newest city in California. The City is located approximately 50 miles southeast of Los Angeles. A



community of communities the City of Jurupa Valley joined together the unincorporated areas of Riverside County previously known as Mira Loma, Sky Country, Country Village, Glen Avon, Pedley, Indian Hills, Jurupa Hills, Sunnyslope, Crestmore Heights, Rubidoux, and Belltown. The new city covers approximately 46 square miles, with the borders running along the 15 freeway to the west, the Santa Ana River to the south and east and San Bernardino County to the north. In 2011 the City's population was 96,456.

## **History**

Jurupa Valley derives its name from the first inhabitants of the area, Native Americans who called Jurupa Valley their home. The Jurupa Valley area lies at the territorial boundaries of two different Tribes, the Gabrielino Tribe and the Serrano Tribe. Over the years, there have been various interpretations of the meaning of "Jurupa", from a greeting meaning "peace and friendship" to the first padre to visit the area, to a more widely recognized origination that "Jurupa" refers to the California Sagebrush common to the area. In 1833, the area became known as Rancho Jurupa under a land grant to Senor Don Juana Bandini by the Mexican government. By the late 1800's the Jurupa Valley area began to live in the shadow of the more popular City of Riverside. Yet, settlement of the area in and around what is now the City of Riverside actually began in the Jurupa Valley many years before the City of Riverside's founding.

The City operates under a Council-Manager form of government. Under this form of government, policy-making and legislative authority are vested in the City Council consisting of five members elected at-large. The City Council responsibilities include, but are not limited to, passing ordinances, adopting the budget, appointing committees and commissions, and hiring both the City Manager and City Attorney. The City Manager is responsible for implementing the policies and ordinances of the City Council; overseeing the day-to-day operations of the City; and appointing the heads of various departments. The Council Members serve 4 year terms and the Mayor is appointed annually by and from the City Council.

The City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. The proposed budget is submitted to the City Council and a public meeting is conducted to allow taxpayers the opportunity to comment on the proposed budget. Subsequently, the budget is adopted by the City Council through the passage of resolutions. Throughout the year the City Council may amend the budget to add or remove appropriations, transfer appropriations within a fund or change appropriations between funds.

## **Local Economy**

The City of Jurupa Valley is located in Riverside County, which along with the County of San Bernardino, comprise the Inland Empire. The Inland Empire was severely impacted by the economic downturn beginning in 2008. The decline of property values and the loss of jobs related to the drop in the production of new housing were devastating to the local economy. In 2011 the region began to see signs of a stabilizing economy.

Riverside County showed positive job growth of 1.9%, and although modest, the region is likely to experience the same growth in 2012 and 2013. As job growth continues the region's unemployment rates should continue to decline.

Total regional taxable sales increased in 2011 indicating that consumer spending is beginning to rise. Mortgage defaults are decreasing and construction of multi-family units is increasing.


The regional population increased by 2.1% and is expected to grow at the same rate through 2015. Due to the availability of land at a lower cost than the coastal counties and the easy access to several freeways, the City of Jurupa Valley is poised for growth over the next decade. The County of Riverside Transportation & Land Management Agency (TLMA) projections estimate a 7.2% increase in population from 2011 to 2020.

The City is located within 25 miles of several public and private colleges and universities, these institutions provide a wide range of educational and job opportunities. They include, but are not limited to, the University of California, Riverside; California State University, San Bernardino; Riverside Community College, which includes Norco College; California State Polytechnic University, Pomona; Claremont McKenna College; and the University of La Verne. Currently, the sectors showing positive job growth, in the region, include education, health services and information.

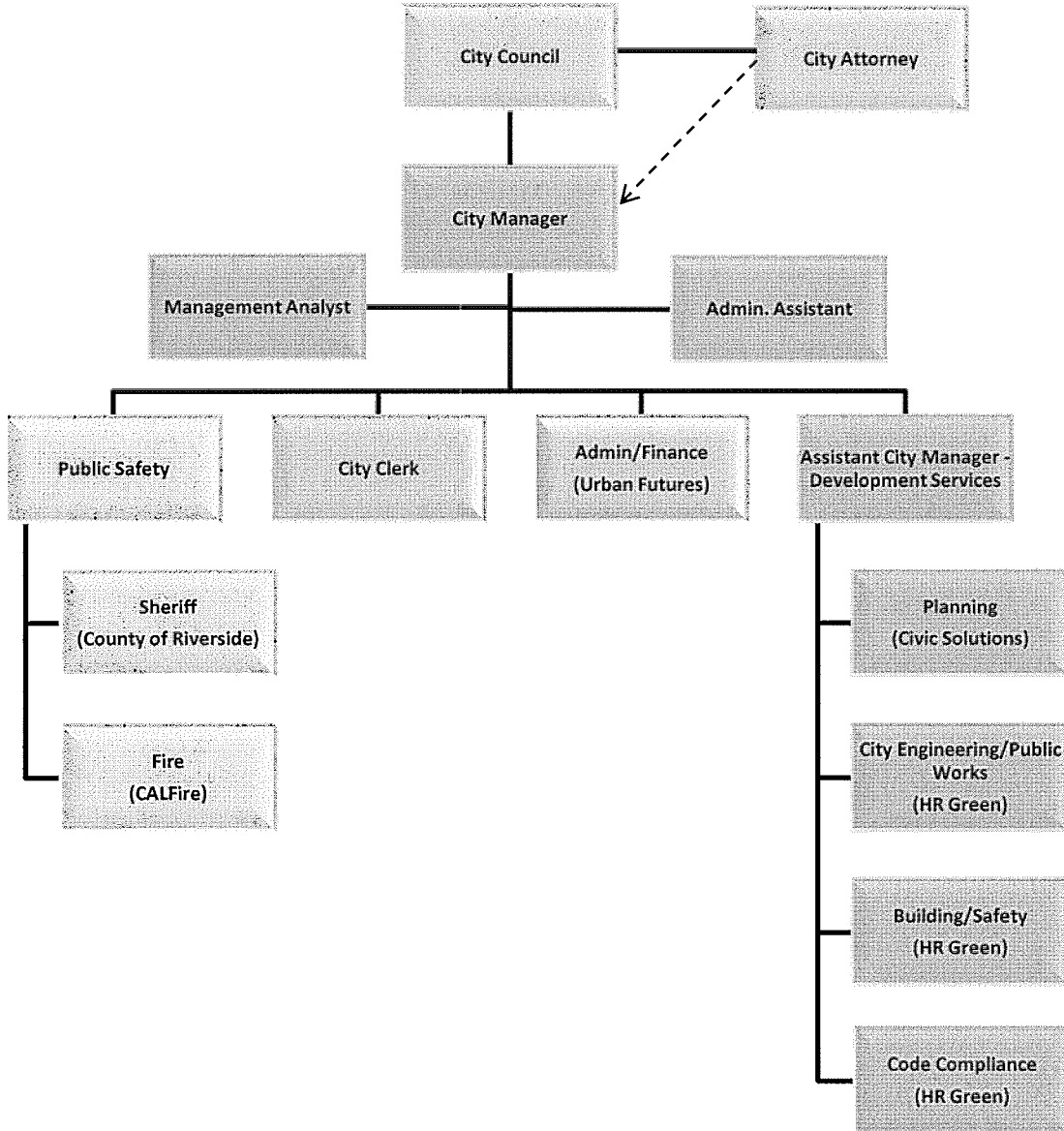
#### **Awards and Acknowledgements**

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedication and effort of the entire Administrative Services Department's staff and the independent auditors, Mayer Hoffman McCann P.C. We would like to express our appreciation to the City Council and City staff for their effort and support throughout the year.

Respectfully submitted,

  
\_\_\_\_\_  
Steven Harding, City Manager

CITY OF JURUPA VALLEY  
Organization Chart  
June 30, 2012



**CITY OF JURUPA VALLEY**  
**LIST OF PRINCIPAL OFFICIALS**

Council – Manager Form of Government

**CITY COUNCIL**

LAURA ROUGHTON  
Mayor

VERNE LAURITZEN  
Mayor Pro Tem

MICHAEL GOODLAND  
Council Member

BRAD HANCOCK  
Council Member

FRANK JOHNSTON  
Council Member

**CITY ADMINISTRATION**

Steve Harding  
City Manager

George Wentz, Assistant City Manager

Peter Thorson, City Attorney

Alan Kreimeier, Director of Administrative Services

Vicki Wasko, City Clerk

Tom Merrell, Director of Planning Services

Roy Stephenson, City Engineer

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## FINANCIAL SECTION



## Mayer Hoffman McCann P.C.

An Independent CPA Firm

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Irvine, California 92612  
949-474-2020 ph  
949-263-5520 fx  
www.mhm-pc.com

Honorable Mayor and City Council  
City of Jurupa Valley, California

### **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jurupa Valley, California ("City"), as of and for the year ended June 30, 2012, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 accordance with generally accepted accounting principles applicable to state and local governments, the City recorded on the accompanying statement of net assets the infrastructure assets that were contributed to the City by the County of Riverside ("the County") upon the incorporation of the City. The records provided by the County indicated that there were no changes made to such infrastructure assets since the year 2000. The City believes that there have been additions to the infrastructure since the year 2000, but was unable to quantify the amount of such additions, nor was the City able to provide evidence to support the amount of any such additions.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the City been able to provide detailed records supporting changes in infrastructure assets since the year 2000, 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 Jurupa Valley, California, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, of the City of Jurupa Valley, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jurupa Valley's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 6, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Mayor Hoffman Melton P.L.*

Irvine, California  
September 6, 2013



## Management's Discussion and Analysis

The following Management Discussion and Analysis (MD&A) of the City of Jurupa Valley's (City) financial condition and performance provides an introduction and overview of the financial activities for the fiscal year ended June 30, 2012. Since the Management's Discussion and Analysis (MD&A) is designed to be condensed, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the basic financial statements including the accompanying notes to the basic financial statements.

### Financial Highlights

- Total assets of the City at the end of fiscal year 2012 of \$26.0 million exceeded total liabilities of \$9.9 million by \$16.1 million. The difference between total assets and total liabilities is referred to as total net assets.
- As of June 30, 2012, the City's governmental funds reported combined fund balances of \$8.5 million. Approximately \$5.3 million of the governmental funds' fund balance is nonspendable or restricted. The remaining fund balance of \$3.2 million, or 37.7%, is unassigned.
- As of June 30, 2012, the City's unassigned fund balance for the General Fund was \$3.2 million.

### Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Jurupa Valley as prescribed by GASB Statement No. 34. The MD&A is intended to serve as an introduction to the City's financial statements. The City's basic financial statements are comprised of the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* provides information showing how the City's net assets changed during the most recent fiscal year. These changes are reported using the full accrual basis of accounting, that is, when the economic event occurs, rather than when cash is received or paid. Under this basis of accounting, revenues and expenses are reported in the statement for some items that will only result in future cash inflows or outflows such as vacation earned but not paid and uncollected taxes.

Both of the government-wide financial statements distinguish functions of the City 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 include general government, community development, public works, and public safety. The City does not have any business-type activities.

The government-wide financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***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 government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term 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 City'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 maintains ten individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Gas Tax Special Revenue Fund, and Measure A Special Revenue Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds and capital projects funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

***Proprietary Funds:*** *Proprietary funds* account for two types of services – enterprise and internal services funds. The City maintains only internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions and departments. The City uses internal service funds to account for self-funded insurance and information services activities. Because these funds predominantly

benefit governmental activities rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

***Fiduciary Funds:*** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a trustee. The Statement of Fiduciary Assets and Liabilities separately reports all of the City's fiduciary activities. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City uses a fiduciary fund to account for development deposits made in conjunction with certain building permits issued.

The basic fiduciary fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

**Notes to the basic financial statements:** The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the Table of Contents under the heading Notes to Basic Financial Statements.

**Other supplementary information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), about the City's General Fund, the Gas Tax Fund and Measure A Fund budgetary comparison. The combining statements referred to earlier in connection with nonmajor governmental funds are presented for all non-major Special Revenue and Capital Projects Funds. The supplementary financial information also includes budgetary comparison schedules for the nonmajor governmental funds to demonstrate compliance with the annual budget as adopted and amended. The Required Supplementary Information can be found following the Notes to Basic Financial Statements.

The combining statements for nonmajor governmental funds and the budgetary comparison schedules for the nonmajor governmental funds can be found following the Required Supplementary Information.

## **Government-wide financial analysis**

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

For the fiscal year ended June 30, 2012, City assets exceeded liabilities by \$16.1 million as summarized below:

**City of Jurupa Valley  
Statement of Net Assets  
For the Year Ended June 30, 2012**

	<b>Governmental Activities</b>	
	2012	2011
<b>Assets:</b>		
Current and other assets	\$ 9,290,998	N/A
Capital assets (net of depreciation)	16,666,289	N/A
Total assets	25,957,287	N/A
<b>Liabilities:</b>		
Current and other liabilities	791,259	N/A
Long-term liabilities	9,060,580	N/A
Total liabilities	9,851,839	N/A
<b>Net assets:</b>		
Invested in capital assets, net of related debt	16,666,289	N/A
Restricted	5,264,192	N/A
Unrestricted	(5,825,033)	N/A
Total net assets	\$ 16,105,448	N/A

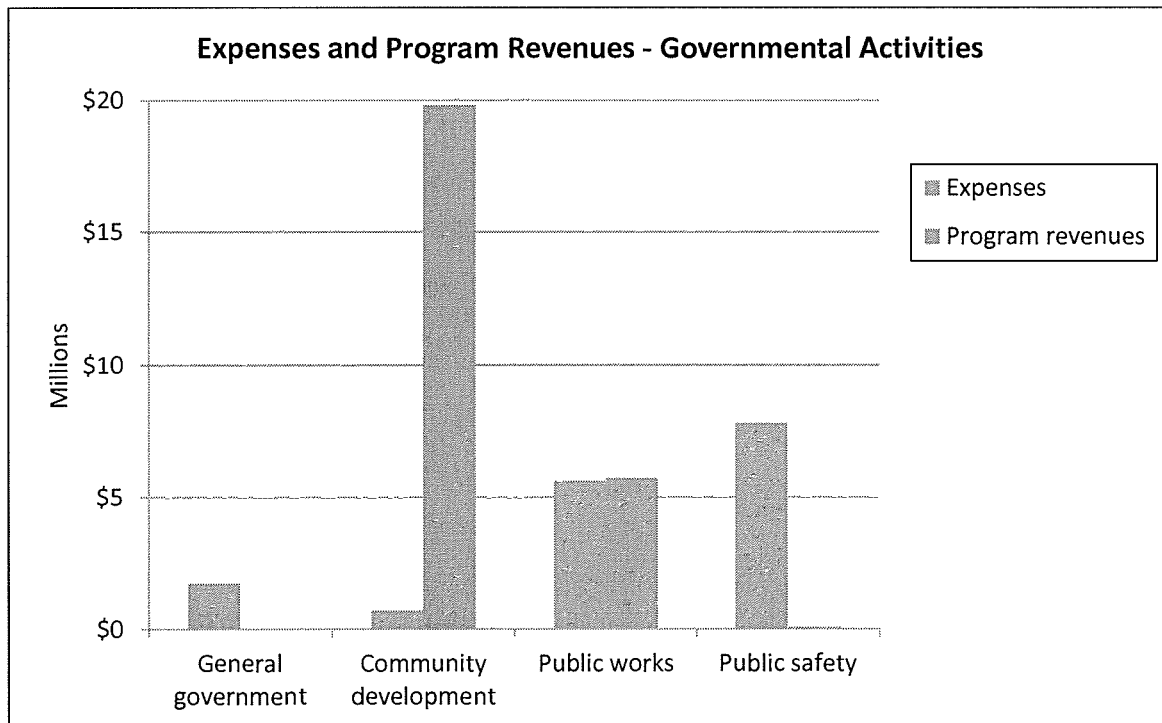
Investments in capital assets net of related debt represents more than 100% of the City's net assets due to the initial transfer of fixed assets from the County of Riverside. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending.

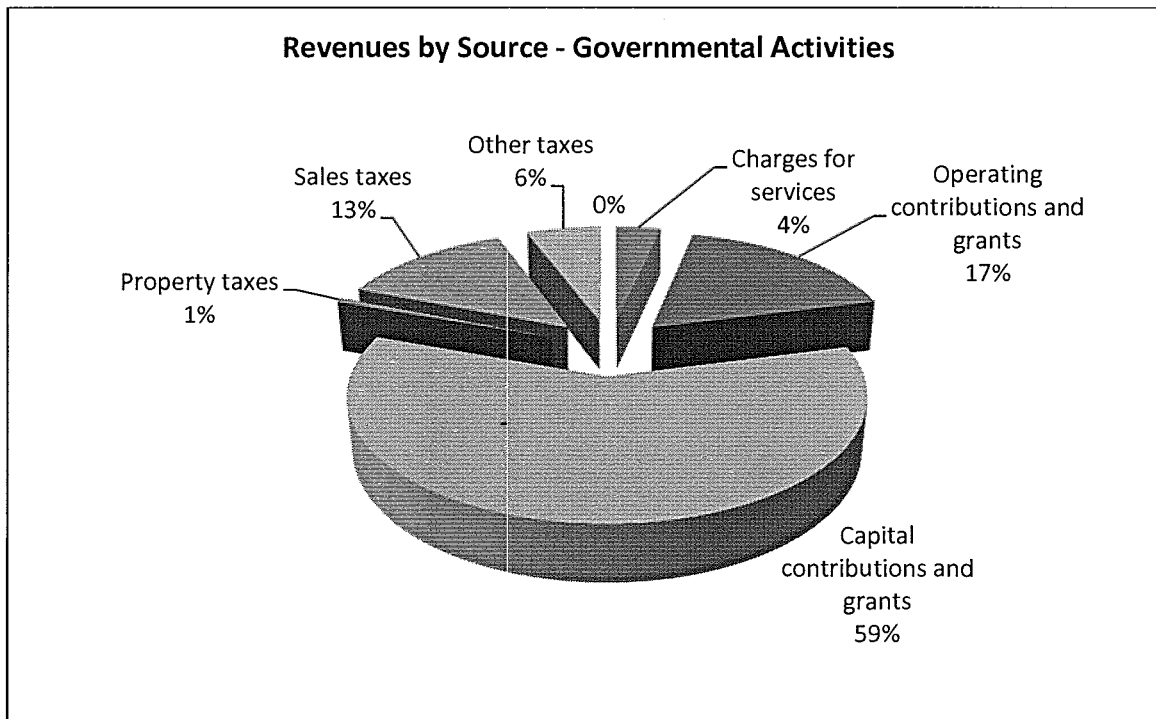
**Statement of Activities:** The statement of activities shows how the City's net assets changed during the fiscal year 2011-2012. Provided below is a summary of changes in net assets.

**City of Jurupa Valley  
Summary of Changes in Net Assets  
For the Year Ended June 30, 2012**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 1,120,583	N/A
Operating grants and contributions	5,566,490	N/A
Capital grants and contributions	18,957,945	N/A
General revenues	6,309,209	N/A
Total revenues	<u>31,954,227</u>	<u>N/A</u>
<b>Expenses:</b>		
General government	1,715,499	N/A
Community development	710,037	N/A
Public works	5,605,573	N/A
Public safety	7,817,670	N/A
Total expenses	<u>15,848,779</u>	<u>N/A</u>
<b>Increase in net assets</b>	16,105,448	N/A
Net assets, beginning	-	N/A
Net asses, ending	<u>\$ 16,105,448</u>	<u>N/A</u>

The charts below provide graphic representation of the City's expenses compared to program revenues by function and its revenue by source.





The governmental activities' expense and program revenue chart is designed to reflect expenses associated with each City function and the revenues that are directly attributable to each function. It is important to note that general revenues such as property, sales, and other taxes are not directly attributable to specific functions and are therefore used to support program activities citywide. Regarding the revenues by source chart, it shows that general revenues (i.e. property tax, sales tax, other taxes) represent 20 percent of governmental activities revenues.

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

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

**Governmental Funds:** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's ability to meet financial obligations in the short-term. As example, assigned and unassigned fund balance could serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, The City's governmental funds reported combined ending fund balances of \$8.5 million. Of the \$8.5 million, \$5.3 million or 62.3 percent, constitutes restricted fund balance which can only be used for specific purposes due to external restrictions or enabling legislation. The remainder of fund balance is unassigned which represents the amount that is available for any purpose.

**Proprietary Funds:** Proprietary funds provide the same type of information found in the governmental-wide financial statements, but in more detail. The City's Proprietary funds consist of two Internal Service funds. The Internal Service funds are presented as Governmental Activities in the Statement of Net Assets and Statement of Activities. The City uses the two funds to allocate the cost of the City's information systems and risk management activities to various departments.

**Fiduciary Funds:** The City uses Fiduciary funds to account for development deposits made in conjunction with certain building permits issued.

### **General Fund Financial and Budgetary Highlights**

The general fund is the chief operating fund of the City. At June 30, 2012 unassigned fund balance was \$3.2 million. As a measure of the General Fund's financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 79.7 percent of the General Fund expenditures.

General Fund revenues totaled \$7.4 million for the fiscal year ended June 30, 2012, compared to the budgeted revenues of \$7.5 million. General Fund expenditures totaled \$4.0 million for the fiscal year ended June 30, 2012, compared to the budgeted expenditures of \$4.4 million.

General Fund revenues exceeded General Fund expenditures by \$3.3 million due to the incorporation of the City on July 1, 2011. Due to the start-up period for newly incorporated cities, the excess of revenue over expenditures in the first year is common. Revenues were being collected while essential functions were being transitioned to the City from the County of Riverside.

### **Capital Assets and Debt Administration**

**Capital Assets:** City investment in capital assets for its governmental type activities as of June 30, 2012, amounted to \$16.7 million (net of accumulated depreciation). Investment in capital assets includes infrastructure assets as well as land, buildings, improvements and equipment. During the year, \$19.0 million of capital assets were added for the governmental activities.

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

- Infrastructure assets donated by the County of Riverside to the City \$18,957,945.

Additional information on the City's capital assets can be found in the notes to basic financial statements and a summary is provided below.

**City of Jurupa Valley  
Capital Assets (net of depreciation)**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Land	\$ -	N/A
Machinery, equipment and vehicles	-	N/A
Infrastructure	16,666,289	N/A
Construction in progress	-	N/A
Total	<u>\$ 16,666,289</u>	<u>N/A</u>

**Long-term debt:** At the end of fiscal year 2012, the City's total long-term debt outstanding was \$9.1 million. This amount represents the loan from the County of Riverside which is secured by several different sources of revenue.

Outstanding long-term debt of the City is summarized below and additional information can be found in the notes to basic financial statements.

**City of Jurupa Valley  
Outstanding Long-Term Debt**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Loan payable - County of Riverside	9,060,580	N/A
Total	<u>\$ 9,060,580</u>	<u>N/A</u>

**Economic Factors and Fiscal Year 2012-2013 Budget**

After the adoption of the City's Fiscal Year 2011-2012 Budget, the State of California on June 28, 2011 approved SB 89 which eliminated Vehicle License Fees, which was a subvention collected by the State and allocated to cities. The City of Jurupa Valley lost approximately \$6.5 million for fiscal year 2011-2012.

The fiscal year 2012-2013 City budget was prepared conservatively. Property tax estimates were projected with minimal growth from the previous fiscal year and there were no tax rate or fee increases as part of the preparation of and adoption of the fiscal year 2012-2013 budget.

The General Fund budget for fiscal year 2012-2013 anticipated using \$1,537,569 of available reserves.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, City of Jurupa Valley, 8304 Limonite, Suite M, Jurupa Valley, CA 92509, or call (951) 332-6464.



# CITY OF JURUPA VALLEY

## Statement of Net Assets

June 30, 2012

	<u>Governmental Activities</u>
Assets:	
Cash and investments (note 2)	\$ 7,298,548
Receivables:	
Interest	4,021
Due from other governments	1,949,474
Other assets	3,000
Prepaid items	35,955
Capital assets, net (note 4)	<u>16,666,289</u>
 Total assets	 <u>\$ 25,957,287</u>
Liabilities:	
Accounts payable	\$ 786,505
Accrued salaries and benefits	3,494
Deposits payable	1,260
Non-current liabilities - due beyond one year (note 5)	<u>9,060,580</u>
 Total liabilities	 <u>9,851,839</u>
Net assets:	
Invested in capital assets, net of related debt	16,666,289
Restricted for:	
Public works	5,212,431
Community development	51,761
Unrestricted	<u>(5,825,033)</u>
 Total net assets	 <u>\$ 16,105,448</u>

See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**

Statement of Activities

Year Ended June 30, 2012

		Program Revenues			Net (expense) revenue and changes in net assets
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	<u>Governmental Activities</u>	
Governmental activities:					
General government	\$ 1,715,499	-	-	-	(1,715,499)
Community development	710,037	871,336	-	18,957,945	19,119,244
Public works	5,605,573	183,270	5,550,299	-	127,996
Public safety	<u>7,817,670</u>	<u>65,977</u>	<u>16,191</u>	<u>-</u>	<u>(7,735,502)</u>
 Total governmental activities	 <u>\$ 15,848,779</u>	 <u>1,120,583</u>	 <u>5,566,490</u>	 <u>18,957,945</u>	 <u>9,796,239</u>
 General revenues:					
Taxes:					
Property taxes					180,982
Sales taxes					4,220,459
Franchise taxes					1,679,411
Transient occupancy taxes					149,298
Investment income, unrestricted					3,290
Other					<u>75,769</u>
Total general revenues					<u>6,309,209</u>
 Change in net assets					 16,105,448
 Net assets, beginning of year					 <u>-</u>
 Net assets, end of year					 <u>\$ 16,105,448</u>

See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**

Governmental Funds

Balance Sheet

June 30, 2012

		<u>Special Revenue Funds</u>		Non-Major	
	<u>General</u>	<u>Gas Tax</u>	<u>Measure A</u>	<u>Governmental Funds</u>	<u>Totals</u>
<u>Assets</u>					
Cash and investments	\$ 2,511,546	3,483,111	1,169,016	134,875	7,298,548
Receivables:					
Interest	1,494	1,844	622	61	4,021
Due from other governments	1,278,889	395,469	243,064	32,052	1,949,474
Other assets	3,000	-	-	-	3,000
Due from other funds (note 3)	22,649	-	-	-	22,649
Prepaid items	35,955	-	-	-	35,955
	<u>3,853,533</u>	<u>3,880,424</u>	<u>1,412,702</u>	<u>166,988</u>	<u>9,313,647</u>
Total assets	\$ 3,853,533	3,880,424	1,412,702	166,988	9,313,647
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 594,187	185,050	-	-	779,237
Accrued salaries and benefits	3,494	-	-	-	3,494
Due to other funds (note 3)	-	-	-	10,872	10,872
Deferred revenue	-	-	-	10,872	10,872
Deposits payable	1,260	-	-	-	1,260
	<u>598,941</u>	<u>185,050</u>	<u>-</u>	<u>21,744</u>	<u>805,735</u>
Total liabilities	598,941	185,050	-	21,744	805,735
Fund balances:					
Nonspendable	35,955	-	-	-	35,955
Restricted for:					
Transportation	-	3,695,374	1,412,702	104,355	5,212,431
Infrastructure projects	-	-	-	51,761	51,761
Unassigned	3,218,637	-	-	(10,872)	3,207,765
	<u>3,254,592</u>	<u>3,695,374</u>	<u>1,412,702</u>	<u>145,244</u>	<u>8,507,912</u>
Total fund balances	3,254,592	3,695,374	1,412,702	145,244	8,507,912
Total liabilities and fund balances	\$ 3,853,533	3,880,424	1,412,702	166,988	9,313,647

See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets

June 30, 2012

Fund balances of governmental funds	\$ 8,507,912
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	
Capital assets	18,957,945
Accumulated depreciation	(2,291,656)
Non-current liabilities, including bonds payable and compensated absences are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Loan from the County	(9,060,580)
Receivable amounts that were earned in the audit period but not collected within the availability period have not been reported in the governmental funds.	10,872
Internal service funds are used by management to charge the costs of certain activities. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>(19,045)</u>
Net assets of governmental activities	<u>\$ 16,105,448</u>

See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2012

	General	Special Revenue Funds		Non-Major Governmental Funds	Totals
		Gas Tax	Measure A		
<b>Revenues:</b>					
Taxes	\$ 6,230,150	-	-	-	6,230,150
Licenses and permits	481,779	-	-	-	481,779
Intergovernmental	5,319	3,976,865	1,413,195	104,285	5,499,664
Charges for services	572,827	-	-	51,743	624,570
Fines and forfeitures	65,977	-	-	-	65,977
Investment income	3,272	3,405	736	88	7,501
Other	75,769	-	-	-	75,769
<b>Total revenues</b>	<b>7,435,093</b>	<b>3,980,270</b>	<b>1,413,931</b>	<b>156,116</b>	<b>12,985,410</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	1,634,870	-	-	-	1,634,870
Community development	272,243	-	-	-	272,243
Public works	1,537,875	284,896	1,229	-	1,824,000
Public safety	593,442	-	-	10,872	604,314
<b>Total expenditures</b>	<b>4,038,430</b>	<b>284,896</b>	<b>1,229</b>	<b>10,872</b>	<b>4,335,427</b>
Excess (deficiency) of revenues over (under) expenditures	3,396,663	3,695,374	1,412,702	145,244	8,649,983
<b>Other financing sources (uses):</b>					
Transfers out (note 3)	(142,071)	-	-	-	(142,071)
<b>Total other financing sources (uses)</b>	<b>(142,071)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(142,071)</b>
<b>Net change in fund balances</b>	<b>3,254,592</b>	<b>3,695,374</b>	<b>1,412,702</b>	<b>145,244</b>	<b>8,507,912</b>
Fund balances, beginning of year	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 3,254,592</b>	<b>3,695,374</b>	<b>1,412,702</b>	<b>145,244</b>	<b>8,507,912</b>

See accompanying notes to basic financial statements.

## CITY OF JURUPA VALLEY

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ 8,507,912

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

Governmental funds report capital outlays as expenditures. However, in  
the Statement of Activities, the costs of those assets is allocated over  
their estimated useful lives as depreciation expense.

Capital assets donated by the County of Riverside	18,957,945
Depreciation	(2,291,656)

The issuance of long-term debt provides current financial  
resources to governmental funds, while the repayment of the principal  
of long-term debt consumes the current financial resources of governmental  
funds. Also, governmental funds report the effect of issuance costs when  
debt is first issued, whereas these amounts are deferred and amortized in the  
statement of activities.

Loan from the County	(9,060,580)
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Revenues that are measurable but not available are not recorded as revenues in the funds.	10,872
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Internal service funds are used by management to charge the costs of certain activities. The net revenue (expenses) of the internal service funds is reported with governmental activities	<u>(19,045)</u>
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Change in net assets of governmental activities	<u>\$ 16,105,448</u>
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See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**  
Proprietary Funds  
Statement of Fund Net Assets  
June 30, 2012

	Governmental Activities - Internal Service		
	Risk Management	Information Systems	Totals
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ -	7,268	7,268
Due to other funds (note 3)	<u>4</u>	<u>11,773</u>	<u>11,777</u>
Total liabilities	<u>4</u>	<u>19,041</u>	<u>19,045</u>
<b>FUND NET ASSETS</b>			
Unrestricted	<u>(4)</u>	<u>(19,041)</u>	<u>(19,045)</u>
<b>TOTAL FUND NET ASSETS</b>	<u><u>\$ (4)</u></u>	<u><u>(19,041)</u></u>	<u><u>(19,045)</u></u>

See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**  
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year Ended June 30, 2012

	Governmental Activities - Internal Service		Totals
	Risk Management	Information Systems	
OPERATING EXPENSES			
Contractual services	\$ 19,631	141,485	161,116
TOTAL OPERATING EXPENSES	19,631	141,485	161,116
OPERATING INCOME (LOSS)	(19,631)	(141,485)	(161,116)
Transfers in (note 3)	19,627	122,444	142,071
Change in fund net assets	(4)	(19,041)	(19,045)
FUND NET ASSETS AT BEGINNING OF YEAR	-	-	-
FUND NET ASSETS AT END OF YEAR	\$ (4)	(19,041)	(19,045)

See accompanying notes to basic financial statements.



**CITY OF JURUPA VALLEY**  
Proprietary Funds  
Statement of Cash Flows  
Year Ended June 30, 2012

	Governmental Activities - Internal Service		
	Risk Management	Information Systems	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash payments to suppliers of goods and services	\$ (19,631)	(134,217)	(153,848)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(19,631)	(134,217)	(153,848)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash received from other funds	19,631	134,217	153,848
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	19,631	134,217	153,848
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (19,631)	(141,485)	(161,116)
Adjustments to reconcile operating income (loss) to net income provided by (used for) operating activities:			
Increase (decrease) in accounts payable	-	7,268	7,268
TOTAL ADJUSTMENTS	-	7,268	7,268
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (19,631)	(134,217)	(153,848)

There were no significant noncash capital, financing or investing activities for the year ended June 30, 2012.

See accompanying notes to basic financial statements.

**CITY OF JURUPA VALLEY**

Agency Funds

Statement of Fiduciary Assets and Liabilities

June 30, 2012

Assets

Cash and investments (note 2)	\$ 497,663
Total assets	<u>\$ 497,663</u>

Liabilities

Accounts payable	\$ 68,388
Deposits payable	<u>429,275</u>
Total liabilities	<u>\$ 497,663</u>

See accompanying notes to basic financial statements.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

Year Ended June 30, 2012

#### (1) Summary of Significant Accounting Policies

The accounting policies of the City of Jurupa Valley (the "City") conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

##### (a) Reporting Entity

The City was incorporated July 1, 2011 under the general laws of the State of California. The City operates under the Council-Manager form of government.

The City provides the following services as authorized by its general laws: public safety, public works, community development and general administrative services.

Generally accepted accounting principles require that these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. As of the end of the reporting period the City had no component units as defined by the GASB.

##### (b) Basis of Accounting, Measurement Focus and Financial Statement Presentation

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 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 on 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 the same limitation. The City has elected not to follow subsequent private-sector guidance.

##### Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a single column for the governmental activities of the primary government. The City has no business-type activities. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (1) Summary of Significant Accounting Policies, (Continued)

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities, to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

#### Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (1) Summary of Significant Accounting Policies, (Continued)

##### Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle license fee, transient occupancy taxes, grants 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed non-exchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 which requires that local governments defer grant revenue that is not received within 60 days after the fiscal year ends to meet the “available” criteria of revenue recognition.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (1) Summary of Significant Accounting Policies, (Continued)

##### Governmental Funds, (Continued)

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an *other financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

##### Proprietary and Fiduciary Funds

The City's internal service funds are proprietary funds. In the fund financial statements, the proprietary funds and fiduciary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (1) Summary of Significant Accounting Policies, (Continued)

##### Proprietary and Fiduciary Funds, (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expense. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

##### (c) Fund Classifications

The City reports the following major governmental funds:

###### General Fund

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

###### Gas Tax Special Revenue Fund

To account for revenue received for gasoline taxes under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highway Code to be used solely for transportation related purposes.

###### Measure A Special Revenue Fund

To account for revenue received from the State of California from a special ½% sales tax to be used for street maintenance and improvements only.

The City's fund structure also includes the following fund type:

###### Internal Service Funds

These funds are used to account for self-funded insurance and information services activities.

# CITY OF JURUPA VALLEY

## Notes to Basic Financial Statements

(Continued)

### (1) Summary of Significant Accounting Policies, (Continued)

#### Agency Funds

To account for development deposits made in conjunction with certain building permits issued. Upon satisfactory completion of the project, the deposit is returned to the depositor.

#### (d) Cash and Investments

Investments are reported in the accompanying statement of net assets at fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings and changes in fair value. The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

#### (e) Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported under the consumption method. The fund balances in the governmental fund statements have been classified as nonspendable fund balance for amounts equal to the prepaid items in the fund-level statements.

#### (f) Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. The City has elected to include infrastructure capital assets in their entirety (e.g., prior to 1980) in compliance with requirements of GASB Statement No. 34.



## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (1) Summary of Significant Accounting Policies, (Continued)

Capital assets used in operations are depreciated over their estimated useful lives. The City uses the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net assets. The range of lives used for depreciation purposes for each capital asset class are as follows:

<u>Item</u>	<u>Useful Life</u>
Infrastructure:	
Sidewalks	20-50 years
Curbs and gutters	20-50 years
Medians	20-50 years
Traffic signals	15 years
Storm drains	20-50 years

#### (g) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas.

Accordingly, the City accrues only those taxes that are received within 60 days after year-end. Property taxes are attached as a lien on property as of March 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10.

#### (h) Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (1) Summary of Significant Accounting Policies, (Continued)

##### (i) Fund Equity

Fund balances are reported in the fund statements in the following classifications:

##### *Nonspendable Fund Balance*

Nonspendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

##### *Spendable Fund Balance*

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Council action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed Fund Balance – this includes amounts that can be used only for the specific purposes determined by a formal action of the Council. It includes legislation (Council action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Council action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. The City considers a resolution to constitute a formal action of City Council for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are designated or expressed by the Council, but does not require a formal action like a resolution or ordinance. The Council may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such delegation of authority has not yet been granted to persons or bodies other than City Council.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

**CITY OF JURUPA VALLEY**

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$7,298,548
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>497,663</u>
 Total cash and investments	 <u>\$7,796,211</u>

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 200
Deposits with financial institutions	4,795,593
Investments	<u>3,000,418</u>
 Total cash and investments	 <u>\$7,796,211</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized by</u> <u>Investment</u> <u>Policy</u>	<u>Maximum</u> <u>Maturity*</u>	<u>Maximum</u> <u>Percentage</u> <u>of Portfolio*</u>	<u>Maximum</u> <u>Investment</u> <u>In-One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	75%	None
U.S. Agency Securities	Yes	5 years	60%	\$7,000,000
Banker's Acceptances	Yes	180 days	20%	\$3,000,000
Commercial Paper	Yes	270 days	20%	10%
Negotiable Certificates of Deposit	Yes	5 years	75%	\$5,000,000
Repurchase Agreements	Yes	30 days	10%	\$2,000,000

**CITY OF JURUPA VALLEY**

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In-One Issuer*</u>
Reverse Repurchase Agreements	No	30 days	10% of base value	\$2,000,000
Medium-Term Notes	Yes	5 years	10%	\$1,000,000
Mutual Funds	No	None	20%	10%
Money Market Mutual Funds	Yes	None	10%	\$1,000,000
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	None	None	None
Local Agency Investment Fund	Yes	None	None	\$30,000,000
JPA Pools (other investment pools)	No	None	None	None

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

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

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>	
		<u>12 Months Or Less</u>	<u>More Than 12 Months</u>
State investment pool	<u>\$3,000,418</u>	<u>3,000,418</u>	<u>-</u>

**CITY OF JURUPA VALLEY**

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

<u>Investment type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
State investment pool	<u>\$ 3,000,418</u>	N/A	<u>-</u>	<u>3,000,418</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

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

**CITY OF JURUPA VALLEY**

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at an amount based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Currently, LAIF does not have an investment rating.

(3) Interfund Transfers

Interfund transfers at June 30, 2012 consisted of the following:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Internal Service Funds	General Fund	<u>\$ 142,071</u>

Interfund transfers from the General Fund to the Internal Service Funds were to initially fund the internal service fund activities during the year.

Due From/Due To Other Funds

The composition of current interfund balances as of June 30, 2012 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 10,872
General Fund	Internal Service Funds	<u>11,777</u>
	Total	<u>\$ 22,649</u>

The interfund balances reflected above represents short-term borrowings of cash pending receipt of reimbursements.

**CITY OF JURUPA VALLEY**

Notes to Basic Financial Statements

(Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
Infrastructure	\$ -	18,957,945	-	18,957,945
Less accumulated depreciation: Infrastructure	-	(2,291,656)	-	(2,291,656)
 Capital assets, net	<u>\$ -</u>	<u>16,666,289</u>	<u>-</u>	<u>16,666,289</u>

Depreciation expense was charged to the following function:

Public works	<u>\$2,291,656</u>
--------------	--------------------

(5) Non-Current Liabilities

Changes in non-current liabilities for the fiscal year ended June 30, 2012 were as follows:

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>	<u>Amount Due Within One Year</u>	<u>Amount Due Beyond One Year</u>
Loan from County of Riverside	\$ -	9,060,580	-	9,060,580	-	9,060,580
 Total	<u>\$ -</u>	<u>9,060,580</u>	<u>-</u>	<u>9,060,580</u>	<u>-</u>	<u>9,060,580</u>

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (5) Non-Current Liabilities, (Continued)

##### Loan Payable – County of Riverside

As part of the Comprehensive Fiscal Analysis prepared as part of the formation documents for the City, the County of Riverside (the County) and other servicing agencies were to provide municipal level services during the transition year (July 1, 2011 through June 30, 2012). The County was to receive certain revenues on behalf of the City and apply them to the payment that would otherwise be necessary for providing those services. However, the County is allowed under law to require the City to pay back the overall net cost of providing these services. The total amount owed to the County as of June 30, 2012 is \$9,060,580. The unpaid balance accrues interest at a rate of 3% and does not have a set debt service schedule, but shall be due within five (5) years of the agreement and no later than June 30, 2017.

#### (6) Risk Management

The City is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-one participating agencies, twenty-two cities, three transit agencies and six special districts. The City participates in the liability, property, auto physical damage, and crime insurance programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. The City has selected a \$0 self-insured retention for this coverage and participates in risk sharing pools for losses up to \$1 million, followed by PERMA's membership in the CSAC Excess Insurance Authority (EIA) for \$49 million of excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland mariner coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial "named peril" policy.

The auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Auto physical damage coverage is written on an agreed amount basis.

The crime insurance program provides public employee dishonesty, forgery or alteration, and computer fraud coverage under a master insurance policy.

The City is insured with the State Compensation Insurance Fund for workers' compensation claims. There is no deductible requirement for this coverage.



**CITY OF JURUPA VALLEY**

Notes to Basic Financial Statements

(Continued)

(7) Contingent Liabilities

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the resolutions of these matters will not have a material adverse effect on the financial condition of the City.

(8) Excess of Expenditures Over Appropriations

Expenditures for the year ended June 30, 2012 exceeded appropriations in the following funds:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess over Appropriations</u>
Non-Major Funds:			
Measure A	\$ -	1,229	(1,229)
Checkpoint Grant	-	5,319	(5,319)
Traffic Enforcement	-	10,872	(10,872)

(9) Accumulated Fund Deficits

The following funds reported deficits in fund balances/net assets as of June 30, 2012:

	<u>Deficit Balance</u>
Non-Major Funds:	
Traffic Enforcement Grants	(10,872)
Internal Service Funds:	
Risk Management	(4)
Information Systems	(19,041)

(10) Revenue Neutrality Commitment to the County of Riverside

As part of the Comprehensive Fiscal Analysis prepared as part of the formation documents for the City, the County approved a revenue neutrality agreement to be paid to the County annually. The terms of the agreement include 100% deferral of the revenue neutrality payment owed to the County in the first transition year, payment of \$2,250,000 million in year 2, payments of \$1,900,000 in years 3-6, or until the sum of property and sales taxes in the incorporation area reaches \$15,840,000.

Once the sum of the property and sales taxes reaches \$15,840,000, revenue neutrality payments escalate as percentages of property and sales tax revenues based on trigger amounts. When the sum of property and sales taxes reaches \$15,840,000, the County receives 16% of the total property and sales tax revenues. At \$16,880,000, the County receives 21%, at \$17,940,000, the County receives 22% and at \$19,030,000, the County receives 24% of total property and sales tax revenue. The term of this agreement is indefinite.

## CITY OF JURUPA VALLEY

### Notes to Basic Financial Statements

(Continued)

#### (11) Financial Condition of the City of Jurupa Valley

In June 2011 lawmakers in Sacramento decided to redirect statewide vehicle license-fee revenue from cities to the state due to budget problems. For the City of Jurupa Valley this resulted in a 47% of revenues and an approximate loss of \$7 million in General Fund revenue.

Assembly Bill 1098 would have restored some of the revenue to Riverside County's newest cities (including Jurupa Valley), however the Governor vetoed the bill in recent months. Unless the Legislator overrides the Governor's veto, the only other options for the City of Jurupa Valley are to increase local revenues or to disincorporate the City.

Beginning in July 2012 the City must pay the County of Riverside \$1,000,000 a month for public safety services provided through the County Sheriff's offices.

#### Management's Plans to Improve Operations and Limit City Obligations

The City has embarked on a new legislative effort in the form of SB 56 to provide the same property tax in lieu of vehicle licenses-fee amount that is afforded to those cities incorporating prior to the passage of Proposition 1A in 2004. At the time of this report, the final outcome of SB 56 has not been determined. Passage of this legislation, or similar legislation, is necessary for the long-term viability of the City.

In March 2013 the City reached an agreement with the County for extension of transition year sheriff services and deferral of certain transitions year net costs and revenue neutrality payments. The terms of this agreement include:

- 1) Deferring six months of FY 12/13 Sheriff Costs in the amount of \$6,019,496, with repayment consisting of eight equal annual payments beginning in FY 15/16.
- 2) Defer three years of revenue neutrality payments in the amount of \$6,050,000, with repayment consisting of five equal payments beginning 60 days after the end of FY 15/16.
- 3) Extend repayment of general fund transition year costs in the amount of \$6,483,442, consisting of eight equal annual payments beginning in FY 15/16.

Government Code Section 56815, as well as the revenue neutrality agreement, authorizes the County to renegotiate the revenue neutrality agreement.

## **GENERAL FUND**

The General Fund has been classified as a major fund and is used to account for revenues and expenditures that are not required to be accounted for in another fund.

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds. The budget-actual comparison for these funds have been presented in the accompanying financial statements as Required Supplementary Information:

### Gas Tax Fund

To account for revenue received for gasoline taxes under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highway Code to be used solely for transportation related purposes.

### Measure A Fund

To account for revenue received from the State of California from a special ½% sales tax to be used for street maintenance and improvements only.

**CITY OF JURUPA VALLEY**  
General Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 6,363,565	6,457,788	6,230,150	(227,638)
Licenses and permits	500,000	510,000	481,779	(28,221)
Intergovernmental	-	-	5,319	5,319
Charges for services	175,000	260,000	572,827	312,827
Fines and forfeitures	372,436	120,000	65,977	(54,023)
Investment income	58,383	3,500	3,272	(228)
Other	190,008	96,000	75,769	(20,231)
<b>Total revenues</b>	<u>7,659,392</u>	<u>7,447,288</u>	<u>7,435,093</u>	<u>(12,195)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,237,585	2,141,719	1,634,870	506,849
Community development	235,008	311,100	272,243	38,857
Public works	1,289,120	1,284,281	1,537,875	(253,594)
Public safety	838,820	650,000	593,442	56,558
<b>Total expenditures</b>	<u>4,600,533</u>	<u>4,387,100</u>	<u>4,038,430</u>	<u>348,670</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,058,859</u>	<u>3,060,188</u>	<u>3,396,663</u>	<u>336,475</u>
<b>Other financing sources (uses):</b>				
Transfers out	(824,850)	-	(142,071)	(142,071)
<b>Total other financing sources (uses)</b>	<u>(824,850)</u>	<u>-</u>	<u>(142,071)</u>	<u>(142,071)</u>
<b>Net change in fund balances</b>	2,234,009	3,060,188	3,254,592	194,404
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,234,009</u>	<u>3,060,188</u>	<u>3,254,592</u>	<u>194,404</u>

**CITY OF JURUPA VALLEY**  
Major Special Revenue Fund

Gas Tax

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual

Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,217,210	3,217,210	3,976,865	759,655
Investment income	<u>18,802</u>	<u>18,802</u>	<u>3,405</u>	<u>(15,397)</u>
Total revenues	<u>3,236,012</u>	<u>3,236,012</u>	<u>3,980,270</u>	<u>744,258</u>
Expenditures:				
Current:				
Public works	<u>440,000</u>	<u>440,000</u>	<u>284,896</u>	<u>155,104</u>
Total expenditures	<u>440,000</u>	<u>440,000</u>	<u>284,896</u>	<u>155,104</u>
Net change in fund balances	2,796,012	2,796,012	3,695,374	899,362
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,796,012</u>	<u>2,796,012</u>	<u>3,695,374</u>	<u>899,362</u>

**CITY OF JURUPA VALLEY**  
Major Special Revenue Fund

Measure A

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual

Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,103,682	1,103,682	1,413,195	309,513
Investment income	<u>7,312</u>	<u>7,312</u>	<u>736</u>	<u>(6,576)</u>
Total revenues	<u>1,110,994</u>	<u>1,110,994</u>	<u>1,413,931</u>	<u>302,937</u>
Expenditures				
Public works	<u>-</u>	<u>-</u>	<u>1,229</u>	<u>(1,229)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>1,229</u>	<u>(1,229)</u>
Net change in fund balances	1,110,994	1,110,994	1,412,702	301,708
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,110,994</u>	<u>1,110,994</u>	<u>1,412,702</u>	<u>301,708</u>

## CITY OF JURUPA VALLEY

### Notes to Required Supplementary Information

Year Ended June 30, 2012

#### Budgetary Accounting

The City Manager shall prepare and submit the proposed annual budget to the City Council for its approval for all governmental funds. The agenda for the budget workshops and budget meetings are noticed in accordance with the Brown Act. After reviewing the same and making such revisions as it may deem advisable and public input the budget is then adopted annually by the Council at a regularly held meeting. The budget is adopted prior to the beginning of the fiscal year and serves as the foundation for the City's financial plan.

The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Transfers of appropriations within department budgets can be made with the City Manager/Director of Administrative Services approval. City Council's approval is required for all budget amendments that result in a change to the adopted budget.

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting.

Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process. Open encumbrances will be paid by subsequent year's budget appropriations. Encumbrances do not constitute expenditures or liabilities of the City.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

## **NON-MAJOR GOVERNMENTAL FUNDS**

### NON-MAJOR SPECIAL REVENUE FUNDS

#### Air Quality Improvement Fund

This fund is used to account for the City's share of vehicle registration fees that the State of California has allocated to address air quality concerns in Southern California. These monies are to be used in air quality maintenance programs locally and/or regionally.

#### Traffic Enhancement Grant

This fund is used to account for the receipt of grants from outside agencies (e.g. County of Riverside) for traffic safety related activities such as DUI checkpoints.

### NON-MAJOR CAPITAL PROJECT FUNDS

#### Development Impact Fees

This fund is used to account for the receipt of fees for development related activities such as infrastructure and public facilities.

#### Road and Bridge Benefit District

This fund is used to account for the receipt of fees for development related activities such as road & bridge projects.



**CITY OF JURUPA VALLEY**  
Non-Major Governmental Funds  
Balance Sheet  
June 30, 2012

	Special Revenue Funds		Capital Project Funds		Totals
	AQMD	Traffic Enforcement Grant	Development Impact Fees	Road and Bridge Benefit District	
<u>Assets</u>					
Cash and investments	\$ 83,131	-	38,592	13,152	134,875
Receivables:					
Interest	44	-	13	4	61
Due from other governments	21,180	10,872	-	-	32,052
Total assets	<u>\$ 104,355</u>	<u>10,872</u>	<u>38,605</u>	<u>13,156</u>	<u>166,988</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Deferred revenue	\$ -	10,872	-	-	10,872
Due to other funds	-	10,872	-	-	10,872
Total liabilities	<u>-</u>	<u>21,744</u>	<u>-</u>	<u>-</u>	<u>21,744</u>
Fund balances:					
Restricted for:					
Transportation	104,355	-	-	-	104,355
Infrastructure projects	-	-	38,605	13,156	51,761
Unassigned	-	(10,872)	-	-	(10,872)
Total fund balances	<u>104,355</u>	<u>(10,872)</u>	<u>38,605</u>	<u>13,156</u>	<u>145,244</u>
Total liabilities and fund balances	<u>\$ 104,355</u>	<u>10,872</u>	<u>38,605</u>	<u>13,156</u>	<u>166,988</u>

**CITY OF JURUPA VALLEY**  
 Non-Major Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2012

	Special Revenue Funds		Capital Project Funds		Totals
	AQMD	Traffic Enforcement Grant	Development Impact Fees	Road and Bridge Benefit District	
Revenues:					
Intergovernmental	\$ 104,285	-	-	-	104,285
Charges for services	-	-	38,591	13,152	51,743
Investment income	70	-	14	4	88
Total revenues	<u>104,355</u>	<u>-</u>	<u>38,605</u>	<u>13,156</u>	<u>156,116</u>
Expenditures:					
Current:					
Public Safety	-	10,872	-	-	10,872
Total expenditures	<u>-</u>	<u>10,872</u>	<u>-</u>	<u>-</u>	<u>10,872</u>
Net change in fund balances	104,355	(10,872)	38,605	13,156	145,244
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 104,355</u>	<u>(10,872)</u>	<u>38,605</u>	<u>13,156</u>	<u>145,244</u>

**CITY OF JURUPA VALLEY**  
 Non-Major Special Revenue Fund

AQMD

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual

Year Ended June 30, 2012

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Intergovernmental	\$ 103,000	104,285	1,285
Investment income	<u>          -</u>	<u>          70</u>	<u>          70</u>
Total revenues	<u>      103,000</u>	<u>      104,355</u>	<u>          1,355</u>
Net change in fund balances	103,000	104,355	1,355
Fund balances, beginning of year	<u>          -</u>	<u>          -</u>	<u>          -</u>
Fund balances, end of year	<u>      103,000</u>	<u>      104,355</u>	<u>          1,355</u>

**CITY OF JURUPA VALLEY**  
 Non-Major Special Revenue Fund

Traffic Enforcement Grant

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances with Final Budget Positive (Negative)</u>
Expenditures:			
Public safety	\$ -	10,872	(10,872)
Total expenditures	<u>-</u>	<u>10,872</u>	<u>(10,872)</u>
Net change in fund balances	-	(10,872)	(10,872)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>(10,872)</u>	<u>(10,872)</u>

**CITY OF JURUPA VALLEY**  
 Non-Major Capital Project Fund

Development Impact Fees

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual

Year Ended June 30, 2012

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	38,591	38,591
Investment income	-	14	14
Total revenues	-	38,605	38,605
Net change in fund balances	-	38,605	38,605
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	38,605	38,605

**CITY OF JURUPA VALLEY**  
 Non-Major Capital Project Fund

Road and Bridge Benefit District

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual

Year Ended June 30, 2012

	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	13,152	13,152
Investment income	-	4	4
	<u>-</u>	<u>13,156</u>	<u>13,156</u>
Total revenues	-	13,156	13,156
	<u>-</u>	<u>13,156</u>	<u>13,156</u>
Net change in fund balances	-	13,156	13,156
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>13,156</u>	<u>13,156</u>

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## **Statistical Section**

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

### **Contents:**

#### 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.*

#### Revenue Capacity

*These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*

#### Debt Capacity

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

#### 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.*

#### Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.*

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City incorporated on July 1, 2011 and does not have any historical data prior to that fiscal year.



**City of Jurupa Valley**  
**Net Assets by Component**  
(\$ in thousands)

	<u>Fiscal Year</u> <u>2012</u>
Governmental activities	
Invested in capital assets, net of related debt	\$ 16,666
Restricted	5,264
Unrestricted	<u>(5,825)</u>
Total governmental activities net assets	<u>\$ 16,105</u>

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley**  
**Changes in Net Assets**  
(\$ in thousands)

	Fiscal Year 2012
<b>Expenses</b>	
Governmental activities:	
General government	\$ 1,715
Community development	710
Public works	5,606
Public safety	7,818
Total governmental activities expenses	15,849
 <b>Program Revenues</b>	
Governmental activities:	
Charges for services	
General government	-
Community development	871
Public works	183
Public safety	66
Operating contributions and grants	5,566
Capital contributions and grants	18,958
Total governmental activities program revenues	25,645
 Total government net (expense)/revenues	 \$ 9,796
 <b>General Revenues and Other Changes in Net Assets</b>	
General revenues:	
Taxes:	
Property tax	\$ 181
Sales tax	4,220
Franchise tax	1,679
Transient occupancy tax	149
Investment income	3
Other	76
Total governmental activities	6,309
 Total Change in Net Assets	 \$ 16,105

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley**  
**Fund Balances of Governmental Funds**  
(\$ in thousands)

	Fiscal Year 2012
General Fund	
Nonspendable	\$ 36
Restricted	-
Committed	-
Assigned	-
Unassigned	3,219
Total general fund	\$ 3,255
All other governmental funds	
Nonspendable	-
Restricted	5,264
Committed	-
Assigned	-
Unassigned	(11)
Total all other governmental funds	\$ 5,253
Total fund balances of governmental funds	\$ 8,508

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley**  
**Changes in Fund Balances of Governmental Funds**  
(\$ in thousands)

	Fiscal Year 2012
<b>Revenues</b>	
Taxes:	
Property tax	\$ 181
Sales tax	4,220
Franchise tax	1,679
Transient occupancy tax	149
Licenses and permits	482
Intergovernmental	5,500
Charges for services	625
Fines and forfeitures	66
Investment income	8
Other	76
Total revenues	12,985
<b>Expenditures</b>	
Current:	
General government	1,635
Community development	272
Public works	1,824
Public safety	604
Debt service	
Interest	-
Capital outlay	-
Total expenditures	4,335
Excess (deficit) of revenues over expenditures	8,650
<b>Other financing sources/(uses)</b>	
Transfers out	(142)
Total other financing sources/(uses)	(142)
Net change in fund balance	8,508
Debt service as a percentage of noncapital expenditures	0.0%

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
(\$ in thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other</u>	<u>Total Assessed Valuation</u>	<u>Less Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Direct Tax Rate (City)</u>
2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Due to the City's incorporation on July 1, 2011, there is no data available. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

**City of Jurupa Valley**  
**Direct and Overlapping Property Tax Rates**  
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates				Total
	Basic County, City, and School Levy	Community College District	Water District	School District	
2012	n/a	n/a	n/a	n/a	n/a

Note: Due to the City's incorporation on July 1, 2011, there is no data available. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

**City of Jurupa Valley  
Principal Property Tax Payers  
June 30, 2012**

Taxpayer	2012	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
n/a	n/a	n/a

Note: Due to the City's incorporation on July 1, 2011, there is no data available. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

**City of Jurupa Valley  
Property Tax Levies and Collections  
Last Fiscal Year**

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	n/a	n/a	n/a	n/a	n/a	n/a

Note: Due to the City's incorporation on July 1, 2011, there is no data available. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.



**City of Jurupa Valley  
Ratio of Outstanding Debt by Type  
Last Fiscal Year**

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Total Governmental Activities	% of Actual Assessed Value of Property	Per Capita
2012	\$ -	\$ -	\$ -	0.00%	\$ -

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

**City of Jurupa Valley  
Ratio of General Bonded Debt  
Last Fiscal Year**

Fiscal Year	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Percent of Assessed Value	Debt per Capita
2012	\$ -	\$ -	\$ -	0.00%	\$ -

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley**  
**Legal Debt Margin Information**  
**Last Fiscal Year**  
(amount expressed in thousands)

Fiscal Year	Assessed Valuation	Legal Debt Limit (15% of Assessed Value)	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of the Debt Limit
2012	n/a	n/a	n/a	n/a	n/a

Note: Due to the City's incorporation on July 1, 2011, there is no data available. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

**City of Jurupa Valley  
Pledged Revenue Coverage  
Last Fiscal Year**

Fiscal Year	Lease Revenue Bonds					
	Revenue	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2012	The City has no direct outstanding bonded debt					

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: City of Jurupa Valley Finance Department

**City of Jurupa Valley  
Demographic and Economic Status  
Last Fiscal Year**

Calendar Year	(1) Population	(2) Personal Income in Thousands	Per Capita Personal Income	(3) Median Age	(4) Unemployment Rate
2012	96,745	\$ 1,002,805	\$ 10,365	27.4	12.2%

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

- Sources:
- (1) Population - California Department of Finance
  - (2) Personal Income - California Franchise Tax Board, adjusted gross income for zip code 92509
  - (3) Median Age - U.S. Census Bureau State of California - 2010 (for zip code 92509)
  - (4) Unemployment Rate - No individual information for City of Jurupa Valley available; percent represents unemployment rate from California Employment Development Division for County of Riverside.

**City of Jurupa Valley  
Employment by Industry  
Current Year**

Industry	2012	
	Labor Force	Percent of Total
Farm	13,700	2.44%
Goods Producing	72,500	12.93%
Trade, Transportation and Utilities	124,600	22.22%
Information	9,700	1.73%
Financial Activities	18,100	3.23%
Professional and Business Services	54,700	9.76%
Education and Health Services	62,900	11.22%
Leisure and Hospitality	72,800	12.98%
Other Services	19,100	3.41%
Government	112,600	20.08%
<b>Total</b>	<b>560,700</b>	<b>100.00%</b>

Note: Information on the largest employers for the City of Jurupa Valley is not available. Presented above is the annual average of Industry Employment & Labor Force for Riverside County as of December 2011.

Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source: State of California Employment Development Department

**City of Jurupa Valley  
Full-time City Employees by Function  
Last Fiscal Year**

Fiscal Year	(1) General Government	(1) Public Works	(2) Public Safety	(3) Community Services	Total
2012	-	-	-	-	-

Notes:

- (1) The City of Jurupa Valley contracts all services for General Government and Public Works, except for the City Council, through third party providers.
- (2) The City of Jurupa Valley contracts Public Safety services through the County of Riverside.
- (3) Community Services are provided by the Jurupa Community Services District.

Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Sources: City of Jurupa Valley Finance Department

**City of Jurupa Valley  
Operating Indicators by Function  
Last Fiscal Year**

Fiscal Year  
2012

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Finance

Business license applications

Building and Safety

Construction valuation

Building permits issued

Public Safety

Total arrests

Calls for service

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source:



**City of Jurupa Valley  
Capital Asset Statistics by Function  
Last Fiscal Year**

Fiscal Year  
2012

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Public Works  
  Streets (miles)  
  Traffic signaled intersections  
  Bridges

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

Source:

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