

CITY OF MORENO VALLEY, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2017



**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017**

Table of Contents

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Municipal Officials	v
Organizational Chart	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	vii
 FINANCIAL SECTION	
Report of Independent Auditors	1
Management Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	19
Statement of Activities.....	20
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds.....	24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30
Budgetary Comparison Statements	
General Fund.....	31
CSD Zones Special Revenue Fund.....	32
Development Impact Fees Special Revenue Fund.....	33
Housing Authority Special Revenue Fund.....	34
Neighborhood Stabilization Grant Special Revenue Fund.....	35
Proprietary Funds	
Statement of Net Position.....	38
Statement of Revenues, Expenses and Changes in Fund Net Position.....	39
Statement of Cash Flows	40
Fiduciary Funds	
Statement of Fiduciary Net Position.....	42
Statement of Changes in Fiduciary Net Position.....	43
Notes to Financial Statements	45
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Net Pension Liability and Related Ratios.....	101
Schedule of Pension Plan Contributions.....	102

**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017**

Table of Contents

	<u>PAGE</u>
Schedule of Changes in Net OPEB Liability and Related Ratios.....	103
Schedule of Contributions – OPEB	104
Schedule of Investment Returns – OPEB	105
 SUPPLEMENTAL SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds.....	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental funds.....	122
Budgetary Comparison Schedules – Special Revenue Funds	
State Gasoline Tax	133
Article 3 Transportation.....	134
Measure A.....	135
Law Enforcement Grants.....	136
Other Grants.....	137
Public Education Government Access.....	138
Air Quality Management.....	139
Community Development Block Grant.....	140
Special Districts Administration.....	141
Storm Water Management.....	142
HOME.....	143
Child Care Grant	144
Used Oil Recycling.....	145
Storm Water Maintenance	146
ASES Program Grants	147
CFD No. 2014-01	148
CFD No. 4-M	149
Civil Penalties	150
Emergency Services Agency Fines	151
Energy Efficiency Revolving	152
Grants Capital Projects.....	153
Emergency Solutions Grant	154
Budgetary Comparison Schedules – Capital Projects Funds	
Facility Construction.....	155
Public Works Capital Projects.....	156
Traffic Signal Mitigation	157
Fire Services Capital Projects.....	158
Parks and Community Services Capital Projects.....	159
TUMF Capital Projects	160
DIF Capital Projects.....	161
TRIP Capital Projects	162

**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017**

Table of Contents

	<u>PAGE</u>
Budgetary Comparison Schedules – Debt Service Funds	
2011 Private Placement Refunding 97 Lease Revenue Bonds.....	163
2011 Private Placement Refunding 97 COPs.....	164
TRIP COP 13A	165
2013 Refunding 2005 Lease Revenue Bonds.....	166
2014 Refunding 2005 Lease Revenue Bonds.....	167
Budgetary Comparison Schedule – Permanent Funds	
Celebration Park Endowment.....	168
Equestrian Trail Endowment.....	169
Rockridge Park Endowment	170
NPDES Endowment.....	171
Cultural Preservation.....	172
Internal Service Funds	
Combining Statement of Net Position – Internal Service Funds.....	174
Combining Statement of Revenues, Expenses and Changes in.....	
Fund Net Position – Internal Service Funds.....	176
Combining Statement of Cash Flows – Internal Service Funds.....	178
Agency Funds	
Combining Balance Sheet – All Agency Funds.....	182
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	184
STATISTICAL SECTION	
Statistical Section Table of Contents.....	187
Net Position by Component.....	188
Change in Net Position.....	189
Fund Balances - Governmental Funds.....	191
Changes in Fund Balances - Governmental Funds.....	192
Tax Revenues by Source – General Fund.....	193
Key Revenues – General Fund.....	194
Assessed Value and Estimated Actual Value of Taxable Property.....	195
Property Tax Rates.....	196
Principal Property Tax Payers.....	197
Property Tax Levies and Collections.....	198
Direct and Overlapping Debt.....	199
Legal Debt Margin.....	200
Ratios of Outstanding Debt by Type.....	201
Ratio of Bonded Debt.....	202
Pledged Revenue Coverage.....	203
Demographic and Economic Statistics.....	204
Principal Employers.....	205
Full-time and Part-time City Employees by Function.....	206
Capital Asset Statistics.....	207
Operating Indicators by Function.....	208

INTRODUCTORY SECTION



CITY OF MORENO VALLEY, CA

FISCAL YEAR ENDED JUNE 30, 2017

December 5, 2017

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

On behalf of the City Manager, Management Team and City Staff, it is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Moreno Valley (the City) for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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 financial statements have been audited by Vasquez & Company LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2017. An unmodified opinion reflects the auditor's judgment that the City's financial records and statements are fairly and appropriately presented, and are in accordance with GAAP. The independent auditor's report is presented as the first component of the Financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing the Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with emphasis on those involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Management has provided an overall analysis of the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Key Financial Report Sections

The **Introductory Section** includes information about the organizational structure of the City, the City's economy, major initiatives, status of City services, and cash management.

The **Financial Section** includes the MD&A, Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include the government-wide financial and other statements that report on all City financial operations, and also include fund financial statements that present information for all City funds. The independent auditor's report on the Basic Financial Statements is also included.

The **Statistical Section** includes up to ten years of historical financial data and miscellaneous social and economic information that conforms to GASB standards for reporting statistical information. This section may be of special interest to citizens and prospective municipal bond investors.

Profile of the City of Moreno Valley

The City of Moreno Valley was incorporated on December 3, 1984. It is centrally located in Southern California, 66 miles east of Los Angeles and 100 miles north of San Diego. The City encompasses approximately 50 square miles of land area in western Riverside County and with a population estimate of 206,750 continues to be the second largest city in Riverside County.

During the 2016/17 fiscal year, the City operated under the council-manager form of government with a directly elected mayor and a four-member elected City Council. There are volunteer Commissions and Boards, as well as several Citizen Advisory Committees to help guide the Council in its decisions. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a wide range of services, which include general government, public safety (police and fire), animal control services, disaster preparedness, construction and maintenance of streets, economic development, library, an electric utility which primarily serves the newly developed areas of the City, parks, and a wide range of community and recreation programs. In addition to general City activities, the Council is financially accountable for the Moreno Valley Community Services District, the Moreno Valley Public Financing Authority, the Moreno Valley Public Facilities Financing Corporation, the Housing Authority, the Successor Agency and several Community Facilities Districts. These entities are included as an integral part of the City's financial statements. Additional information on these legally separate entities can be found in Note 1a of the Notes to the Basic Financial Statements.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager presents the proposed two-year budget to the City Council for review in April/May of the first budget year. The Council holds a series of public meetings on the proposed budget, and generally adopts a final budget no later than June 30th. The City's fiscal year is July 1st through June 30th. The second budget year is amended as needed to update revenue and expenditures. The appropriated budget is prepared by fund, department and program, and is controlled at the fund level. The City Manager can approve transfers between programs and departments, provided that such transfers do not increase the overall budget. Appropriations that increase the fund budget require City Council approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The budget-to-actual comparisons for the general fund and the major governmental funds can be found in the Financial Section of this report. The budget-to-actual comparisons for the non-major governmental funds can be found in the Supplemental Schedules of this report.

Moreno Valley's economy and long-term outlook.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Moreno Valley operates.

The City continues to be a leader in business development with 4,500 businesses strong, including many Fortune 500 and international companies such as Amazon, Proctor & Gamble, Skechers, and many more. In addition, the City has an array of undeveloped land, development opportunities, entitled development projects, and available lease space at economically feasible prices to continue its growth into the future.

Moreno Valley has experienced yet another year of pronounced economic activity. The City continues to experience increased development activity in new retail, commercial and industrial construction and development. The City conducted a ground breaking for a state-of-the-art Hyundai of Moreno Valley dealership in March of 2017. In addition to offering quality vehicles and generating tax revenues, the Hyundai dealer committed to participating in the Hire MoVal program to fill at least 30% of the 35 newly created dealership jobs with Moreno Valley residents. The City additionally partnered with Amazon to host a hiring event to recruit 10,000 new employees for the online retailer, making the event one of the largest of its kind ever held in the region filling positions in Moreno Valley, San Bernardino, and Eastvale. On June 5, 2017, the employees of the Karma Automotive Factory celebrated the first customer to take possession of the new Revero built at the Moreno Valley factory. The City was also recognized as one of the financially strongest cities in the United States, according to an analysis of city fiscal strength by The Fiscal Times. Moreno Valley was ranked third in the survey of 116 cities with populations over 200,000. This accomplishment highlights both strong financial management and an expanding local economy that continues to enhance the quality of life for our residents.

Long-term financial planning: In May 2017, the City Council approved a two year Operating Budget for fiscal years 2017/2018 and 2018/2019 that not only is balanced without the use of General Fund reserves, it also restored services and increased customer service standards for our development community, customers, and citizens. Through quarterly budget review meetings and continued development of Long Range Business Projections the City continues to be responsive to any financial changes and remains focused on the long term impacts of any financial decisions. The City also annually prepares and updates the five-year capital improvement plan (CIP) which includes all capital projects and identifies the timing of each project as well as the funding source. These actions provide the City Council with expected results of operations based on their budget and other policy decisions within the scope of projected revenues and expenditures.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moreno Valley for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. This was the nineteenth consecutive year that the City has received this prestigious award. The City received the award for publishing an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I believe that our CAFR continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate. The City also received its second consecutive award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ended June 30, 2016. The development of the supplemental PAFR is just one piece of the City's increased public communication efforts to increase transparency and public awareness.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial & Management Services Department and especially the Financial and Treasury Operations Divisions. I would like to express my appreciation to all members of the divisions who assisted and contributed to its preparation. Credit also must be given to other City departments for their assistance and the City Council for their continuous support for maintaining the highest standards of professionalism in the management of the City of Moreno Valley's finances.

Lastly, I would like to thank the City's independent auditors, Vasquez & Company LLP, for their assistance in preparing this important financial document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'MEYERMAN', with a long horizontal line extending to the right and a circular flourish underneath.

Marshall Eyerman
Chief Financial Officer

CITY OF MORENO VALLEY, CALIFORNIA

MUNICIPAL OFFICIALS

June 30, 2017

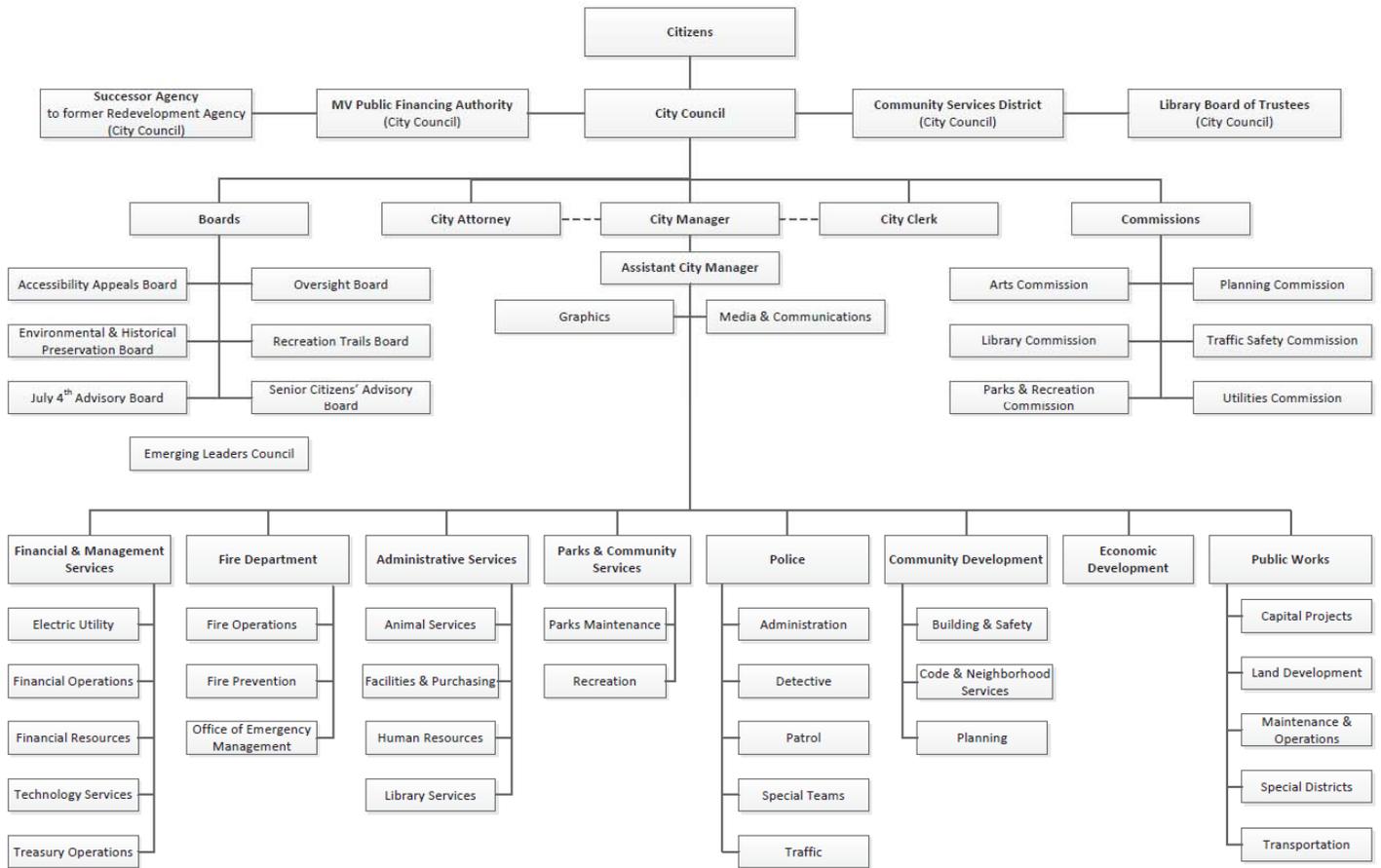
CITY COUNCIL

Dr. Yxstian Gutierrez, Mayor
Victoria Baca, Mayor Pro Tem
Jeffrey Giba, Councilmember
David Marquez, Councilmember
Ulises Cabrera, Councilmember

EXECUTIVE OFFICERS

Michelle Dawson, City Manager
Tom DeSantis, Assistant City Manager
Martin D. Koczanowicz, City Attorney
Pat Jacquez-Nares, City Clerk
Marshall Eyerman, Chief Financial Officer/City Treasurer
Ahmad Ansari, P.E., Public Works Director/City Engineer
Allen Brock, Community Development Director
Mike Lee, Economic Development Director
Gerianne Kingslan, Acting Human Resources Director
Abdul Ahmad, Fire Chief
Betsy Adams, Interim Parks & Community Services Director
Joel Ontiveros, Police Chief

City of Moreno Valley Organization Chart





Government Finance Officers Association

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

Presented to

**City of Moreno Valley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

FINANCIAL SECTION



CITY OF MORENO VALLEY, CA

FISCAL YEAR ENDED JUNE 30, 2017

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Moreno Valley, California

Report on Financial Statements

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 Moreno Valley, California, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, CSD Zones Special Revenue Fund, Development Impact Fees Special Revenue Fund, Housing Authority Special Revenue Fund, Neighborhood Stabilization Grant Special Revenue Fund and Facility Construction Capital Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18 and required supplementary information on pages 101 through 105 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

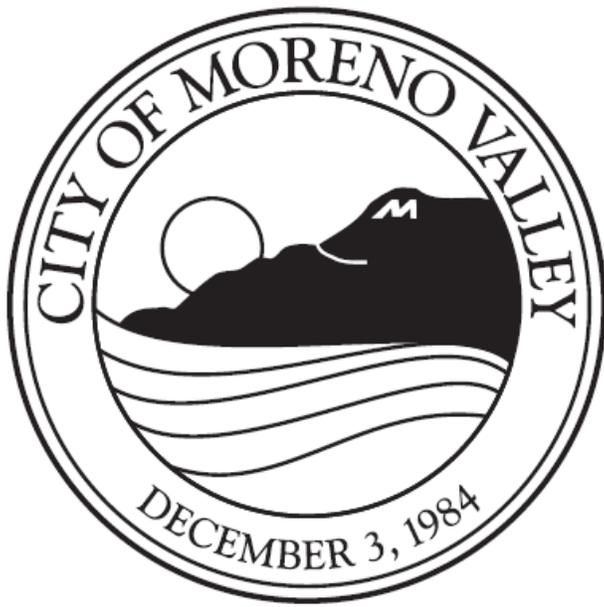


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2017 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Vasquez + Company LLP

**Los Angeles, California
December 5, 2017**



City of Moreno Valley, California

Management's Discussion and Analysis

The following discussion and analysis of the financial performance of the City of Moreno Valley provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the transmittal letter located in the introductory section, and financial statements which follow this discussion.

Financial Highlights

- In the Government-wide - Statement of Net Position: The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1.03 billion (net position) at June 30, 2017.
- In the Government-wide - Statement of Net Position: The City's total net position decreased \$4.9 million for fiscal year 2016-2017 mainly due to increases in the pension liability and other post-employment benefit (OPEB) liability as the result of the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other than Pensions*.
- In the Governmental Fund – Balance Sheet: The General Fund had an end of year fund balance of \$56.1 million. This was an increase of \$5.0 million or an increase of 9.8% over the prior year.
- In the Governmental Funds – Balance Sheet: The General Fund had \$24.4 million in unassigned fund balance, a decrease of \$12.6 million in comparison with the prior year. This was primarily due to the adoption of a new Fund Balance and Financial Reserves Policy, which established new operating and economic uncertainty reserves to increase the financial stability of the City. Unassigned amounts are not constrained in any way and are available for any purpose.

Overview of Financial Statements

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Components of the Basic Financial Statements

Government-wide Financial Statements	Provide both long-term and short-term information about the City's overall financial status
Fund Financial Statements	Focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
Notes to the Financial Statements	Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



Government-wide Financial Statements. The government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets and liabilities, as well as any deferred outflows or inflows. The statement of activities includes all current year revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

The government-wide financial statements of the City are divided as follows:

- *Governmental activities* - Most of the City's basic services are included here, such as police, fire, public works, community development, parks and recreation, and general government. Taxes and state and federal grants finance most of these activities.
- *Business-type activities* - Certain services provided by the City are funded by customer fees. The business-type activities of the City include the Electric Utility.
- *Component units* - The City includes the Moreno Valley Community Services District, Moreno Valley Public Financing Authority, and the Moreno Valley Public Facilities Financing Corporation in its basic financial statements because, although legally separate, the City is financially accountable for them.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds - Governmental fund statements tell how general government services such as police, fire and public works were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statements.

Information regarding governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Community Services District Zones, the Development Impact Fees, the Housing Authority Special Revenue Fund, the Neighborhood Stabilization Grant Fund and the Facility Construction Fund. All of these are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the supplementary section of the report in the form of *combining statements*.

Proprietary funds - The City maintains two different types of proprietary funds--enterprise and internal service funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Electric Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for self-insured insurance programs, technology services, facilities maintenance, equipment maintenance, equipment replacement, and compensated absences. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Electric Utility, the City's only enterprise fund, is included in the Basic Financial Statements. All internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary section of the report.

Fiduciary funds - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. The City is the trustee, or *fiduciary*. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

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

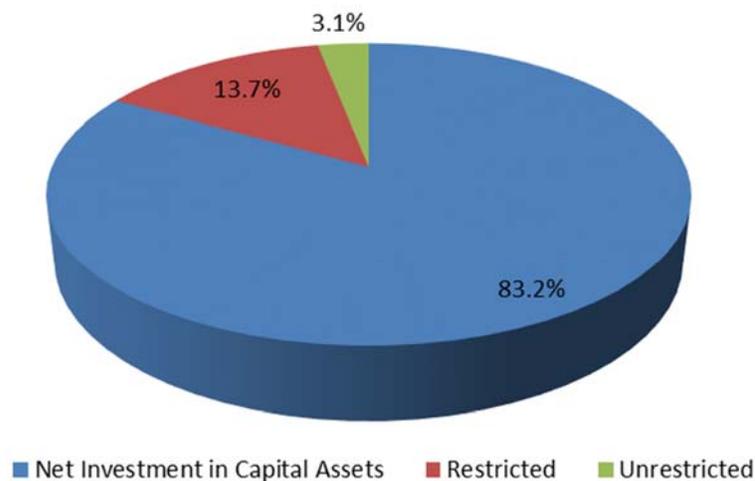
Financial Analysis of the Government-wide Statements

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following graphs and tables address the financial results of the City as a whole for fiscal year ended June 30, 2017. Comparative data from fiscal year ended June 30, 2016 is also represented in the table.

Analysis of Net Position

Net Position represents the difference between the City's resources and its obligations. As noted earlier, net position may serve as a useful indicator of a government's financial position. The following graphs and table address the financial results of the City as a whole. The City's combined net position as of June 30, 2017 was \$1.03 billion.

City of Moreno Valley's Net Position



City of Moreno Valley's Net Position (continued)
(\$000's)

	Governmental Activities		Business-type Activities		Totals	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 257,000	\$ 261,341	\$28,547	\$ 24,535	\$ 285,547	\$ 285,876
Capital assets	905,590	893,088	40,893	49,293	946,483	942,381
Total Assets	<u>1,162,590</u>	<u>1,154,429</u>	<u>69,440</u>	<u>73,828</u>	<u>1,232,030</u>	<u>1,228,257</u>
Deferred outflows of resources	<u>9,543</u>	<u>15,174</u>	<u>352</u>	<u>2,992</u>	<u>9,895</u>	<u>18,166</u>
Current liabilities	22,110	27,488	4,680	6,744	26,790	34,232
Long-term liabilities	129,440	131,316	38,422	39,601	167,862	170,917
Total Liabilities	<u>151,550</u>	<u>158,804</u>	<u>43,102</u>	<u>46,345</u>	<u>194,652</u>	<u>205,149</u>
Deferred inflows of resources	<u>8,424</u>	<u>7,316</u>	<u>226</u>	<u>184</u>	<u>8,650</u>	<u>7,500</u>
Net investment in capital assets	843,153	839,573	13,978	20,512	857,131	860,085
Restricted	141,628	137,235	4,606	4,806	146,234	142,041
Unrestricted	27,377	26,675	7,881	4,973	35,258	31,648
Total Net Position	<u>\$ 1,012,158</u>	<u>\$ 1,003,483</u>	<u>\$26,465</u>	<u>\$ 30,291</u>	<u>\$ 1,038,623</u>	<u>\$ 1,033,774</u>

Total net position of the City of Moreno Valley decreased by 0.5% from \$1.04 billion at June 30, 2016 to \$1.03 billion at June 30, 2017. The City's unrestricted fund balance decreased \$3.6 million to \$31.6 million. Total assets decreased \$3.8 million and total liabilities increased \$10.5 million.

The following analysis of governmental and business-type activities provides more detailed information for these changes:

Governmental Activities

Total assets decreased by \$8.2 million primarily due to a decrease of \$12.5 million in capital assets, largely offset by an increase in current and other assets of \$4.3 million.

The current year capital asset additions of \$29.1 million were offset by current year depreciation expenses of \$32.1 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$9.5 million for a net decrease of \$12.5 million.

Total liabilities increased due to increase in pension and OPEB liability as well as increase in accounts payable at June 30, 2017. This is primarily due to the result of the early implementation of GASB Statement No. 75 *Accounting and Financial Reporting for Employers for Postemployment Benefits Other than Pensions*.

Net investment in capital assets decreased \$3.6 million as a direct result of a net decrease in capital assets.

Restricted net position decreased by \$4.4 million as funds are committed and programmed mostly in the areas of community development and infrastructure.

Business-type Activities

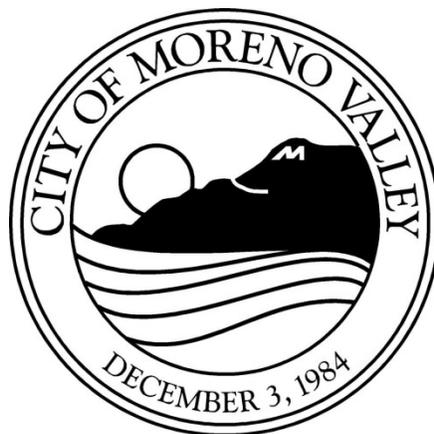
Current and other assets of business-type activities decreased \$4.0 million over last year. This was primarily due to a portion of the Electric Utility's cash and bond proceeds spent on infrastructure investments as of June 30, 2017.

Capital assets increased \$8.4 million due to capital asset additions of \$9.5 million offset by current year depreciation expense of \$1.1 million. Capital asset additions include the construction of the Kitching Substation as well as other electric utility facility upgrades. More capital asset information is located in Note 5 to the financial statements.

Total liabilities increased due to increase in pension and OPEB liability as well as increase in accounts payable at June 30, 2017.

Net investment in capital assets increased \$6.5 million as a direct result of the addition of the capital assets mentioned above.

Unrestricted net position decreased \$2.9 million during the year mainly due to the amount of funds being invested in capital assets.



Analysis of the Changes in Net Position

Total government-wide revenues decreased \$22.0 million, a 11.6 percent decrease from the prior year, while total expenses increased \$11.3 million, a 6.8 percent increase from the prior year.

The following table represents a summary of the changes in net position of the City's governmental and business-type activities as of June 30, 2017. Comparative data from fiscal year ended June 30, 2016 is also presented.

	Changes in Net Position					
	(\$000's)					
	Governmental		Business-type		Totals	
	2016	2017	2016	2017	2016	2017
Revenues						
Program Revenues:						
Charges for services	\$ 25,186	\$ 23,188	\$ 29,364	\$ 29,091	\$ 54,550	\$ 52,279
Operating contributions and grants	22,871	19,429	-	-	22,871	19,429
Capital contributions and grants	18,079	5,544	-	-	18,079	5,544
General Revenues:						
Property tax	17,010	18,234	-	-	17,010	18,234
Property tax in lieu	16,409	17,430	-	-	16,409	17,430
Transient occupancy tax	1,416	1,853	-	-	1,416	1,853
Sales tax	18,938	18,395	-	-	18,938	18,395
Franchise tax fees	5,494	5,385	-	-	5,494	5,385
Business license tax	2,249	2,292	-	-	2,249	2,292
Utility users tax	15,825	15,613	-	-	15,825	15,613
Franchise in lieu tax	293	288	-	-	293	288
Documentary transfer tax	740	720	-	-	740	720
Other taxes	6,529	6,464	-	-	6,529	6,464
Use of money and property	4,774	2,639	203	129	4,977	2,768
Contributed capital	-	-	1,886	-	1,886	-
Miscellaneous	2,183	769	238	209	2,421	978
						-
						-
Transfers	-	-	-	-	-	-
Total Revenues	157,996	138,243	31,691	29,429	189,687	167,672
Expenses:						
General government	17,251	20,743	-	-	17,251	20,743
Public safety	56,239	57,881	-	-	56,239	57,881
Community development	9,527	9,895	-	-	9,527	9,895
Community and cultural	20,911	22,145	-	-	20,911	22,145
Public works	34,772	39,433	-	-	34,772	39,433
Interest on long-term debt	3,626	2,408	-	-	3,626	2,408
Electric	-	-	24,230	25,319	24,230	25,319
Total Expenses	142,326	152,505	24,230	25,319	166,556	177,824
Change in Net Position	15,671	(14,262)	7,461	4,110	23,132	(10,152)
Restatement of Net Position	-	5,587	-	(283)	-	5,304
Net Position Beginning of Year	996,487	1,012,158	19,004	26,465	1,015,491	1,038,623
Net Position End of Year	\$ 1,012,158	\$ 1,003,483	\$ 26,465	\$ 30,292	\$ 1,038,623	\$ 1,033,774

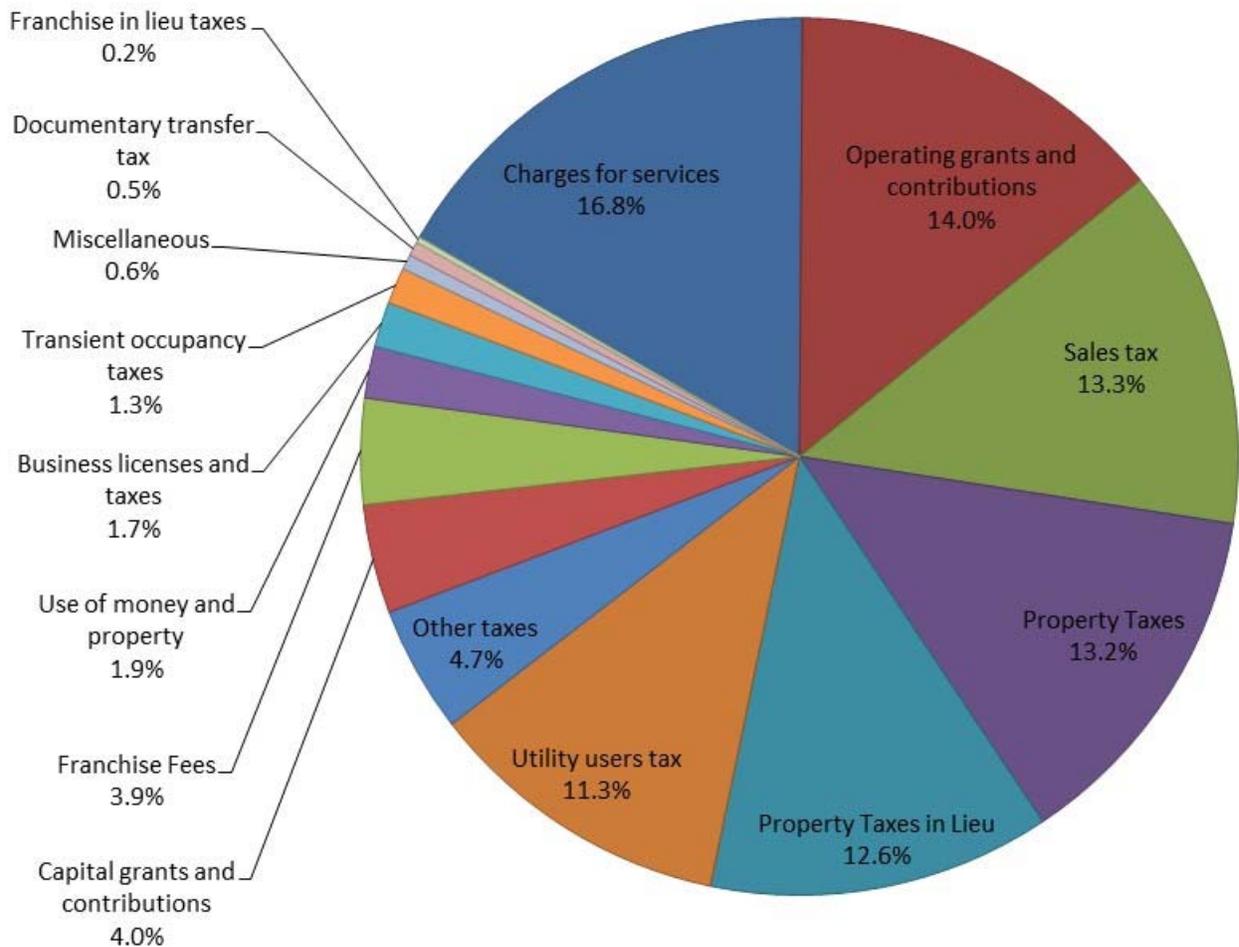
Governmental Activities

The City's governmental revenues decreased \$19.8 million, a 12.5 percent decrease from the prior year, and total expenses increased \$10.2 million, a 7.2 percent increase. The following discusses the changes in more detail.

Revenue

Program revenues decreased \$18.2 million primarily as a result of decreased operating and capital grants and contributions of \$16.0 million and a decrease in charges for services of \$2.2 million. General revenues decreased \$1.8 million, primarily due to decreases in use of money and property, as a result of the GASB 31 fair value adjustment of unrealized loss due to current investment market conditions. Also contributing to this decrease was the decline of miscellaneous revenue as a result of special one-time rebates and capital project reimbursements received in the prior year.

**Revenues by Source – Governmental Activities
For the year ended June 30, 2017**



Expense

Total governmental expenses increased by \$10.2 million. This increase is primarily due to increased general government expenses of \$3.5 million and an increase in public works expenses of \$4.7 million.

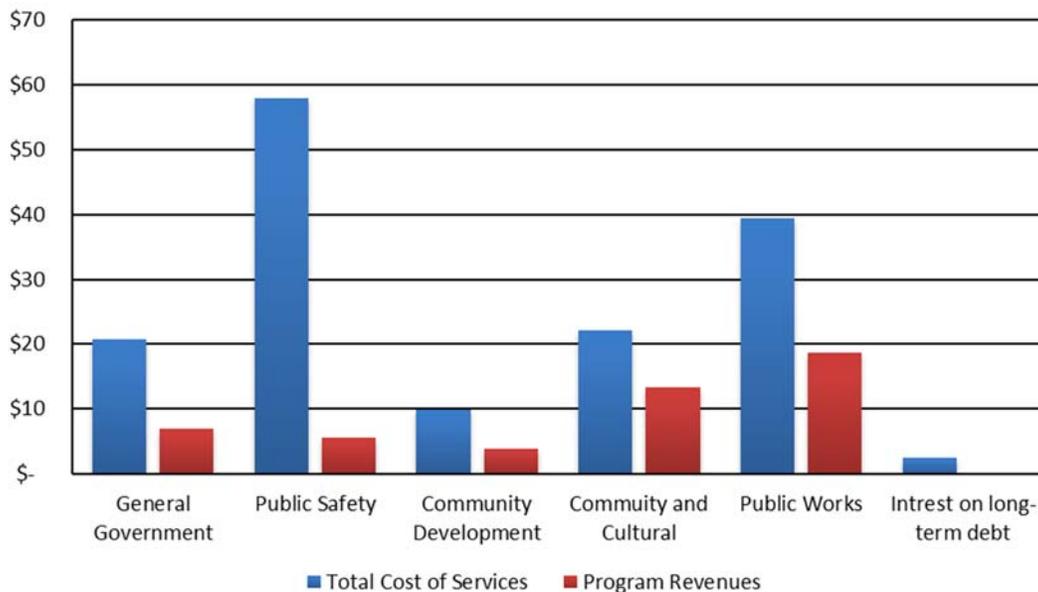
The following table presents the cost of each of the six major program categories, and identifies each program's *net cost* (total cost less revenues generated by the activities). The net cost is the amount paid for by general revenue sources that are generated by all City taxpayers. As illustrated, program revenues recovered \$48.2 million of the cost of providing these services.

Governmental Activities - Net Cost of Services For the year ended June 30, 2017

	Total Cost of Services	Net Cost of Services
General government	\$ 20,743,087	\$ (13,890,492)
Public safety	57,880,925	(52,407,865)
Community development	9,895,574	(6,064,549)
Community and cultural	22,144,633	(8,845,416)
Public works	39,433,172	(20,728,139)
Interest on long-term debt	2,407,992	(2,407,992)
TOTAL	<u>\$ 152,505,383</u>	<u>\$ (104,344,453)</u>

The City paid for the remaining public benefit portion of these governmental activities with \$90.4 million in taxes (some of which were restricted for certain programs) and with other revenues. This governmental activity cost/revenue relationship is further illustrated in the following graph.

Governmental Activities - Net Cost of Services For the year ended June 30, 2017



Business-type Activities

The City's business-type activities include the activities of the Electric Utility. Total revenues for business-type activities decreased \$2.3 million from the prior year or 7.1%. Total expenses increased \$1.1 million or 4.5%. The following discusses the changes in more detail.

Revenue

Total revenues decreased \$2.3 million from prior year primarily due to a decrease of \$1.9 million of contributed capital received as a one-time revenue in prior year.

Expenses

Expenses in the Electric Utility increased \$1.1 million. This increase was primarily due to increases in services and supplies and distribution share expenses associated with providing services to an increased customer base.

Financial Analysis of the Fund Statements

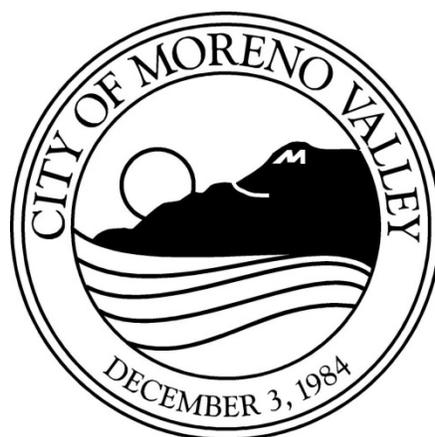
Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements focus on individual parts of City governments, reporting City operations in more detail than the government-wide statements.

Total fund balances presented in the governmental funds balance sheet are \$165.7 million, with the General Fund representing \$56.1 million, or 33.9% of the total. The City's General Fund has unassigned fund balance of \$24.4 million.

General Fund Financial Results

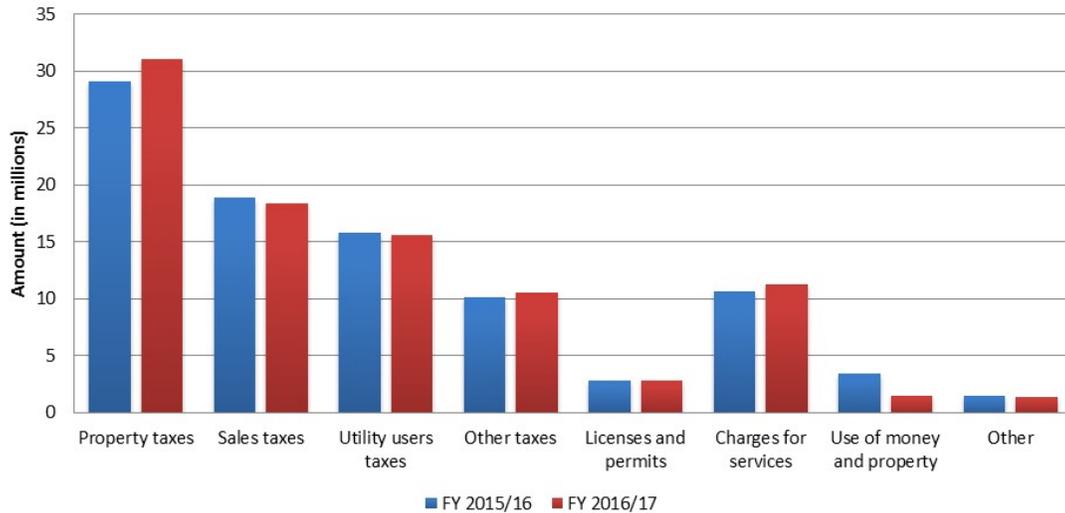
The General Fund was anticipated to have a net increase to fund balance of \$0.2 million. Actual results increased the fund balance by \$5.0 million, \$4.8 million over the anticipated balance. Actual results realized an unanticipated overall revenue increase of \$0.2 million along with expenditure savings of \$6.3 million and net transfers out of \$1.7 million.

General Fund tax revenues were \$1.2 million more than anticipated while an unanticipated decrease of \$1.0 million in use of money and property largely offset those gains.



The following graph presents a comparison of each General Fund revenue source for the fiscal years ended June 30, 2016 and 2017.

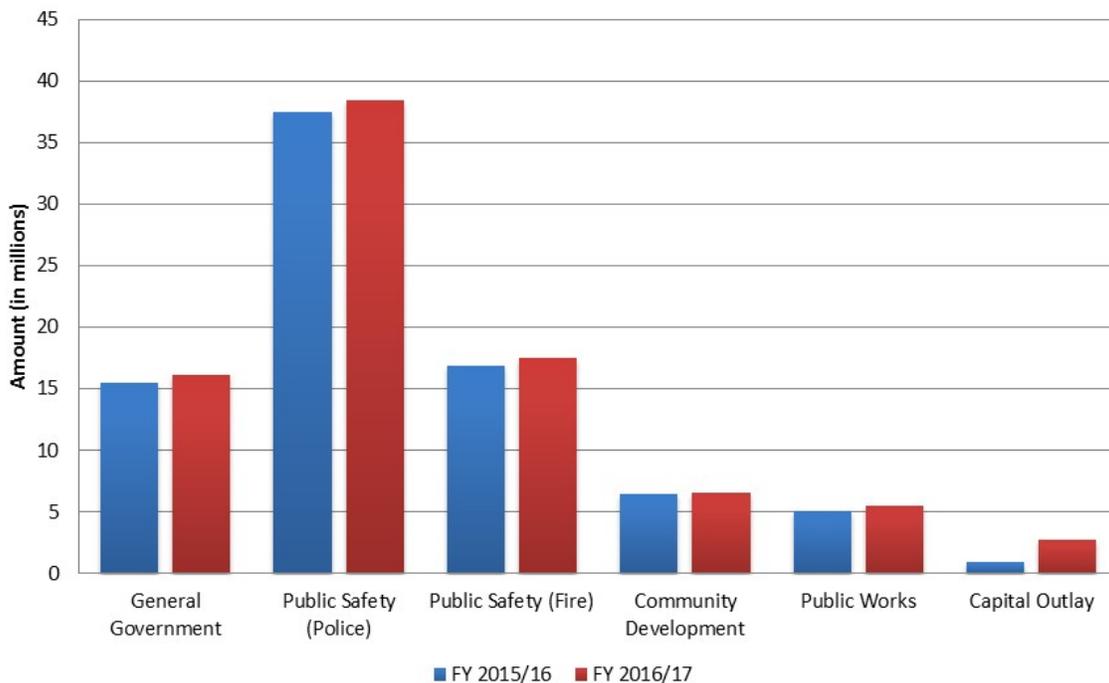
**General Fund – Revenues (Two Year Comparison)
For FY's 15/16 & 16/17**



General Fund actual expenditures were \$6.3 million less than the final budget. The major contributor to this result was in large part due to a combination of Police and Fire Services, and capital outlay activities coming in under budget by \$5.5 million. These savings are primarily a result of contract service savings and capital project completions running multiple years.

The following graph presents a comparison of each General Fund expenditure category for the fiscal years ended June 30, 2016 and 2017.

**General Fund – Expenditures (Two Year Comparison)
For FY's 15/16 & 16/17**



Other Major Fund Financial Results

The fund balance of the Community Service District Zones Special Revenue Fund increased by \$1.8 million over FY 2015-16. This fund accounts for the administration, operations and maintenance of the City's various service zones established by the Moreno Valley Community Services District. The primary contributor to this result was in large part due to Public Works coming in under budget by \$2.0 million.

The fund balance of the Development Impact Fees Special Revenue Fund increased by \$0.1 million over FY 2016-17. This fund accounts for the developer impact fees, which are one-time charges, used to offset the additional public-service costs of new development. The increase in fund balance is primarily due to the current receipt of fees from the new development projects within the City, which are committed for future public improvement projects.

The fund balance of the Housing Authority Fund decreased \$0.5 million under FY 2015-16. This fund accounts for the housing assets as a result of the dissolution of the redevelopment agency of the City. In FY 2016-17 the fund balance decreased as a direct result of costs directly associated with the monitoring and management of the housing assets to ensure proper compliance with regulations.

The fund balance of the Neighborhood Stabilization Grant Fund remained zero. This fund accounts for the grant allocation received by the City from Housing and Urban Development to address the foreclosure crisis and implement a neighborhood stabilization program.

The fund balance of the Facility Construction Fund increased \$4.6 million in comparison with prior year. This fund is used to account for City facility related capital projects. The increase in fund balance is primarily due to the reimbursement from Western Regional Council of Governments (WRCOG) for partial reimbursement for the construction of the Nason Street bridge.

Capital Asset and Debt Administration

Capital Assets

At the end of FY 2016-17, the City's governmental activities had \$1.4 billion (\$893.1 million net of depreciation) invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, vehicles, park facilities, roads, highways and bridges. The current year capital asset additions of \$29.1 million were offset by current year depreciation expense of \$32.1 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$9.5 million for a net decrease of \$12.5 million, primarily attributed to the decrease (transfers) in construction-in-progress and machinery and equipment.

At June 30, 2017, the City's business-type activities had \$58.2 million (\$49.3 million net of depreciation) invested in capital assets, primarily utility infrastructure. The current capital asset additions of \$9.5 million were offset by current depreciation expense of \$1.1 million for a net increase of \$8.4 million. This increase was primarily the result of the construction of the Kitching Substation and SCE Facility Upgrades.

**City of Moreno Valley
Capital Assets
(\$000's)**

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2016	2017	2016	2017	2016	2017	
Land	\$ 310,197	\$ 310,197	\$ 1,729	\$ 1,729	\$ 311,926	\$ 311,926	0%
Buildings and Improvements	141,891	142,447	-	-	141,891	142,447	0%
Machinery and Equipment	19,420	19,894	-	1,017	19,420	20,911	8%
Vehicles	9,259	10,137	-	-	9,259	10,137	9%
Construction in Progress	19,494	17,807	1,410	10,521	20,904	28,328	36%
Infrastructure	839,999	857,541	45,592	44,967	885,591	902,508	2%
	<u>1,340,260</u>	<u>1,358,023</u>	<u>48,731</u>	<u>58,234</u>	<u>1,388,991</u>	<u>1,416,257</u>	2%
Accumulated Depreciation	(434,670)	(464,935)	(7,838)	(8,941)	(442,508)	(473,876)	7%
Total Capital Assets	<u>\$ 905,590</u>	<u>\$ 893,088</u>	<u>\$40,893</u>	<u>\$49,293</u>	<u>\$ 946,483</u>	<u>\$ 942,381</u>	0%

Some of the major capital projects from the Capital Improvement Plan that were completed during the current fiscal year were:

- Krameria Avenue Pavement Resurfacing (Perris Bl to Kitching St)
- Cycle 2 Citywide Pavement Resurfacing (Frederick St and Elsworth St)
- Citywide Pedestrian Countdown Improvements
- Reche Vista Drive Realignment/ Perris Bl and Heacock St to North City Limits
- Cycle 7 Pedestrian Improvements
- Electric Vehicle Charging Infrastructure (City Hall)

Some major capital projects under construction at the end of the fiscal year which are expected to be completed by the end of the next fiscal year are:

- Alessandro Boulevard / Elsworth Street Intersection Improvements
- SR-60 / Nason Street Overcrossing Bridge
- Conference and Recreation Center Lease Space Renovation
- Fairway Park (Skate Park Addition)

Other major projects that are in the Design, Environmental and Right of Way Acquisition Phases are:

- Advanced Dilemma Zone Detection at Certain Intersections
- Hidden Springs Park II
- Electric Vehicle Charging Infrastructure (Public Safety Building)
- Flaming Arrow Drive Storm Drain (Sunnymead MDP Line M-11 Extension)
- Indian Street / Cardinal Avenue Bridge (Over Lateral A)
- Intelligent Transportation System (ITS) Deployment Phase 1B

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Long-Term Debt

At year-end, the City's governmental activities had \$131.3 million in bonds, certificates of participation, compensated absences, Pension and OPEB liability and self-insurance claims and judgments. FY 16/17 is the first year of recognizing OPEB liability as a result of implementing GASB 75.

Outstanding Debt at Year End For the Year Ended June 30, 2017

	Governmental Activities	Business-type Activities
Certificates of participation	\$ 21,191,245	\$ -
Lease revenue bonds	32,324,572	37,339,940
Compensated absences	6,547,400	302,597
Net Pension and OPEB liability	68,853,916	1,958,773
Self insurance claims and judgements	2,400,000	-
	<u>\$ 131,317,133</u>	<u>\$ 39,601,310</u>

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements.

Economic Factors and Outlook for Future Years

Although the focus of this Annual Report is on the economic condition of the City in the fiscal year that ended June 30, 2017, it is important for the City's financial management to report on current issues affecting the City and their economic impact on FY 2016-17 and future years.

The economic recovery of the City of Moreno Valley has continued to demonstrate steady improvements as our tax revenues continue to experience moderate growth. Although the economic downturn has impacted Moreno Valley, with a population estimate of 206,750, Moreno Valley is still experiencing population growth. Moreno Valley remains the second largest city in Riverside County and is presently the fourth largest city in the Inland Region. Though population growth has slowed because of the economy, population growth continues in Moreno Valley because of its strategic location at the junction of Interstate I-215 and State Route 60, along with offering a wide array of quality housing options, a family oriented lifestyle and a variety of quality of life amenities.

For several years Moreno Valley has experienced substantial non-residential growth including significant new commercial retail and industrial development. The economy has slowed commercial development in Southern California, but Moreno Valley continues to secure new business development opportunities. In FY 2016-17 several new retail and industrial developments opened adding to the sales tax base which will provide a foundation for sales tax revenue to continue to grow moderately in the near future.

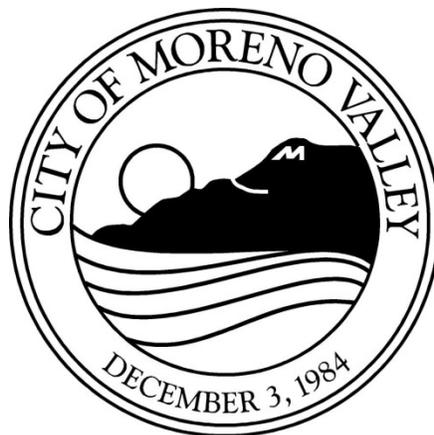
In line with the region's growth, Moreno Valley continues to be a leader with employment growth at 6.8%. The health of our local economy has been driven by Moreno Valley's commitment to ensuring our citizens have a growing and fiscally responsible local government.

The City's Economic Development Department has been committed to aggressively marketing Moreno Valley as the regions preeminent choice for business interested in locating in the Inland Empire. In addition, Moreno Valley's highly disciplined and knowledgeable Financial and Management Services team has guided the City into become the nation's 3rd most fiscally healthy city with a population over 200,000 as ranked by the Fiscal Times. Creating employment opportunities and job growth is important to the continued development of the community and to the growth of the City's tax revenue base in the future.

During the FY 2014-15 credit status review by Standard & Poor's the City's credit rating was upgraded to A positive with a stable outlook. A key factor in achieving the strong rating result was the action of City Council and the City Manager to balance the City's General Fund budget. The City's ongoing commitment to fiscal responsibility and effective management is continuously demonstrated as we navigate complex fiscal challenges without the use of General Fund reserves. Our City Council and management team strategized, planned and delivered on a balanced budget and as revenues continue to steadily grow we look forward to strategizing and planning our continued economic recovery.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. For component units that publish separate financial statements, those statements can be obtained from the City Clerk. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer/City Treasurer, City of Moreno Valley, 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552-0805.



City of Moreno Valley, California

Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Pooled cash and investments (note 3)	\$ 168,255,107	\$ 12,751,464	\$ 181,006,571
Receivables:			
Accounts	2,310,491	4,119,866	6,430,357
Notes and loans (note 4)	47,149,454	-	47,149,454
Notes to Successor Agency (note 4)	14,042,341	-	14,042,341
Interest	3,187,012	-	3,187,012
Due from agency funds	3,092	-	3,092
Prepaid costs	227,140	923,785	1,150,925
Due from other governments	19,951,888	15,000	19,966,888
Inventories	28,977	390,589	419,566
Land held for resale	6,182,170	-	6,182,170
Restricted assets:			
Cash with fiscal agents (note 3)	3,181	6,334,189	6,337,370
Capital assets not being depreciated (note 5)	328,003,908	12,250,250	340,254,158
Capital assets, net of depreciation (note 5)	565,084,575	37,042,890	602,127,465
Total Assets	1,154,429,336	73,828,033	1,228,257,369
Deferred Outflows of Resources			
Deferred outflows related to pensions	15,174,417	568,812	15,743,229
Deferred outflows - Utility Network	-	2,423,742	2,423,742
Total Deferred Outflows of Resources	15,174,417	2,992,554	18,166,971
Liabilities			
Accounts payable	24,141,275	5,614,205	29,755,480
Accrued liabilities	1,526,042	-	1,526,042
Accrued interest	324,872	249,734	574,606
Unearned revenue	1,489,423	18,858	1,508,281
Deposits payable	100	860,718	860,818
Due to other governments	5,907	-	5,907
Noncurrent liabilities:			
Long-term debt, due within one year (note 6)	6,902,487	1,339,559	8,242,046
Long-term debt, due in more than one year (note 6)	55,560,730	36,302,978	91,863,708
Net pension liability (notes 6 and 8)	62,211,508	1,714,399	63,925,907
Net OPEB liability (notes 6 and 9)	6,642,408	244,374	6,886,782
Total Liabilities	158,804,752	46,344,825	205,149,577
Deferred Inflows of Resources			
Deferred inflows related to pensions	6,657,551	159,418	6,816,969
Deferred inflows related to OPEB	658,892	24,864	683,756
Total Deferred Inflows of Resources	7,316,443	184,282	7,500,725
Net Position			
Net investment in capital assets	839,572,666	20,512,511	860,085,177
Restricted for:			
Community development projects	63,563,689	-	63,563,689
Public safety	509,262	-	509,262
Community and cultural	18,850,364	-	18,850,364
Public works	19,646,236	-	19,646,236
Capital projects	27,355,888	-	27,355,888
Debt service	6,021,727	-	6,021,727
Permanent funds - nonexpendable	338,156	-	338,156
Water quality	949,249	-	949,249
Public purpose programs	-	4,806,157	4,806,157
Unrestricted	26,675,321	4,972,812	31,648,133
Total Net Position	\$ 1,003,482,558	\$ 30,291,480	\$ 1,033,774,038

See notes to Financial Statements

City of Moreno Valley, California

**Statement of Activities
June 30, 2017**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 20,743,087	\$ 6,705,689	\$ 146,906	\$ -
Public safety	57,880,925	3,013,430	2,459,630	-
Community development	9,895,574	3,710,803	120,222	-
Community and cultural	22,144,633	5,992,611	7,306,606	-
Public works	39,433,172	3,765,362	9,395,207	5,544,464
Interest on long term debt	2,407,992	-	-	-
Total governmental activities	152,505,383	23,187,895	19,428,571	5,544,464
Business-type activities:				
Electric	25,319,390	29,090,573	-	-
Total business-type activities	25,319,390	29,090,573	-	-
Total primary government	\$ 177,824,773	\$ 52,278,468	\$ 19,428,571	\$ 5,544,464

General Revenues:

Taxes:
Property taxes
Property taxes in lieu
Transient occupancy taxes
Sales taxes
Franchise taxes
Business licenses taxes
Utility users tax
Other taxes
Franchise in lieu taxes
Documentary transfer tax
Use of money and property
Miscellaneous
Total General Revenues

Change in Net Position

Net Position - Beginning of year, as restated

Net Position - End of year

See notes to Financial Statements

City of Moreno Valley, California

**Statement of Activities
June 30, 2017**

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (13,890,492)	\$ -	\$ (13,890,492)
(52,407,865)	-	(52,407,865)
(6,064,549)	-	(6,064,549)
(8,845,416)	-	(8,845,416)
(20,728,139)	-	(20,728,139)
(2,407,992)	-	(2,407,992)
(104,344,453)	-	(104,344,453)
-	3,771,183	3,771,183
-	3,771,183	3,771,183
(104,344,453)	3,771,183	(100,573,270)
18,233,839	-	18,233,839
17,430,250	-	17,430,250
1,852,584	-	1,852,584
18,395,442	-	18,395,442
5,384,726	-	5,384,726
2,291,816	-	2,291,816
15,613,484	-	15,613,484
6,464,018	-	6,464,018
288,383	-	288,383
719,514	-	719,514
2,639,133	129,253	2,768,386
769,125	209,279	978,404
90,082,314	338,532	90,420,846
(14,262,139)	4,109,715	(10,152,424)
1,017,744,697	26,181,765	1,043,926,462
\$ 1,003,482,558	\$ 30,291,480	\$ 1,033,774,038

See notes to Financial Statements

MAJOR GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all financial resources of the city traditionally associated with government operations which are not required legally or by sound financial management to be accounted for in another fund.

Community Services District (CSD) Zones Special Revenue Fund

This group of funds is used to account for the revenues expended on the various Community Services District (CSD) programs. There are ten Zones within the CSD providing services. Zone A-Parks and Community Services provides citywide park maintenance and recreation programming. Zone C-Arterial Street and Intersection Lighting provides funding for arterial street lighting and intersection lighting on major roadways throughout the zone. Zone D-Parkway Landscape Maintenance and Zone E-Extensive Landscape Maintenance provide funding for the maintenance of public landscaping throughout the City. Zone L-Library Services provides funding for library services to the City residents. Zone M-Commercial, Industrial, and/or Multifamily Median Maintenance provides funding for the landscape maintenance of public medians within the City. Community Facilities District (CFD) #1 provides funding for the maintenance of new parks, trails and class 1 bikeways. Zone S- Sunnymead Boulevard Maintenance provides funding for the maintenance of certain landscape improvements along Sunnymead Boulevard. Lighting Maintenance District (LMD) 2014-01 provides funding for the operation and maintenance of residential subdivision street lighting. Landscape Maintenance District (LMD) 2014-02 provides funding for the maintenance of public landscaping throughout the city.

Development Impact Fees Special Revenue Fund

This group of funds is used to account for the restricted fees collected to provide funding for capital improvements related to the impact of development on various City services. The City collects fees for the following: arterial streets, traffic signals, fire facilities, police facilities, parkland facilities, Quimby in-lieu of parks, recreation facilities, library facilities, city hall facilities, corporate yard facilities, interchange improvements, maintenance equipment, animal shelter facilities, and administration fees.

Housing Authority Fund

This fund is used to account for the housing assets as a result of the dissolution of the former Community Redevelopment Agency of the City.

Neighborhood Stabilization Program Fund

This fund is used to account for the grant allocation received by the City from HUD to address the foreclosure crisis and implement a neighborhood stabilization program (NSP) aimed at assisting low-to-moderate income households, while targeting the areas of the City most affected by the foreclosures.

MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Facility Construction Fund

This fund is used to account for City facility related capital projects.

Nonmajor Governmental Funds

These funds constitute all other governmental funds that do not meet the criteria to be a major fund, which is 10% or more of assets, liabilities, revenues or expenditures for the governmental funds and 5% or more of total assets, liabilities, revenues or expenditures for the total governmental and enterprise funds combined. These funds include other Special Revenue Funds, all Capital Projects Funds, all Debt Service Funds and all Permanent Funds of the City.

City of Moreno Valley, California

Balance Sheet
Governmental Funds
June 30, 2017

	Special Revenue Funds			
	General	CSD Zones	Development Impact Fees	Housing Authority
Assets				
Pooled cash and investments (note 3)	\$ 59,667,770	\$ 19,713,885	\$ 16,723,869	\$ 1,286,629
Receivables:				
Accounts	2,126,501	99,459	-	-
Notes and loans (note 4)	-	-	-	33,310,900
Notes to Successor Agency (note 4)	14,042,341	-	-	-
Interest	573,221	-	-	2,070,480
Due from other governments	4,632,696	269,982	-	-
Due from other funds (note 7)	5,097,520	-	-	-
Advances to other funds (note 7)	4,390,500	-	-	-
Prepays	221,555	-	-	-
Land held for resale	-	-	-	3,322,126
Restricted assets:				
Cash with fiscal agents (note 3)	-	-	-	-
Total Assets	\$ 90,752,104	\$ 20,083,326	\$ 16,723,869	\$ 39,990,135
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities				
Accounts payable	\$ 21,189,864	\$ 960,523	\$ -	\$ 17,226
Accrued liabilities	1,474,388	-	-	-
Unearned revenues	899,810	247,717	-	-
Deposits payable	-	100	-	-
Due to other governments	5,894	13	-	-
Due to other funds (note 7)	-	24,609	-	-
Advances from other funds (note 7)	-	-	4,390,500	-
Total Liabilities	23,569,956	1,232,962	4,390,500	17,226
Deferred Inflows of Resources				
Unavailable revenues	11,050,411	-	-	2,070,480
Total Deferred Inflows of Resources	11,050,411	-	-	2,070,480
Fund Balances				
Nonspendable:				
Notes and loans	-	-	-	-
Notes to Successor Agency	3,783,003	-	-	-
Advances to other funds	4,390,500	-	-	-
Permanent fund principal	-	-	-	-
Prepays	221,555	-	-	-
Restricted for:				
Community development projects	-	-	-	37,902,429
Public safety	-	-	-	-
Community and cultural	-	18,850,364	-	-
Public works	-	-	12,333,369	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowments	-	-	-	-
Water quality	-	-	-	-
Committed to:				
Revolving line of credit	2,600,000	-	-	-
Maintenance of pedestrian bridge	167,954	-	-	-
Operating reserve	10,591,737	-	-	-
Library development	-	-	-	-
Assigned to:				
Continuing appropriations	1,180,748	-	-	-
Economic uncertainty reserve	8,826,447	-	-	-
Unassigned	24,369,793	-	-	-
Total Fund Balances	56,131,737	18,850,364	12,333,369	37,902,429
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 90,752,104	\$ 20,083,326	\$ 16,723,869	\$ 39,990,135

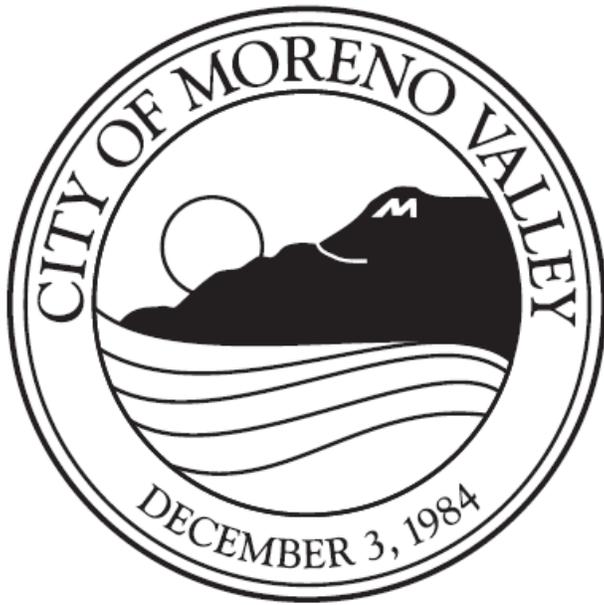
See notes to Financial Statements

City of Moreno Valley, California

**Balance Sheet
Governmental Funds
June 30, 2017**

<u>Special Revenue Fund Neighborhood Stabilization Grant</u>	<u>Capital Project Fund Facility Construction</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>	
\$ -	\$ 6,868,262	\$ 22,253,270	\$ 126,513,685	Assets
-	-	84,427	2,310,387	Pooled cash and investments (note 3)
7,542,972	-	6,295,582	47,149,454	Receivables:
-	-	-	14,042,341	Accounts
-	-	543,311	3,187,012	Notes and loans (note 4)
-	9,128,000	5,921,210	19,951,888	Notes to Successor Agency (note 4)
-	-	-	5,097,520	Interest
-	-	-	4,390,500	Due from other governments
-	-	-	221,555	Due from other funds (note 7)
2,860,044	-	-	6,182,170	Advances to other funds (note 7)
-	-	3,181	3,181	Prepays
<u>10,403,016</u>	<u>15,996,262</u>	<u>35,100,981</u>	<u>229,049,693</u>	Land held for resale
				Restricted assets:
				Cash with fiscal agents (note 3)
				Total Assets
				Liabilities, Deferred Inflows of Resources and Fund Balances:
\$ -	\$ 36,346	\$ 1,180,277	\$ 23,384,236	Liabilities
-	-	51,654	1,526,042	Accounts payable
-	-	341,896	1,489,423	Accrued liabilities
-	-	-	100	Unearned revenues
-	-	-	5,907	Deposits payable
2,860,044	-	2,209,775	5,094,428	Due to other governments
-	-	-	4,390,500	Due to other funds (note 7)
<u>2,860,044</u>	<u>36,346</u>	<u>3,783,602</u>	<u>35,890,636</u>	Advances from other funds (note 7)
				Total Liabilities
				Deferred Inflows of Resources
7,542,972	5,493,500	1,263,260	27,420,623	Unavailable revenues
<u>7,542,972</u>	<u>5,493,500</u>	<u>1,263,260</u>	<u>27,420,623</u>	Total Deferred Inflows of Resources
				Fund Balances
-	-	5,575,633	5,575,633	Nonspendable:
-	-	-	3,783,003	Notes and loans
-	-	-	4,390,500	Notes to Successor Agency
-	-	288,098	288,098	Advances to other funds
-	-	-	221,555	Permanent fund principal
-	-	-	-	Prepays
-	-	1,793,004	39,695,433	Restricted for:
-	-	509,262	509,262	Community development projects
-	-	-	18,850,364	Public safety
-	-	7,312,867	19,646,236	Community and cultural
-	4,698,416	7,761,472	12,459,888	Public works
-	-	6,021,727	6,021,727	Capital projects
-	-	50,058	50,058	Debt service
-	-	949,249	949,249	Endowments
-	-	-	2,600,000	Water quality
-	-	-	167,954	Committed to:
-	-	-	10,591,737	Revolving line of credit
-	5,768,000	-	5,768,000	Maintenance of pedestrian bridge
-	-	-	-	Operating reserve
-	-	-	-	Library development
-	-	-	1,180,748	Assigned to:
-	-	-	8,826,447	Continuing appropriations
-	-	(207,251)	24,162,542	Economic uncertainty reserve
<u>10,403,016</u>	<u>10,466,416</u>	<u>30,054,119</u>	<u>165,738,434</u>	Unassigned
				Total Fund Balances
				Total Liabilities, Deferred Inflows of Resources and Fund Balances
<u>\$ 10,403,016</u>	<u>\$ 15,996,262</u>	<u>\$ 35,100,981</u>	<u>\$ 229,049,693</u>	

See notes to Financial Statements



City of Moreno Valley, California

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2017**

Fund balances - total governmental funds		\$ 165,738,434
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity		
Capital Assets (excludes internal service capital assets)		1,334,197,695
Accumulated depreciation (excludes internal service accumulated depreciation)		(453,897,019)
Long-term debt and compensated absences have not been included in the governmental fund activity:		
Variable Rate Certificates of Participation	\$ (1,800,000)	
2013 Refunding of 2005 Lease Revenue Bonds	(7,713,000)	
2013 Total Road Improvement Certificates of Participation	(19,510,000)	
2014 Refunding of 2005 Lease Revenue Bonds	(22,602,069)	
Unamortized Premium/Discount	(1,890,748)	
Compensated Absences	<u>(6,268,211)</u>	(59,784,028)
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the governmental funds		15,174,417
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds		(324,872)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity		27,420,623
Long-term liabilities related to pension are not due and payable in the current period and therefore are not reported in the governmental funds:		
Net pension liability		(62,211,508)
Net OPEB liability		(6,642,408)
Deferred inflows of resources related to pensions and OPEB are not current obligation and are not reported in the governmental funds		(7,316,443)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position		51,127,667
Net Position of Governmental Activities		\$ <u>1,003,482,558</u>

City of Moreno Valley, California

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2017

	Special Revenue Funds			
	General	CSD Zones	Development Impact Fees	Housing Authority
Revenues				
Taxes:				
Property taxes	\$ 13,593,075	\$ 4,640,764	\$ -	\$ -
Property taxes in lieu	17,430,250	-	-	-
Utility users taxes	15,613,484	-	-	-
Sales taxes	18,395,442	-	-	-
Other taxes	10,537,023	6,439,258	-	-
Licenses and permits	2,860,486	-	-	-
Intergovernmental	548,813	-	-	-
Fees and charges for services	11,235,601	5,828,516	1,920,730	31,252
Use of money and property	1,495,992	767,939	48,364	157,014
Fines and forfeitures	588,449	38,261	-	-
Miscellaneous	241,368	17,850	-	1,133
Total Revenues	92,539,983	17,732,588	1,969,094	189,399
Expenditures				
Current:				
General government	16,138,505	-	-	-
Public safety	55,989,631	-	-	-
Community development	6,581,760	-	-	109,918
Community and cultural	-	11,666,081	-	-
Public works	5,505,869	5,548,877	-	-
Capital outlay	2,685,494	24,590	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Current Expenditures	86,901,259	17,239,548	-	109,918
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,638,724	493,040	1,969,094	79,481
Other Financing Sources (Uses):				
Transfers in (note 7)	2,547,650	1,354,316	1,126,553	-
Transfers out (note 7)	(3,176,672)	-	(2,962,600)	(594,000)
Contributions from Successor Agency	-	-	-	-
Total Other Financing Sources (Uses)	(629,022)	1,354,316	(1,836,047)	(594,000)
Net Change in Fund Balances	5,009,702	1,847,356	133,047	(514,519)
Fund Balances				
Beginning of year, as restated	51,122,035	17,003,008	12,200,322	38,416,948
End of year	\$ 56,131,737	\$ 18,850,364	\$ 12,333,369	\$ 37,902,429

See notes to Financial Statements

City of Moreno Valley, California

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2017

Special Revenue Fund	Capital Project Fund				
Neighborhood Stabilization Grant	Facility Construction	Nonmajor Governmental Funds	Total Governmental Funds		
				Revenues	
\$ -	\$ -	\$ -	\$ 18,233,839	Taxes:	
-	-	-	17,430,250	Property taxes	
-	-	-	15,613,484	Property taxes in lieu	
-	-	-	18,395,442	Utility users taxes	
-	-	24,535	17,000,816	Sales taxes	
-	-	-	2,860,486	Other taxes	
120,222	4,768,000	21,768,682	27,205,717	Licenses and permits	
-	-	1,951,216	20,967,315	Intergovernmental	
-	-	169,824	2,639,133	Charges for services	
-	-	-	626,710	Use of money and property	
-	-	508,775	769,126	Fines and forfeitures	
120,222	4,768,000	24,423,032	141,742,318	Miscellaneous	
				Total Revenues	
				Expenditures	
				Current	
-	-	721,664	16,860,169	General government	
-	-	612,088	56,601,719	Public safety	
714,222	-	1,353,175	8,759,075	Community development	
-	-	7,497,606	19,163,687	Community and cultural	
-	-	7,379,779	18,434,525	Public works	
-	202,795	8,125,191	11,038,070	Capital outlay	
-	-	2,613,000	2,613,000	Debt service:	
-	-	2,500,775	2,500,775	Principal retirement	
714,222	202,795	30,803,278	135,971,020	Interest and fiscal charges	
				Total current expenditures	
(594,000)	4,565,205	(6,380,246)	5,771,298	Excess (Deficiency) of Revenues	
				Over (Under) Expenditures	
594,000	48,000	6,164,212	11,834,731	Other Financing Sources (Uses):	
-	-	(2,664,198)	(9,397,470)	Transfers in (note 7)	
-	-	150,000	150,000	Transfers out (note 7)	
594,000	48,000	3,650,014	2,587,261	Contributions from Successor Agency	
				Total Other Financing	
				Sources (Uses)	
-	4,613,205	(2,730,232)	8,358,559	Net Change in Fund Balances	
				Fund Balances	
-	5,853,211	32,784,351	157,379,875	Beginning of year, as restated	
\$ -	\$ 10,466,416	\$ 30,054,119	\$ 165,738,434	End of year	

See notes to Financial Statements

City of Moreno Valley, California

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ 8,358,559

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay 18,488,513
Depreciation expense (30,934,837)

The issuance of long-term debt provides current financial resources in the governmental funds, but issuing debt increases the long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of debt 2,613,000
Amortization of bond premiums 189,648
Amortization of bond discount (5,398)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 92,783

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (206,451)

Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (4,114,906)

Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount by which actuarially calculated pension/OPEB expense exceeded the contributions during the year (6,587,372)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The change in net position of the internal service funds is reported with the governmental funds. (2,155,678)

Change in net position of governmental activities \$ (14,262,139)

City of Moreno Valley, California

Budgetary Comparison Statement
General Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 12,736,197	\$ 12,969,197	\$ 13,593,075	\$ 623,878
Property taxes in-lieu	16,597,580	17,430,250	17,430,250	-
Utility users taxes	16,092,542	16,092,542	15,613,484	(479,058)
Sales taxes	20,486,866	18,100,000	18,395,442	295,442
Other taxes	9,452,668	9,819,668	10,537,023	717,355
Licenses and permits	2,126,877	2,748,377	2,860,486	112,109
Intergovernmental	215,000	533,371	548,813	15,442
Fees and charges for services	10,971,363	11,472,367	11,235,601	(236,766)
Use of money and property	3,469,962	2,506,962	1,495,992	(1,010,970)
Fines and forfeitures	629,073	629,073	588,449	(40,624)
Miscellaneous	103,401	53,401	241,368	187,967
Total revenues	92,881,529	92,355,208	92,539,983	184,775
Expenditures				
Current:				
General government				
City council	638,925	985,598	983,513	2,085
City manager	1,656,313	5,366,783	4,962,478	404,305
City clerk	689,746	779,746	639,278	140,468
City attorney	728,616	903,616	928,158	(24,542)
Financial and management services	7,596,922	3,606,511	3,268,644	337,867
Administrative services	3,934,529	4,034,129	4,029,460	4,669
Non-departmental	326,000	241,100	1,326,974	(1,085,874)
Public safety				
Police	41,952,136	40,529,656	38,470,815	2,058,841
Fire	18,822,252	18,822,252	17,518,816	1,303,436
Community development	6,804,654	7,076,843	6,581,760	495,083
Public works	5,444,512	5,964,340	5,505,869	458,471
Capital outlay	2,570,752	4,847,566	2,685,494	2,162,072
Total Expenditures	91,165,357	93,158,140	86,901,259	6,256,881
Excess(Deficiency) of Revenues				
Over (Under) Expenditures	1,716,172	(802,932)	5,638,724	6,441,656
Other Financing Sources (Uses)				
Transfers in	2,547,650	4,408,559	2,547,650	(1,860,909)
Transfers out	(3,245,676)	(3,384,387)	(3,176,672)	207,715
Contributions to Successor Agency	-	-	-	-
Total Other Financing Sources (uses)	(698,026)	1,024,172	(629,022)	(1,653,194)
Net Change in Fund Balances	1,018,146	221,240	5,009,702	4,788,462
Fund Balance - Beginning of year	51,122,035	51,122,035	51,122,035	-
Fund Balance - End of year	\$ 52,140,181	\$ 51,343,275	\$ 56,131,737	\$ 4,788,462

See notes to Financial Statements

City of Moreno Valley, California

**Budgetary Comparison Statement
CSD Zones
Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes:				
Property taxes	\$ 4,263,157	\$ 4,263,157	\$ 4,640,764	\$ 377,607
Other taxes	6,413,100	6,412,944	6,439,258	26,314
Fees and charges for services	6,246,150	6,040,688	5,828,516	(212,172)
Use of money and property	747,900	743,701	767,939	24,238
Fines and forfeitures	50,000	50,000	38,261	(11,739)
Miscellaneous	9,150	242,008	17,850	(224,158)
Total Revenues	17,729,457	17,752,498	17,732,588	(19,910)
Expenditures				
Current:				
Community and cultural	12,498,480	12,599,704	11,666,081	933,623
Public works	7,231,299	7,560,883	5,548,877	2,012,006
Capital outlay	122,000	24,590	24,590	-
Total Expenditures	19,851,779	20,185,177	17,239,548	2,945,629
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,122,322)	(2,432,679)	493,040	2,925,719
Other Financing Sources (Uses)				
Transfers in	1,367,676	1,354,316	1,354,316	-
Total Other Financing Sources (Uses)	1,367,676	1,354,316	1,354,316	-
Net Change in Fund Balances	(754,646)	(1,078,363)	1,847,356	2,925,719
Fund Balance - Beginning of year	17,003,008	17,003,008	17,003,008	-
Fund Balance - End of year	\$ 16,248,362	\$ 15,924,645	\$ 18,850,364	\$ 2,925,719

See notes to Financial Statements

City of Moreno Valley, California

Budgetary Comparison Statement
Development Impact Fees
Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Fees and charges for services	\$ 560,900	\$ 560,900	\$ 1,920,730	\$ 1,359,830
Use of money and property	247,000	247,000	48,364	(198,636)
Total Revenues	807,900	807,900	1,969,094	1,161,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	807,900	807,900	1,969,094	1,161,194
Other Financing Sources (Uses)				
Transfers in	1,064,000	1,127,000	1,126,553	(447)
Transfers out	(2,276,000)	(2,962,600)	(2,962,600)	-
Total Other Financing Sources (uses)	(1,212,000)	(1,835,600)	(1,836,047)	(447)
Net Change in Fund Balances	(404,100)	(1,027,700)	133,047	1,160,747
Fund Balance - Beginning of year	12,200,322	12,200,322	12,200,322	-
Fund Balance - End of year	\$ 11,796,222	\$ 11,172,622	\$ 12,333,369	\$ 1,160,747

See notes to Financial Statements

City of Moreno Valley, California

Budgetary Comparison Statement
Housing Authority
Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ 72,000	\$ 72,000	\$ 157,014	\$ 85,014
Fees and charges for services	-	-	31,252	31,252
Miscellaneous	-	-	1,133	1,133
Total Revenues	72,000	72,000	189,399	117,399
Expenditures				
Current:				
Community development	72,000	72,000	109,918	(37,918)
Total Expenditures	72,000	72,000	109,918	(37,918)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	79,481	79,481
Other Financing Sources (Uses)				
Transfers out	-	(594,000)	(594,000)	-
Total Other Financing Sources (Uses)	-	(594,000)	(594,000)	-
Net Change in Fund Balances	-	(594,000)	(514,519)	79,481
Fund Balance - Beginning of year	38,416,948	38,416,948	38,416,948	-
Fund Balance - End of year	\$ 38,416,948	\$ 37,822,948	\$ 37,902,429	\$ 79,481

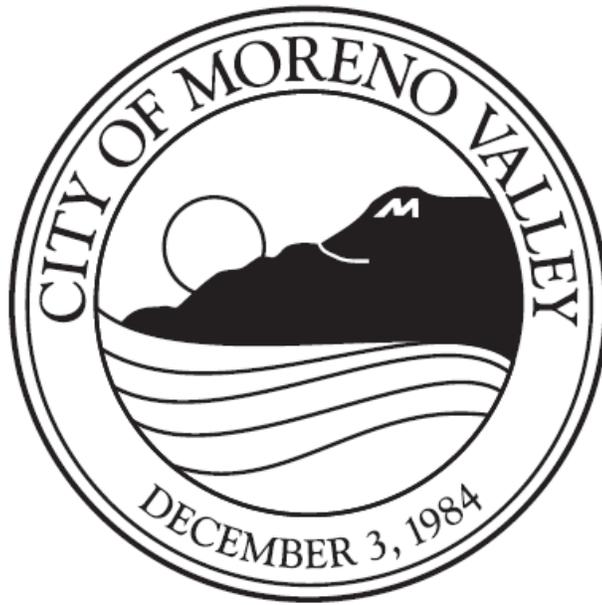
See notes to Financial Statements

City of Moreno Valley, California

**Budgetary Comparison Statement
Neighborhood Stabilization Grant
Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 248,892	\$ 236,904	\$ 120,222	\$ (116,682)
Total revenues	248,892	236,904	120,222	(116,682)
Expenditures				
Current:				
Community development	248,892	830,904	714,222	116,682
Total Expenditures	248,892	830,904	714,222	116,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(594,000)	(594,000)	-
Other Financing Sources (Uses)				
Transfers in	-	594,000	594,000	-
Total Other Financing Sources (Uses)	-	594,000	594,000	-
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	\$ -	\$ -	\$ -	\$ -

See notes to Financial Statements



PROPRIETARY FUNDS

ENTERPRISE FUND:

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. The City's enterprise fund is the Electric Fund. This fund is used to account for the operations of the City electric utility, with its basic purpose to purchase and distribute electricity to customers in the City's newly developed areas under the "Greenfield" concept. The City began serving its first customers in February 2004.

INTERNAL SERVICE FUNDS:

Internal Service Funds are used to account for services provided to other departments on a cost reimbursement basis. These services include providing insurance benefits, maintaining and replacing information systems, facilities maintenance, vehicle and equipment maintenance, accumulating cash reserves for equipment replacement, and payment of compensated absences.

City of Moreno Valley, California

Statement of Net Position
Proprietary Funds
June 30, 2017

	Enterprise Fund- Electric	Governmental Activities- Internal Service Funds
Assets		
Current Assets:		
Pooled cash and investments	\$ 12,751,464	\$ 41,741,423
Receivables:		
Accounts	4,119,866	104
Prepaid costs	923,785	5,585
Inventories	390,589	28,977
Due from other governments	15,000	-
Restricted:		
Cash with fiscal agent	6,334,189	-
Total Current Assets	24,534,893	41,776,089
Noncurrent Assets:		
Capital assets (net of accumulated depreciation)	49,293,140	12,787,807
Total Noncurrent Assets	49,293,140	12,787,807
Total Assets	73,828,033	54,563,896
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	568,812	-
Deferred outflows - Utility Network	2,423,742	-
Total Deferred Outflows of Resources	2,992,554	-
Total Assets and Deferred Outflows of Resources	\$ 76,820,587	\$ 54,563,896
Liabilities		
Current Liabilities:		
Accounts payable	\$ 5,614,205	\$ 757,040
Accrued interest	249,734	-
Unearned revenue	18,858	-
Deposits payable	860,718	-
Compensated absences (note 6)	181,559	167,513
Self-insurance payable (note 12)	-	859,000
Bonds, notes, and loans payable	1,158,000	-
Total Current Liabilities	8,083,074	1,783,553
Noncurrent liabilities:		
Compensated absences (note 6)	121,039	111,676
Self-insurance payable (note 12)	-	1,541,000
Bonds, notes, and loans payable (note 6)	36,181,939	-
Net pension liability	1,714,399	-
Net OPEB liability	244,374	-
Total Noncurrent Liabilities	38,261,751	1,652,676
Total Liabilities	46,344,825	3,436,229
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	159,418	-
Deferred inflows of resources related to OPEB	24,864	-
Total Deferred Inflows of Resources	184,282	-
Net Position		
Net investment in capital assets	20,512,511	12,787,807
Restricted for public purpose programs	4,806,157	-
Unrestricted	4,972,812	38,339,860
Total Net Position	30,291,480	51,127,667
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 76,820,587	\$ 54,563,896

See notes to Financial Statements

City of Moreno Valley, California

Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2017

	Enterprise Fund- Electric	Governmental Activities- Internal Service Funds
Operating Revenues		
Sales and service charges	\$ 28,815,538	\$ 8,471,751
Miscellaneous	209,279	49,177
Total Operating Revenues	<u>29,024,817</u>	<u>8,520,928</u>
Operating Expenses		
Cost of services	849,803	5,429,040
Depreciation expense	1,102,548	1,120,841
Electricity purchased	12,112,442	-
Services and supplies	3,708,063	-
Distribution share	4,489,250	-
Self-insurance claims and charges	-	1,671,994
Total Operating Expenses	<u>22,262,106</u>	<u>8,221,875</u>
Net Operating Income (Loss)	<u>6,762,711</u>	<u>299,053</u>
Nonoperating Revenues and Expenses		
Interest revenue	129,253	-
Interest expense and debt issuance costs	(3,052,491)	-
Engineering plan check fees	275,035	-
Gain (loss) on disposal of capital assets	-	(22,263)
Total Nonoperating Revenues (Expenses)	<u>(2,648,203)</u>	<u>(22,263)</u>
Income (Loss) before contributions and transfers	4,114,508	276,790
Transfers and Contributions		
Transfers in (Note 7)	-	983,493
Transfers out (Note 7)	(4,793)	(3,415,961)
Change in Net Position	<u>4,109,715</u>	<u>(2,155,678)</u>
Net Position - Beginning of year, as restated	<u>26,181,765</u>	<u>53,283,345</u>
Net Position - End of year	<u>\$ 30,291,480</u>	<u>\$ 51,127,667</u>

See notes to Financial Statements

City of Moreno Valley, California

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2017

	Enterprise Fund- Electric	Governmental Activities- Internal Service Funds
Cash Flows from operating Activities:		
Cash received from customers	\$ 28,529,270	\$ 8,480,670
Cash paid to suppliers for goods and services	(21,585,538)	(3,224,569)
Cash paid to employees for services	(837,615)	(1,758,661)
Cash paid for claims	-	(1,192,396)
Net Cash Provided (Used) by Operating Activities	6,106,117	2,305,044
Cash Flows from Non-Capital Financing Activities:		
Cash transfers in	-	5,900,516
Cash transfers out	(4,793)	(8,332,984)
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,793)	(2,432,468)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital debt	24,152,225	-
Cash paid to refund old debt	(21,725,607)	-
Debt issuance costs	(644,546)	-
Acquisition and construction of capital assets	(9,502,708)	(1,092,413)
Engineering plan check fees	275,035	-
Principal paid on capital debt	(1,160,000)	-
Interest paid on capital debt	(3,117,937)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,723,538)	(1,092,413)
Cash Flows from Investing Activities:		
Interest received	129,253	-
Net Cash Provided (Used) by Investing Activities	129,253	-
Net Increase (Decrease) in Cash and Cash Equivalents	(5,492,961)	(1,219,837)
Cash and Cash Equivalents, Beginning of year	24,578,614	42,961,260
Cash and Cash Equivalents, End of year	\$ 19,085,653	\$ 41,741,423
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 6,762,711	\$ 299,053
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,102,548	1,120,841
(Increase) decrease in accounts receivable	(492,783)	(7)
(Increase) decrease in prepaid costs	(923,785)	3,889
(Increase) decrease in deferred outflows of resources related to pension	(216,530)	-
(Increase) decrease in deferred outflows - Utility Network	(2,423,742)	-
(Increase) decrease in inventory	(63,794)	(1,767)
Increase (decrease) in accounts payable	2,134,669	442,773
Increase (decrease) in unearned revenue	(2,764)	-
Increase (decrease) in deposits payable	869	-
Increase (decrease) in self-insurance payable	-	439,340
Increase (decrease) in net pension liability	185,579	-
Increase (decrease) in OPEB liability	(38,607)	-
Increase (decrease) in deferred inflows related to OPEB	24,864	-
Increase (decrease) in compensated absences	56,882	922
Total adjustments	(656,594)	2,005,991
Net Cash Provided (Used) by Operating Activities	\$ 6,106,117	\$ 2,305,044
Noncash Capital and Related Financing Activities:		
There were no non-cash investing, capital or noncapital financing activities for the year ended June 30, 2017.		

See notes to Financial Statements

City of Moreno Valley, California

FIDUCIARY FUNDS

FIDUCIARY FUNDS:

A fiduciary fund is an account with funds from assets that the city holds as a trustee and that it cannot use to fund its own programs. The city reports Agency Funds and Private-purpose Funds. Agency funds are used to report resources held by the agency in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. Private-purpose trust funds report all other trust arrangements under which the principal and income benefits individuals, private organizations or other governments.

City of Moreno Valley, California

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund</u> <u>Successor Agency of the Former RDA</u>
Assets:		
Cash	\$ 7,084,861	\$ 3,016,198
Accounts receivable	600	-
Due from other governments	45,141	-
Cash with fiscal agents	4,353,352	89
Total Assets	<u>\$ 11,483,954</u>	<u>3,016,287</u>
 Liabilities:		
Accounts payable	234,633	25,416
Accrued interest	-	831,337
Deposits payable	6,314,936	-
Payable to trustee	4,931,293	-
Due to the City of Moreno Valley	3,092	-
Long-term debt, due within one year	-	1,013,000
Long-term debt, due in more than one year	-	54,134,341
Total Liabilities	<u>\$ 11,483,954</u>	<u>56,004,094</u>
 Net Position:		
Held in trust for other purposes		<u>(52,987,807)</u>
Total Net Position		<u>\$ (52,987,807)</u>

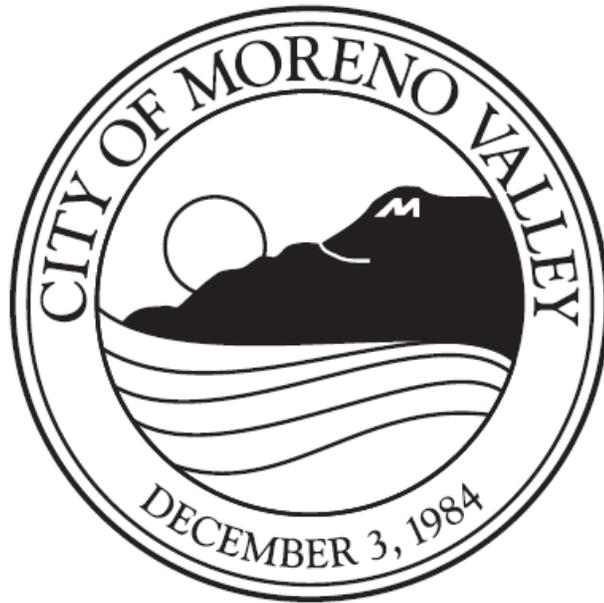
See notes to Financial Statements

City of Moreno Valley, California

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2017

	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 5,942,322
Use of money and property	131
Total Additions	<u>5,942,453</u>
Deductions:	
Administrative expenses	272,268
Contractual services	414,331
Interest expenses	2,633,026
Contributions to City	150,000
Transfers to Agency Funds	1,451,048
Total Deductions	<u>4,920,673</u>
Change in net position	1,021,780
Net Position - Beginning of year	<u>(54,009,587)</u>
Net Position - End of year	<u>\$ (52,987,807)</u>

See notes to Financial Statements



City of Moreno Valley, California

Notes to Financial Statements Year Ended June 30, 2017

Note 1 Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Moreno Valley, California (the City), is located in the County of Riverside and was incorporated on December 3, 1984 under the general laws of the State of California. The City operates under an elected Council/City Manager form of government. The City's major operations include police and fire protection, public works, parks, recreation and certain social services and general administration services.

Reporting Entity

Accounting principles generally accepted in the United States of America require that these financial statements represent the City of Moreno Valley and its component units. A component unit is included in the primary government's financial statements if the governing body is substantively the same as that of the City or if the component unit provides services or other benefits almost entirely to the primary government. The component units discussed below are legally separate component units however are included in the City's reporting entity because of their operational significance or financial relationships with the City. The City Council members, in separate session, serve as the governing board of the Moreno Valley Community Service District, the Moreno Valley Public Facilities Financing Corporation, and the Moreno Valley Housing Authority, as such, these entities are presented on a blended basis. The component units have the same fiscal year end as the City.

- The Moreno Valley Community Services District (the District) was established pursuant to the terms and provisions of the California Government Code, Division 3 of Title 6. The District was established to allow for the continued provision of certain services provided by the County of Riverside through the use of County Service Areas prior to the City incorporation.
- Community Facilities District 2014-01 and Community Facilities District No. 87-1 and 87-1, IA#1 (Towngate) were established pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982. Their purpose is to finance the acquisition and construction of certain major public capital infrastructure and improvements within the boundaries of the Community Facilities Districts and they are governed by City Council. Separate financial statements are not available for the Community Facilities Districts.
- The Moreno Valley Public Facilities Financing Corporation (MVPFFC) and the Moreno Valley Public Financing Authority (MVPFA) are nonprofit public benefit corporations, formed for the purpose of providing public facility financing to the City. The Corporations' Boards of Directors are each composed of the five elected City Council members. Both Corporations may acquire, construct, rehabilitate, remodel, improve, install and finance or lease various facilities, land and equipment for the benefit of the City. Separate financial statements are not available for the Public Facilities Financing Corporation and the Public Financing Authority.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

- The Moreno Valley Housing Authority (the Housing Authority) was established pursuant to State law section 34240 of the California Health and Safety Code, which allows for every City to establish a housing authority. The Housing Authority is designed to protect local housing funds and programs, provide new revenue opportunities for affordable housing programs, serve the public interest, promote public safety and welfare, and ensure decent, safe, sanitary and affordable housing accommodations to persons of low income. The City of Moreno Valley City Council serves as the Housing Authority's Commissioners. The City manages, administers and has operational responsibility for the operations of the Housing Authority. Separate financial statements are not available for the Housing Authority.

The accounting policies of the City of Moreno Valley conform with generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

c. Measurement Focus, Basis of Accounting and Financial Statements Presentation

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, while grant and sales tax revenues have an availability period of 120 days.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

The CSD Zones Special Revenue Fund accounts for restricted property taxes for the various Community Services District (CSD) programs. There are ten zones within the Community Services District providing services. Zone A-Parks and Community Services provide citywide park maintenance and recreation programming. Lighting Maintenance District (LMD) 2014-01 – Residential Street Lighting provides the funding for the operation and maintenance of residential subdivision street lighting. Zone C-Arterial and Intersection Street Lighting provides funding for the operation and maintenance of arterial and intersection street lighting. Landscape Maintenance District (LMD) 2014-02, Zone D and Zone E provide funding for the maintenance of public landscaping throughout the City. Zone L-Library Services provides funding for library services to City residents. Zone M-Medians provides funding for the landscape maintenance of public medians within the City. Community Facilities District (CFD) #1 provides funding for the maintenance of new parks, trails and class 1 bikeways. Zone S – Sunnymead Boulevard Maintenance provides funding for the maintenance of certain landscape improvements along Sunnymead Boulevard.

The Development Impact Fees Special Revenue Fund accounts for the restricted fees collected to provide funding for capital improvements related to the impact of development on various City services. The City collects fees for the following: arterial streets, traffic signals, fire facilities, police facilities, parkland facilities, Quimby in-lieu of parks, recreation facilities, library facilities, city hall facilities, corporate yard facilities, interchange improvements, maintenance equipment, animal shelter facilities, and administrative fees. The City has elected to report this fund as a major fund.

The Housing Authority accounts for the housing assets as a result of the dissolution of the former Community Redevelopment Agency of the City.

The Neighborhood Stabilization Grant Fund is used to account for the grant allocation received by the City from HUD to address the foreclosure crisis and implement a neighborhood stabilization program (NSP) aimed at assisting low-to-moderate-income households, while targeting the areas of the City most affected by the foreclosures.

The Facility Construction Fund is used to account for City facility related capital projects.

The City reports the following major business-type fund:

The Electric Fund accounts for the operations of the City electric utility, with its basic purpose to purchase and distribute electricity to customers in the City's newly developed areas under the "Greenfield" concept. The City began serving its first customers in February 2004.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Additionally the government reports the following fund types:

Internal Service Funds account for financial transactions related to repair, replacement and maintenance of City-owned equipment, the City's self-insurance programs and the City's general information systems and telecommunications hardware and software. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

The Agency Funds are used to report resources held by the City in a purely custodial capacity, which includes assets held on behalf of customers and trustees for the Assessment Districts, TUMF and MSHCP Trust funds.

The Private-Purpose Trust Fund accounts for the assets and liabilities of the former redevelopment agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

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

Amounts reported as program revenues include: 1) charges to customers or applicant for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Funds are charges to other departments or agencies for sales and services. Operating expenses for Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

d. Assets, Liabilities, Deferred Inflows and Net Position or Equity

Deposits, Investments, Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City, as well as for its component units, are reported at fair value except for investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. The City's policy is generally to hold investments until maturity or until fair values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Inventory and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory consists of expendable supplies held for consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund balances in the governmental fund types have been set aside as nonspendable for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Capital Assets

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

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

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

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 - 50
Furniture and Equipment	3 - 15
Vehicles	3 - 10
Infrastructure	25 - 50

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 8 and Note 9 for the list of deferred outflows and deferred inflows of resources the City has recognized as of June 30, 2017.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Unearned Revenue

The City reports unearned revenue in the fund-level statements and in the statement of net position. Unearned revenue arises when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused annual leave benefits. The City records the annual leave liability using benefits earned by employees at the balance sheet date that will result in termination payments rather than compensated absences. The City records the annual leave liability using the dollar value of employees' rights to receive compensation attributable to services already rendered.

Long-Term Obligations

In the government-wide financial statements, and proprietary and fiduciary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Land Held for Resale

Land purchased for the purposes of resale is recorded at cost or, if lower, the estimated net realizable value upon entering into an agreement to sell the property.

Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments, or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the City Council.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Financial and Management Services Director is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

An individual governmental fund could include non-spendable resources and amounts that are restricted, committed, assigned, or unassigned or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Secured property taxes are payable in two installments with December 10 the last day to pay the first installment of secured property taxes without penalty, and April 10 the last day to pay the second installment of secured property taxes without penalty. Unsecured personal property taxes are due in a single installment on August 31. The County of Riverside bills and collects the property taxes and remits them to the City in installments during the year.

Property taxes received within 60 days after the City's fiscal year end are considered "measurable" and "available" and are accrued in the City's financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City of Moreno Valley Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2017, the City early adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed in this Statement.

GASB Statement No. 77, *Tax Abatement Disclosures*. The scope of this Statement addresses accounting and financial reporting by giving users of financial statements information that is not consistently or comprehensively reported to the public at present. This Statement requires governments that enter into tax abatement agreements to disclose relevant information such as brief descriptive information, that includes the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by the tax abatement recipients.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 2 Stewardship, Compliance and Accountability

a. Budget Information

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all governmental fund types. The budget is prepared on a GAAP (Generally Accepted Accounting Principles) basis.

From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.

The City Council may amend the budget only during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution.

The City's formal budgetary process begins at the operating program level. Departmental budgets are comprised of the various operating program budgets. Operating programs do not cross departmental lines. Individual fund budgets consist of the departmental budgets; departmental budgets may cross fund lines.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund types, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control (legal level) for most funds is established by the amount of expenditures budgeted at the departmental and fund levels. Accordingly, the General Fund expenditures are displayed in the supplementary schedules at the department level and the Special Revenue, Debt Service and Capital Projects Funds expenditures are displayed at the function level. Management control is exercised at the line item level in each operating program. Management can transfer budgeted amounts between operating programs, departments or funds, provided that such transfers do not increase the overall budget. Appropriations that increase the budget require City Council approval.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 2 Stewardship, Compliance and Accountability (Continued)

b. Excess Expenditures Over Appropriations

Excess of expenditures over appropriations in departments of individual funds are as follows:

Fund	Final Budget	Expenditures	Excess
General Fund			
City attorney	\$ 903,616	\$ 928,158	\$ 24,542
Non-departmental	241,100	1,326,974	1,085,874
Housing Authority			
Community development	72,000	109,918	37,918
State Gasoline Tax			
Public works	3,971,100	3,976,241	5,141
Capital outlay	-	33,916	33,916
Other Grants			
Capital outlay	13,172	44,512	31,340
Public Education Government Access			
General government	659,705	693,540	33,835
ASES Program Grant			
Community and cultural	6,771,854	6,783,143	11,289
Emergency Services Agency Fines			
Capital outlay	-	36,865	36,865
2014 Refunding 2005 Lease Revenue Bonds			
General government	3,300	3,322	22
Interest and fiscal charges	1,007,000	1,009,332	2,332

c. Fund Deficits

The following funds contained a deficit fund balance as of June 30, 2017:

<u>Nonmajor Governmental Funds:</u>	
Special Revenue Funds:	
Community Development Block Grant	\$ 3,166
Capital Fund Projects:	
TUMF Capital Projects	204,085

These deficit fund balances are a result of reimbursement monies not yet received and will be funded through future revenues.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)**

Note 3 Cash and Investments

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 168,258,288
Business-Type Activities	19,085,653
Fiduciary Funds	14,454,500
Total Cash and Investments	<u>\$ 201,798,441</u>

Cash and investments as of June 30, 2017, consist of the following:

Cash and Cash Equivalents	
Petty cash and cash boxes	\$ 10,630
Demand deposits	1,941,563
Investments	189,155,437
Cash and Investments with fiscal agents	<u>10,690,811</u>
Total Cash and Investments	<u>\$ 201,798,441</u>

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Deposits

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

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by the California Agents of Depository are considered to be held for, and in the name of, the local government agency.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

Investments

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

- U.S. Treasury Bills, Notes and Bonds
- Government Sponsored Enterprises (GSE's) or U.S. Agencies
- California State Local Agency Investment Fund (LAIF)
- Bonds, notes or other indebtedness of the State of California
- Bonds, notes or other indebtedness of local agencies in California
- Bonds, notes or other indebtedness of supranationals (IBRD, IFC or IADB)
- Bankers Acceptances
- Commercial Paper
- Mortgage/Asset backed securities
- Time Deposits and Non-negotiable Certificates of Deposit
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Corporate Obligations (Medium-term Notes)
- Mutual Funds and Money Market Accounts
- Other Government Sponsored Investment Pools

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

GASB Statement No. 31

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

Credit Risk

The City's investment policy limits investments in medium term notes (MTN's) to those rated in the top category by two of the three largest nationally recognized rating services at the time of purchase (with split ratings, the lower rating must meet the standard). As of June 30, 2017, the City's investment in medium term notes consisted of investments with PepsiCo Inc., JP Morgan Chase, IBM Corp, Wells Fargo Bank, Costco Wholesale, Qualcomm Inc., Coca Cola Company, Bank of New York, Praxair Inc., John Deere, Exxon/Mobil, Microsoft, State Street Bank, Chevron Corp., Intel Corp., WalMart Stores Inc., Apple Inc., U.S. Bankcorp, General Electric, Cisco Systems, Honda, Toyota, American Express, Oracle, Nissan, Berkshire Hathaway, Walt Disney Corp., and Chubb INA. At June 30, 2017, all MTN's were rated "A" or higher by Moody's. All securities were investment grade and legal under State and City law at their time of purchase. Federal agency securities are rated AA+. Investments in U.S. Treasury securities are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2017, the City's investments in external investment pools and investment agreements are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The carrying amount of the City's demand deposits was \$1,941,563 at June 30, 2017. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In accordance with the City's investment policy, all investments are held by third-party custodians for safekeeping, with the securities in the City's name. This is the lowest level of custodial credit risk exposure.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 3 Cash and Investments (Continued)

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment portfolio will not directly invest in securities maturing in more than five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2017, the City had the following investments and original maturities:

Investment Type	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	Fair Value
Local Agency Investment Fund	\$ 49,953,121	\$ -	\$ -	\$ -	\$ 49,953,121
Money Market Fund	101,211	-	-	-	101,211
Commercial Paper	3,244,749	-	-	-	3,244,749
Medium Term Notes	6,373,565	8,567,305	25,952,252	6,414,604	47,307,726
Supranationals	-	-	3,300,675	1,685,062	4,985,737
US Treasury Notes	4,069,337	996,290	10,485,632	12,725,182	28,276,441
Federal Farm Credit Bank	3,243,065	1,214,388	2,513,755	-	6,971,208
Federal Home Loan Bank	-	-	4,694,616	3,465,839	8,160,455
Federal Home Loan Mortgage Corp	999,360	1,845,708	9,497,184	1,625,000	13,967,252
Federal National Mortgage Association	1,847,503	3,493,075	7,001,155	13,845,804	26,187,537
Held By Bond Trustee:					
Money Market Funds	4,066,380	-	-	-	4,066,380
US Treasury Notes	513,591	-	-	-	513,591
Local Agency Investment Fund	6,110,840	-	-	-	6,110,840
Totals	\$ 80,522,722	\$ 16,116,766	\$ 63,445,269	\$ 39,761,491	\$ 199,846,248

Concentration of Credit Risk

The City's investment policy imposes restrictions on the maximum percentage and amount that can be invested in certain types of investments. These restrictions are as follows:

Investment Type	Maturity Limit	Maximum Portfolio Percentage	Maximum Investment in One Issuer
U.S Treasury bills, notes and bonds	5 years	None	None
GSE's or U.S Agencies	5 years	None	None
California State Local Agency Investment Fund	n/a	None	None
Bonds, notes or other indebtedness of the State of California	5 years	None	None
Bonds, notes or other indebtedness of local agencies in CA	5 years	None	5%
Bankers Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposits	5 years	30%	5%
CD Placement Service	5 years	30%	5%
Repurchase Agreements	1 year	None	5%
Reverse Repurchases Agreements	92 days	20%	5%
Medium-term Notes (MTN's)	5 years	30%	5%
Mutual Funds and Money Market Accounts	n/a	20%	5%
Collateralized Bank Deposits	5 years	None	5%
Mortgage Pass-Through Securities	5 years	20%	5%
Bank/Time Deposits	5 years	None	5%
Other Governmental Sponsored Investment Pools	n/a	None	None
Supranationals	5 years	30%	5%

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

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

As of June 30, 2017, the City is in compliance with the investment policy restriction.

In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, it is exposed to credit risk. The following investments are considered exposed to credit risk:

Federal Home Loan Mortgage Corp	6.99%
Federal National Mortgage Association	13.10%

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

Fair Value Measurement

GASB 72, Fair Value Measurement and Application establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 3 Cash and Investments (Continued)

The following table represents the City's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

Investments by fair value level	Fair Value	Fair value Measurement Using Significant Other Observable Inputs (Level 2)
Money Market Fund	\$ 101,211	\$ 101,211
Commercial Paper	3,244,749	3,244,749
Medium Term Notes	47,307,726	47,307,726
Supranationals	4,985,737	4,985,737
US Treasury Notes	28,276,441	28,276,441
Federal Farm Credit Bank	6,971,208	6,971,208
Federal Home Loan Bank	8,160,455	8,160,455
Federal Home Loan Mortgage Corp	13,967,252	13,967,252
Federal National Mortgage Association	26,187,537	26,187,537
Held By Bond Trustee:		
Money Market Funds	4,066,380	4,066,380
US Treasury Notes	513,591	513,591
Total	<u>143,782,287</u>	<u>\$ 143,782,287</u>
Uncategorized:		
Local Agency Investment Fund	49,953,121	
Held By Bond Trustee:		
Local Agency Investment Fund	6,110,840	
Total uncategorized	<u>56,063,961</u>	
Total investments measured at fair value	<u>\$ 199,846,248</u>	

Note 4 Notes and Loans

a. Notes and Loans Receivable

Notes and loans receivables of \$47,149,454 consist primarily of revolving home improvement loans and are due beyond one year.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 4 Notes and Loans (Continued)

A summary of amounts owed at June 30, 2017, follows:

	Housing Authority	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Total
Cottonwood Properties	\$ 2,924,454	\$ -	\$ 2,050,000	\$ 4,974,454
Sheila Street Rehabilitation	2,651,875	-	-	2,651,875
RHDC Properties	1,814,730	411,214	1,425,845	3,651,789
Coachella Valley Housing Coalition	1,639,450	-	-	1,639,450
Ability First	824,917	-	-	824,917
Bay Family Apartments	755,000	-	-	755,000
Perris Isle	413,000	-	687,000	1,100,000
Oakwood	3,000,000	-	-	3,000,000
Rancho Dorado	12,500,000	-	-	12,500,000
Hemlock Family Apartments	6,300,000	-	1,628,642	7,928,642
Others	487,474	7,131,758	504,095	8,123,327
Totals \$	<u>33,310,900</u>	<u>7,542,972</u>	<u>6,295,582</u>	<u>47,149,454</u>

b. Notes to Successor Agency

In prior years, the City made various loans to the former Redevelopment Agency. Upon dissolution of the Redevelopment Agency, certain loans were approved as enforceable obligations in a letter dated May 26, 2012, from the California Department of Finance and remain as a receivable in the General Fund and a liability of the Successor Agency. At June 30, 2017, the balance of \$14,042,341 consists of the following:

The Towngate Regional Mall notes (Sears Note) totaling \$11,001,996 which originated from a participation agreement (as amended) whereby the Agency acquired certain parcels within the mall for subsequent transfer to major tenants. The notes bear interest at 4.9% and are payable solely from available site-generated property tax increment and up to 50% of site-generated sales tax. Payments on this agreement are determined and pre-approved by the Department of Finance. Furthermore, the Agency has covenanted to use reasonable best efforts to refinance these notes with Tax Allocation Bonds, provided such financing is determined to be fiscally feasible. At June 30, 2017, accrued interest amounts to \$3,040,345.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)**

Note 5 Capital Assets

The following is a schedule of changes in governmental activities capital assets for the year ended June 30, 2017.

	Balance July 1, 2016	Additions	Deletions	Adjustments	Balance June 30, 2017
Non-Depreciable Assets:					
Land	\$ 310,197,236	\$ -	\$ -	\$ -	\$ 310,197,236
Construction in progress	19,493,518	7,797,675	(9,484,521)	-	17,806,672
Total Non-Depreciable Assets	<u>329,690,754</u>	<u>7,797,675</u>	<u>(9,484,521)</u>	<u>-</u>	<u>328,003,908</u>
Depreciable Assets					
Buildings and improvements	141,891,061	556,328	-	-	142,447,389
Furniture and equipment	19,419,649	1,125,552	(651,314)	-	19,893,887
Vehicles	9,258,799	2,070,821	(1,192,296)	-	10,137,324
Infrastructure	839,999,569	17,523,619	-	18,118	857,541,306
Total Depreciable Assets	<u>1,010,569,078</u>	<u>21,276,320</u>	<u>(1,843,610)</u>	<u>18,118</u>	<u>1,030,019,906</u>
Less Accumulated Depreciation:					
Buildings and improvements	(59,508,950)	(3,931,986)	-	-	(63,440,936)
Furniture and equipment	(10,633,037)	(1,777,034)	623,319	-	(11,786,752)
Vehicles	(7,667,449)	(523,046)	1,185,416	-	(7,005,079)
Infrastructure	(356,860,668)	(25,823,778)	-	(18,118)	(382,702,564)
Total Accumulated Depreciation	<u>(434,670,104)</u>	<u>(32,055,844)</u>	<u>1,808,735</u>	<u>(18,118)</u>	<u>(464,935,331)</u>
Total Depreciable Assets, Net	<u>575,898,974</u>	<u>(10,779,524)</u>	<u>(34,875)</u>	<u>-</u>	<u>565,084,575</u>
Total Net Capital Assets	<u>\$ 905,589,728</u>	<u>\$ (2,981,849)</u>	<u>\$ (9,519,396)</u>	<u>\$ -</u>	<u>\$ 893,088,483</u>

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

Governmental Activities:	
General government	\$ 1,280,884
Public safety	1,150,803
Community development	239,035
Community and cultural	2,086,879
Public works	26,177,235
Internal service funds	1,121,007
Total	<u>\$ 32,055,844</u>

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 5 Capital Assets (continued)

The following is a schedule of changes in business-type activities capital assets for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Non-Depreciable Assets:				
Land	\$ 1,729,408	-	-	\$ 1,729,408
Construction in progress	1,409,873	9,110,969	-	10,520,842
Total Non-Depreciable Assets	<u>3,139,281</u>	<u>9,110,969</u>	<u>-</u>	<u>12,250,250</u>
Depreciable Assets:				
Furniture and equipment	625,019	391,739	-	1,016,758
Infrastructure	44,967,111	-	-	44,967,111
Total Depreciable Assets	<u>45,592,130</u>	<u>391,739</u>	<u>-</u>	<u>45,983,869</u>
Less Accumulated Depreciation:				
Furniture and equipment	(325,000)	(42,559)		(367,559)
Infrastructure	(7,513,431)	(1,059,989)		(8,573,420)
Total Accumulated Depreciation	<u>(7,838,431)</u>	<u>(1,102,548)</u>	<u>-</u>	<u>(8,940,979)</u>
Total Depreciable Assets, Net of Accumulated Depreciation	<u>37,753,699</u>	<u>(710,809)</u>	<u>-</u>	<u>37,042,890</u>
Total Net Capital Assets	<u>\$ 40,892,980</u>	<u>\$ 8,400,160</u>	<u>\$ -</u>	<u>\$ 49,293,140</u>

Depreciation expense for business-type activities was charged as follows:

Electric Utility \$ 1,102,548

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt

a. Changes in Long-Term Debt - Governmental Activities

The following is a schedule of changes in governmental activities long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Adjustments	Balance June 30, 2017	Due Within One Year
Towngate Community Facilities District No. 87-1:						
2007 Towngate Special Tax Refunding Bonds	\$ 5,335,000	\$ -	\$ -	\$ (5,335,000)	\$ -	\$ -
2007 Towngate Improvement Tax Refunding	2,365,000	-	-	(2,365,000)	-	-
Moreno Valley Public Facilities Financing						
2011 Private Replacement Refunding, Series 1997						
Variable Rate Certificates of Participation	776,000	-	(776,000)	-	-	-
Moreno Valley Public Facilities Financing Authority:						
2011 Private Replacement Refunding, Series 1997						
Variable Rate Certificates of Participation	2,062,000	-	(262,000)	-	1,800,000	273,000
2013 Refunding of 2005 Lease Revenue Bonds	8,798,000	-	(1,085,000)	-	7,713,000	1,132,000
Unamortized premium	819,090	-	(117,013)	-	702,077	117,013
2014 Refunding of 2005 Lease Revenue Bonds	22,602,069	-	-	-	22,602,069	-
Unamortized premium	1,380,061	-	(72,635)	-	1,307,426	72,635
City:						
2013 Total Road Improvement Program COP's	20,000,000	-	(490,000)	-	19,510,000	515,000
Unamortized discount	(124,153)	-	5,398	-	(118,755)	5,398
Net Pension liability	55,526,975	16,284,868	(9,600,335)	-	62,211,508	-
Net OPEB liability *	7,665,459	53,086	(1,076,137)	-	6,642,408	-
Accrued self-insurance claims and judgements	1,960,660	877,585	(438,245)	-	2,400,000	859,000
Compensated absences:						
Governmental Funds						
	6,061,760	2,791,083	(2,584,632)	-	6,268,211	3,760,928
Internal Service Funds						
	278,268	128,664	(127,743)	-	279,189	167,513
Totals	<u>\$ 135,506,189</u>	<u>\$ 20,135,286</u>	<u>\$ (16,624,342)</u>	<u>\$ (7,700,000)</u>	<u>\$ 131,317,133</u>	<u>\$ 6,902,487</u>

* Beginning balance adjusted due to GASB 75 implementation.

2011 Private Placement Refunding, 1997 Certificates of Participation

The 2011 Private Placement Refunding of the 1997 Certificates of Participation mature in serial fashion through November 1, 2016 and bear interest of 2.92%. The original amount of the issue was \$4,343,500. The bonds are payable from lease payments made by the City under a project lease dated November 1, 1997, between the City and the Moreno Valley Public Facilities Financing Corporation. The lease payments are equal to the principal and interest on the bonds and are made by the City for the rental use of the public safety building financed by the original 1997 Certificates of Participations issue. The refinancing decreased aggregate debt service payments that were required by approximately \$65,630 and resulted in an economic gain of approximately \$25,174. The debt was fully paid as of June 30, 2017.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

2011 Private Placement Refunding, 1997 Lease Revenue Bonds

The 2011 Private Placement Refunding bonds mature in serial and term fashion through November 1, 2022 and bear interest ranging from 5.2% to 5.5%. The original amount of the issue was \$3,272,000. The bonds are payable from lease payments made by the City under a project lease dated November 1, 1997 between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City for the rental use of the public safety building financed by the original 1997 Lease Revenue bonds issue.

The annual debt service requirements for the 2011 Private Placement Refunding, 1997 Lease Revenue Bonds payable outstanding at June 30, 2017, are as follows:

Year Ending June 30,	2011 Private Placement Refunding 1997 Lease Revenue Bonds	
	Principal	Interest
2018	\$ 273,000	\$ 66,207
2019	282,000	55,163
2020	291,000	43,760
2021	305,000	31,900
2022	318,000	19,502
2023-2024	331,000	6,587
Totals	\$ 1,800,000	\$ 223,119

2013 Refunding Lease Revenue Bonds

Refunding Lease Revenue Bonds 2013 in the original issue amount of \$11,695,000 were issued for the purpose of paying off a portion of the 2005 Lease Revenue Bonds and certain costs related to the issuance of the Bonds. Of the \$11,695,000 originally issued, the portion for the electric utility infrastructure (\$1,240,770) has been separated and is shown as long-term debt of the Electric Fund business-type activities. The bonds mature in serial fashion through November 1, 2032 and bear interest ranging from 3% to 5.00%. The bonds are not subject to optional redemption or mandatory redemption. The bonds are payable from lease payments made by the City under a project lease dated Dec 1, 2013, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the Public Safety Building and the City Hall. The transaction resulted in an economic gain of \$540,661 and a reduction of \$554,000 in future debt service payments.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2017, are as follows:

Year Ending June 30,	2013 Refunding Lease Revenue Bonds	
	Principal	Interest
2018	\$ 1,132,000	\$ 356,649
2019	1,183,000	298,898
2020	1,256,000	238,026
2021	1,312,000	173,920
2022	1,377,000	106,806
2023	1,453,000	36,233
Totals	\$ 7,713,000	\$ 1,210,532

2013 Total Road Improvement Program Certificates of Participation

On August 15, 2013, the City entered into an Installment Sale Agreement with California Communities. The 2013 Total Road Improvement Program Certificates of Participation mature in serial and term fashion through June 1, 2039 and bear interest ranging from 4.000% to 5.125%, commencing on December 1, 2013. The original amount of the issue was \$20,000,000. This issue is fully insured in the event of nonpayment by the City.

The annual debt service requirements for the 2013 Total Road Improvement Program COPs payable outstanding at June 30, 2017, are as follows:

Year Ending June 30,	2013 Total Road Improvement Program Certificates of Participation	
	Principal	Interest
2018	\$ 515,000	\$ 966,813
2019	540,000	941,063
2020	570,000	914,063
2021	600,000	885,563
2022	630,000	855,563
2023-2027	3,585,000	3,832,925
2028-2032	4,515,000	2,902,663
2033-2037	5,795,000	1,628,213
2038-2039	2,760,000	213,968
Totals	\$ 19,510,000	\$ 13,140,834

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

2014 Refunding Lease Revenue Bonds

Refunding Lease Revenue Bonds 2014 in the original issue amount of \$25,325,000 were issued for the purpose of paying off a portion of the 2005 Lease Revenue Bonds and certain costs related to the issuance of the Bonds. Of the \$25,325,000 originally issued, the portion for the electric utility infrastructure (\$2,669,255) has been separated and is shown as long-term debt of the Electric Fund business-type activities. The bonds mature in serial fashion through November 1, 2035 and bear interest ranging from 2% to 5%. The bonds are subject to optional redemption and are subject to mandatory redemption beginning November 2035. The bonds are payable from lease payments made by the City under a project lease dated December 1, 2013, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the Public Safety Building and the City Hall. The refunding transaction resulted in an economic gain of \$4,180,553 and a reduction of \$6,604,104 in future debt service payments.

The annual debt service requirements for the 2014 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2017, are as follows:

Year Ending June 30,	2014 Refunding Lease Revenue Bonds	
	Principal	Interest
2018	\$ -	\$ 1,009,332
2019	-	1,009,332
2020	-	1,009,332
2021	-	1,009,332
2022	-	1,009,332
2023-2027	5,568,885	4,505,988
2028-2032	8,673,147	2,647,792
2033-2036	8,360,037	685,534
Totals	\$ 22,602,069	\$ 12,885,974

Compensated Absences

At June 30, 2017, the amount of compensated absences liability was \$6,547,400. This amount consists of \$6,268,211 for governmental funds, principally paid by the General Fund, and \$279,189 for internal service funds.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

b. Changes in Long-Term Debt - Business-Type Activities

The following is a schedule of changes in business-type activities long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Lease Revenue Bonds, 2007	\$ 22,600,000	\$ -	\$ (22,600,000)	\$ -	\$ -
Less unamortized discount	(229,847)	-	229,847	-	-
Refunding Lease Revenue Bonds, 2013	1,047,000	-	(130,000)	917,000	133,000
Plus unamortized premium	88,246	-	(12,606)	75,640	-
Refunding Lease Revenue Bonds, 2014	2,662,931	-	-	2,662,931	-
Plus unamortized premium	155,918	-	(7,796)	148,122	-
Lease Revenue Bonds, 2015	10,430,000	-	(175,000)	10,255,000	200,000
Less unamortized discount	(40,269)	-	1,438	(38,831)	-
Refunding Lease Revenue Bonds, 2016		24,655,000	(855,000)	23,800,000	825,000
Less unamortized discount		(502,775)	22,853	(479,922)	-
Compensated absences	245,716	105,349	(48,468)	302,597	181,559
Net Pension liability	1,462,149	614,533	(362,283)	1,714,399	-
Net OPEB liability *	282,981	2,003	(40,610)	244,374	-
Totals	<u>\$ 38,704,825</u>	<u>\$ 24,874,110</u>	<u>\$ (23,977,625)</u>	<u>\$ 39,601,310</u>	<u>\$ 1,339,559</u>

2013 Refunding Lease Revenue Bonds

Refunding Lease Revenue Bonds 2013 in the original issue amount of \$11,695,000 were issued for the purpose of paying off a portion of the 2005 Lease Revenue Bonds and certain costs related to the issuance of the Bonds. Of the \$11,695,000 originally issued, the portion for the electric utility infrastructure (\$1,240,770) has been separated and is shown as long-term debt for Electric Fund business-type activities. The bonds mature in serial fashion through November 1, 2032 and bear interest ranging from 3% to 5.00%. The bonds are not subject optional redemption but are subject to mandatory redemption beginning November 1, 2014. The bonds are payable from lease payments made by the City under a project lease dated May 1, 1997, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the Public Safety Building and the City Hall. The refunding transaction resulted in an economic gain of \$540,667 (\$58,446 attributable to the electric fund) and a reduction of \$554,000 (\$59,887 attributable to the electric fund) in the future debt service payments.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2017, are as follows

Year Ending June 30,	Refunding Lease Revenue Bonds, 2013	
	Principal	Interest
2018	\$ 133,000	\$ 43,226
2019	142,000	36,227
2020	149,000	28,850
2021	158,000	21,080
2022	163,000	12,945
2023	172,000	4,390
Totals	\$ 917,000	\$ 146,718

2014 Refunding Lease Revenue Bonds

Refunding Lease Revenue Bonds 2014 in the original issue amount of \$25,325,000 were issued for the purpose of paying off the remaining portion of the 2005 Lease Revenue Bonds and certain costs related to the issuance of the Bonds. Of the \$25,325,000 originally issued, the portion for the electric utility infrastructure (\$2,669,255) has been separated and is shown as long-term debt for Electric Fund business-type activities. The bonds mature in serial fashion between November 2023 and November 2035 and bear interest ranging from 2% to 5%. The bonds are not subject to optional redemption but are subject to mandatory redemption beginning 2035. The bonds are payable from lease payments made by the City under a project lease dated December 1, 2013, between the City and the MVPFA. The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the Public Safety Building and the City Hall, Sunnymead Park and Fire Station 99 (Morrison Park). The transaction resulted in an economic gain of \$4,180,553 (\$440,650 attributable to the electric fund) and a reduction of \$6,604,104 (\$696,043 attributable to the electric fund) in future debt service payments.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2014 Refunding Lease Revenue Bonds payable outstanding at June 30, 2017 are as follows:

Year Ending June 30,	Refunding Lease Revenue Bonds, 2014	
	Principal	Interest
2018	\$ -	\$ 118,918
2019	-	118,918
2020	-	118,918
2021	-	118,918
2022	-	118,918
2023-2027	656,115	530,887
2028-2032	1,021,853	311,958
2033-2036	984,963	80,767
Totals	<u>\$ 2,662,931</u>	<u>\$ 1,518,202</u>

Lease Revenue Bonds, 2015

Lease Revenue Bonds 2015 (Taxable) in the original issue amount of \$10,430,000 were issued for the purpose of financing certain capital improvements of the City including installation of new electrical substation and associated feeders. The bonds mature in serial and term fashion through November 1, 2045 and bear interest ranging from 4.75% to 5.00%. The bonds are payable from base rental payments made by the City pursuant to a master facilities sublease dated December 1, 2015, between the City and the Moreno Valley Public Financing Authority (MVPFA). The lease payments are equal to the principal and interest on the bonds and are made by the City as rent for use of the conference and recreation center. This issue is fully insured in the event of nonpayment by the City.

The annual debt service requirements for the 2015 Lease Revenue Bonds payable outstanding at June 30, 2017 are as follows:

Year Ending June 30,	Lease Revenue Bonds, 2015	
	Principal	Interest
2018	\$ 200,000	\$ 457,444
2019	205,000	453,388
2020	210,000	448,325
2021	215,000	442,344
2022	220,000	435,681
2023-2027	1,210,000	2,054,531
2028-2032	1,475,000	1,782,184
2033-2037	1,845,000	1,400,713
2038-2042	2,345,000	886,876
2043-2045	2,330,000	240,000
Totals	<u>\$ 10,255,000</u>	<u>\$ 8,601,485</u>

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

Refunding Lease Revenue Bonds, 2016

Refunding Lease Revenue Bonds, 2016, in the original issue amount of \$24,655,000 were issued for the purpose of retiring the outstanding portion of the 2007 Lease Revenue Bonds as well as certain costs related to the issuance of the bonds. The bonds are comprised of a combination of serial and term bonds with maturities between 2017 and 2038 and bear interest ranging from 1% to 4.375%. The bonds are subject to optional redemption beginning in 2021. The bonds are payable from lease payments made by the City as rent for the use of the Kitching Electrical Substation, the Moreno Beach Electrical Substation and the Conference and Recreation Center pursuant to a master facility sublease between the City and the Moreno Valley Public Financing Authority (MVPFA) dated December 15, 2015. The transaction resulted in an economic gain of \$2.1 million and a reduction of debt service costs of \$2.8 million.

The annual debt service requirements for the 2016 Refunding Lease Revenue Bonds payable outstanding at June 30, 2017 are as follows:

Year Ending June 30,	Refunding Lease Revenue Bonds, 2016	
	Principal	Interest
2018	\$ 825,000	\$ 873,650
2019	840,000	861,275
2020	850,000	844,475
2021	875,000	825,350
2022	895,000	803,475
2023-2027	4,880,000	3,605,263
2028-2032	5,840,000	2,642,906
2033-2037	7,170,000	1,323,219
2038	1,625,000	71,093
Totals	\$ 23,800,000	\$ 11,850,706

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 Long Term Debt (Continued)

Compensated Absences

At June 30, 2017, the amount of compensated absences liability totaled \$302,597. Based on the current trend of usage, \$181,559 is expected to be paid within one year.

c. Non-Commitment Debts

2007 Community Facilities District No. 5 Special Tax Bonds

The Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds were issued to finance various public improvements needed to develop property located within the Community Facilities District No. 5 ("District"). The original issue amount was \$5,870,000. The Bonds are special limited obligations of the District and are payable solely from revenues derived from certain annual Special Taxes to be levied on and collected from the owners of the taxable land within the District and from certain other funds pledged under the Fiscal Agent Agreement dated May 1, 2007 by and between the City for and on behalf of the District and Wells Fargo Bank, National Association, as fiscal agent.

The Special Taxes are to be levied according to the rates and method of apportionment approved by the City Council, the legislative body of the District, and the qualified electors within the District. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The City is in no way liable for repayment but is acting as an agent for the property owners in collecting the assessments and forwarding the collections to bondholders. Interest on the Bonds will be payable on September 1, 2007 and semiannually thereafter on each March 1 and September 1 thru 2037. Interest rates range from 4.00% to 5.00%. Principal on the Bonds is due each September 1 beginning 2009 and ending 2037. The outstanding balance at June 30, 2017, was \$5,530,000.

2007 Towngate Improvement Tax Refunding Bonds

CFD 87-1 Improvement Area No. 1 Special Tax Refunding Bonds in the original issue of \$4,075,000 were issued in November 2007, to refund prior bonds currently outstanding, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial fashion through October 1, 2023 and bear interest ranging from 3.75% to 4.875%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on April 1, 2009. The bonds are payable from and secured by a special tax levy against certain affected parcels within the District.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 6 **Long Term Debt (Continued)**

a. Non-Commitment Debts

Under an arrangement (a Cooperation and Reimbursement Agreement) involving the District, the City and the Successor Agency of the former RDA, the required tax levy may be reduced in part by a reimbursable tax increment from the Agency to a maximum of 70.3% of required debt service. This debt is not the responsibility of the City but the City will act as the administrator for the collection of the special tax and the transfer of special tax funds to the trustee for the payment of debt service. The outstanding balance at June 30, 2017, was \$2,115,000.

2007 Towngate Special Tax Refunding Bonds

Towngate CFD 87-1 2007 Special Tax Refunding Bonds in the original issue of \$10,665,000 were issued in November 2007, to refund prior bonds currently outstanding, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial fashion through December 1, 2021 and bear interest ranging from 3.50% to 5.00%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on December 1, 2017. The bonds are payable from and secured by a special tax levy against certain affected parcels within the District. Under an arrangement (Participation Agreement) involving the District, the City and the Successor Agency of the former RDA, the required tax levy may be reduced in part by the reimbursable tax increment and utility reimbursements from the Agency. This debt is not the responsibility of the City but the City acts as the administrator for the collection of the special tax and the transfer of special tax funds to the trustee for the payment of debt service. The outstanding balance at June 30, 2017, was \$4,545,000.

2016 Community Facilities District 7 Improvement Area 1 Special Tax Bonds

Community Facilities District No. 7 of the City of Moreno Valley issued bonds in the amount of \$3,265,000 in August 2016 to reimburse the site developer for the cost of certain site improvements. These bonds consist of both serial and term bonds that mature on September 1, 2047 and bear interest rates ranging from 1% to 3.25%. The bonds will be repaid from a special tax assessment levied on the parcels and are subject to optional redemption beginning in September 2026. This debt is not the responsibility of the City but the City acts as the administrator for the collection of the special tax and the transfer of special tax funds to the trustee for the payment of debt service. The outstanding balance at June 30, 2017, was \$3,265,000.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 7 **Interfund Receivables, Payables and Transfers**

Due From Other Funds	Due To Other Funds				Total
	CSD Zones	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Agency Funds	
General Fund	\$ 24,609	\$ 2,860,044	\$ 2,209,775	\$ 3,092	\$ 5,097,520

a. Due To/From other Funds

The City of Moreno Valley utilizes the State of California Local Agency Investment Fund (LAIF) as a short-term investment tool. In June 2006, the General Fund LAIF account reached the LAIF threshold and as an alternative for investing, the remaining funds were loaned to the CSD Zones Fund. The amount of the loans outstanding at June 30, 2017, was \$24,609.

The General Fund has made short-term loans to the following funds to eliminate negative cash balances:

Major Fund:	
Neighborhood Stabilization Grant	\$ 2,860,044
Nonmajor Governmental Funds:	
Article 3 Transportation	33,378
Law Enforcement	237,601
Community Development Grant	489,129
Stormwater Maintenance	248,879
ASES Pogram Grants	454,014
Emergency Solutions Grant	6,334
Public Works Capital Projects	256,709
TUMF Capital Projects	483,731
Total	\$ 5,069,819

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 7 Interfund Receivables, Payables and Transfers

b. Advances To/From Other Funds

	Advances from Other Funds
	Development Impact Fees
Advances to Other Funds	
General Fund	\$ 4,390,500

The General Fund loaned \$4,390,500 to the Development Impact Fees Fund to cover negative cash balances resulting from construction of facilities and purchases of land for future expansion. This loan is to be fully repaid by June 30, 2018.

c. Interfund Transfers

Transfers Out	Transfers In							Total
	General Fund	CSD Zones	Development Impact Fees	Neighborhood Stabilization Grant	Facility Construction	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 1,354,316	\$ -	\$ -	\$ -	\$ 908,656	\$ 913,700	\$ 3,176,672
Development Impact Fees	-	-	-	-	48,000	2,914,600	-	2,962,600
Housing Authority	-	-	-	594,000	-	-	-	594,000
Nonmajor Governmental Funds	-	-	1,126,553	-	-	1,537,645	-	2,664,198
Internal Service Funds	2,547,650	-	-	-	-	803,311	65,000	3,415,961
Electric Utility	-	-	-	-	-	-	4,793	4,793
Total	\$ 2,547,650	\$ 1,354,316	\$ 1,126,553	\$ 594,000	\$ 48,000	\$ 6,164,212	\$ 983,493	\$ 12,818,224

The General Fund transferred a total of \$3,176,672 to several funds to provide subsidies to cover the operating deficits and to cover the cost for general benefit services.

The Development Impact Fees Fund transferred a total of \$2,914,000 to non-major governmental funds for debt service payments and to provide support for several capital projects in the fiscal year.

The Internal Service Funds transferred a total of \$69,793 between other Internal Service funds primarily as a result of reserve funds being transferred to the Equipment Maintenance Fund for future vehicle fleet replacements.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 8 Employee Pension Plan

a. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as common investment and administrative agent for its participating member employers. Benefits provisions under the Plan are established by State statute and City resolution. CalPERS issues publically available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous		
	Prior to December 23, 2011	December 23, 2011 thru December 31, 2012	On or after January 1, 2013
Hire Date			
Benefit Formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50-55	50-55	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	27.196%	27.196%	27.196%

Employees Covered – At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Active employees	315
Retired employees	305
Inactive employees	249

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 8 Employee Pension Plan (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

b. Net Pension Liability

The City’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2015
Measurement date	June 30, 2016
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	Varies by Entry Age and Service (1)
Investment rate of return	7.50% (2)
Mortality	Derived using CalPERS’ Membership Data for all Funds

- (1) Depending on age, service, and type of employment
- (2) Net of pension plan investment expenses, including inflation

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 8 **Employee Pension Plan (Continued)**

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is without reduction of pension plan administrative expenses and will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 8 Employee Pension Plan (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	<u>100%</u>		

- (a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 8 Employee Pension Plan (Continued)

c. Changes in the Net Pension Liability

The changes in the Net Pension Liability over the measurement period are as follows:

Miscellaneous Plan:	Total Pension Liability	Plan Fidicary Net Position	Net Pension Liability	Governmental Activities Net Pension Liability (Asset)	Enterprise Net Pension Liability (Asset)
Balance at June 30, 2016	\$ 174,042,297	\$ 117,053,173	\$ 56,989,124	\$ 55,526,975	\$1,462,149
Changes in the year:					
Service cost	3,836,160	-	3,836,160	3,696,661	139,499
Interest on the total pension liability	12,991,903	-	12,991,903	12,519,463	472,440
Difference between actual and expected expereinc	(2,531,675)	-	(2,531,675)	(2,439,613)	(92,062)
Contribution - employer	-	5,086,125	(5,086,125)	(4,901,172)	(184,953)
Contribution - employee (paid by employer)	-	1,705,426	(1,705,426)	(1,643,410)	(62,016)
Net investment income	-	639,392	(639,392)	(616,140)	(23,252)
Benefit payments	(7,199,811)	(7,199,811)	-	-	-
Administrative expenses	-	(71,338)	71,338	68,744	2,594
Net Changes	<u>7,096,577</u>	<u>159,794</u>	<u>6,936,783</u>	<u>6,684,533</u>	<u>252,250</u>
Balance at June 30, 2017	<u>\$ 181,138,874</u>	<u>\$ 117,212,967</u>	<u>\$ 63,925,907</u>	<u>\$ 62,211,508</u>	<u>\$1,714,399</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net pension liability	\$ 88,592,063
Current Discount Rate	7.65%
Net pension liability	\$ 63,925,907
1% Increase	8.65%
Net pension liability	\$ 43,537,025

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 8 Employee Pension Plan (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension expense of \$4,819,662, principally paid by General Fund, Community Services District, and the Electric Utility. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,548,710	\$ -
Changes of assumptions	-	(975,289)
Differences between expected and actual experiences	-	(1,953,918)
Net difference between projected and actual earnings on pension plan investments	10,194,519	(3,887,762)
	\$ 15,743,229	\$ (6,816,969)

\$5,548,710 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ (1,366,555)
2018	249,930
2019	2,850,174
2020	1,664,001
2021	-
Thereafter	-

As of June 30, 2017, the City did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 9 Other Post-Employment Benefits (OPEB)

Plan Description

The City's defined benefit postemployment healthcare plan provides a portion of certain health care for retired employees. In accordance with City policy, employees hired prior to September 30, 2011, who retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability) and are not temporary employees, are eligible for these benefits. In June 2009, the City established an irrevocable trust fund to begin funding the City's unfunded liability through the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, are established by state statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. The City administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date and employment status (Management or Non-Management). Benefits continue to the surviving spouses.

CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

Benefits Provided

The Public Employees' Medical and Hospital Care Act (PEMHCA) minimum amount for retirees participating in PEMHCA is \$128 per month for 2017. PEMHCA amounts are adjusted on an annual basis.

An additional \$318.73 per month will be paid for medical, dental, and vision for full-time employees hired and for City Council elected before September 30, 2011. The total subsidy will not be greater than the premium for the retiree and spouse. Coverage is allowed under any medical plan.

Employees Covered by Benefit Terms

At December 31, 2016 (the census date), the following employees were covered by the benefit terms:

Category	Count
Active employees	287
Inactive employees or beneficiaries currently receiving benefit payments	272
Inactive employees entitled to but not yet receiving benefit payment	0

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 9 Other Post-Employment Benefits (OPEB) (continued)

Contributions

The City establishes contributions based on the Actuarially Determined Contribution (ADC). For the year ended June 30, 2017, the City's average contribution rate was 4.06% of covered-employee-payroll. Employees do not contribute to the plan, but instead pay the difference between the benefit that they receive and the monthly premium for that benefit.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions

This valuation assumes that the City will fund the OPEB benefits using the ADC each year, with the ADC calculated as the sum of the Entry Age Normal Cost (cash subsidy only) for the year plus amortization of the Unfunded Actuarial Accrued Liability (UAAL) and estimated administrative expenses. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.

The total OPEB liability for the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Aggregate salary increases of 3%. Individual salary increases based on CalPERS
Investment rate of return	7.00%
Healthcare cost trend rates	7% in the first year, trending down to 3.94% over 58 years

Mortality rates were based on CalPERS tables

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 9 **Other Post-Employment Benefits (OPEB) (continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57%	5.82%
Fixed Income	27%	2.37%
Treasury Inflation Protection Securities	5%	1.44%
Real Estate Investment Trusts	8%	4.25%
Commodities	3%	2.34%
Total	100%	4.44%

Discount rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was determined to be the long-term expected rate of return on OPEB plan investments.

Change in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2016	\$ 16,389,328	\$ 8,440,888	\$ 7,948,440
Changes for the year:			
Service cost	397,604	-	397,604
Interest on the total OPEB liability	1,103,301	-	1,103,301
Contribution - employer	-	1,116,747	(1,116,747)
Net investment income	-	1,450,417	(1,450,417)
Benefit payments	(977,892)	(977,892)	-
Administrative expense	-	(4,601)	4,601
Net Changes	523,013	1,584,671	(1,061,658)
Balance at June 30, 2017	\$ 16,912,341	\$ 10,025,559	\$ 6,886,782

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 9 Other Post-Employment Benefits (OPEB) (continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) follows:

	<u>1% Decrease 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net OPEB liability	\$ 6,548,223	\$ 6,886,782	\$ 6,806,147

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.94%) or one percentage point higher (4.94%) than current healthcare cost trend rates follows:

	<u>1% Decrease 6.00% decreasing to 2.94%</u>	<u>Healthcare Cost Trend Rate 7.00% decreasing to 3.94%</u>	<u>1% Increase 8.00% decreasing to 4.94%</u>
Net OPEB liability	\$ 5,073,387	\$ 6,886,782	\$ 8,563,139

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2017, the City recognized OPEB expense of \$738,845. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 9 Other Post-Employment Benefits (OPEB) (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on OPEB plan investments	\$ <u>-</u>	\$ <u>683,756</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2018	\$ (170,939)
2019	(170,939)
2020	(170,939)
2021	(170,939)
2022	-

Note 10 Commitments and Contingencies

a. Community Facilities District No. 87-1 Agreement

In connection with the issuance of the Community Facilities District No. 87-1 (CFD) Towngate 2007 Special Tax Refunding Bonds, the former Community Redevelopment Agency entered into an owner participation agreement whereby the Agency has committed tax increment for the payment of debt service requirements for these Bonds.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 10 **Commitments and Contingencies**

b. Construction Commitments

The following material construction commitments existed at June 30, 2017:

	Contract Amount	Expenditures to date as of 6/30/2017	Remaining Commitments
<u>Governmental Activities</u>			
Cycle 7 Pedestrian Improvement	\$ 113,344	\$ 87,731	\$ 25,613
Cycle 6 ADA Ramp Improvement	309,684	67,356	242,328
Heacock Street Improvement from Iris to Gentian	1,789,964	675,053	1,114,911
Farragut Ave Street Improvement	475,000	149,137	325,863
Alessandro Ave Elsworth Intersection Improvement	1,007,303	-	1,007,303
Residential Traffic Management Program -Speed Humps	67,000	-	67,000
Box Springs Communication Site	490,469	-	490,469
SR-60/ Nason Overcrossing Bridge	14,991,322	14,968,663	22,659
<u>Electric Utility</u>			
Kitching Substation	\$ 18,294,841	\$ 12,404,769	\$ 5,890,072
Solar Carport	2,561,369	104,028	2,457,341

c. Litigation

There are several lawsuits pending against the City. The outcome and eventual liability of the City, if any, in these cases is not known at this time. Management estimates that the potential claims against the City, not covered by insurance or self-insurance reserves, resulting from such litigation would not materially affect the financial statements of the City.

d. Grants Review

The City has received local, state and federal funds for specific purposes that are subject to review and audit by the contracting agencies. Although such audits could generate expense disallowances under terms of the grants or contracts, it is believed that any required reimbursements will not be material.

e. Tax Abatements

As of June 30, 2017 the City provides tax abatements through the Hire MoVal program. The Hire-MoVal program has been designed to provide local businesses with an incentive to hire local residents for their job force. This program is also a tool for the City's business recruitment/retention efforts. Businesses that participate in this program may qualify to receive refunds of sales tax dollars. The refunds or abatements only apply to sales tax revenues generated by that company.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 10 **Commitments and Contingencies (continued)**

The Hire-Moval program requires that 30% of the company workforce be comprised of city residents. The manner by which the amount of the abatement is determined can vary from agreement to agreement. As of June 30, 2017 the City only has one agreement in place for the abatement of sales taxes.

The terms of that agreement, approved by City Council Resolution 2015-54, require that sales tax is refunded based on preset percentages over the life of the agreement. The current agreement covers ten year period but may be lengthened to twenty years if additional conditions are met. Payments are made to the business on a quarterly basis as the detailed sales tax data is received from the California Board of Equalization.

The participating business is required to certify their compliance annually. If hiring levels fall below the 30% for a given year the City is entitled to recapture a pro-rate share of the revenues abated for that year. The recapture clause is limited to the payments that pertain to the particular year where the requirement was not met and cannot be applied to any payments previously earned.

Agreement Years	Tax Abatement Rate
Years 1 through 5	60%
Years 6 through 10	50%
Years 11 through 15*	50%
Years 16 through 20*	40%

Note * Additional conditions must be met to extend the agreement to years 11 through 20.

Section 7056.a.1 of the California Revenue and Taxation Codes states that “it is unlawful for the board, any person having an administrative duty under this part or any person who obtains access to information contained in, or derived from, sales or transactions and use tax records of the board pursuant to subdivision (b), to make known in any manner whatever the business affairs, operations, or any other information pertaining to any retailer or any other person required to report to the board or pay a tax pursuant to this part”. As such the City is unable to provide the amount of the tax that was abated during the year since this would result in a breach of the confidentiality standard.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 11 **Self-Insurance**

The City is a member of CSAC Excess Insurance Authority. The Authority is a member directed joint powers insurance pool, which has been operational since October of 1979. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverage.

The City participates in the excess workers' compensation and employer's liability programs of the Authority. For workers' compensation, the City has a self-insured retention of \$300,000 per occurrence. For employer's liability, the City has a self-insured retention of \$250,000 per occurrence. The City has a pooled retention of \$5,000,000 each occurrence, a \$45,000,000 reinsurance layer in excess of the \$5,000,000 pooled retention per occurrence for workers' compensation claims, and a \$5,000,000 employer's liability reinsurance layer per occurrence in excess of the \$5,000,000 pooled retention. During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There has been no significant reduction in pooled or insured liability coverage from coverage in the prior year.

Self-Insurance Payable

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The City established two self-insurance funds (Internal Service Funds) to account for and finance its uninsured risks of loss. Under this program, the self-insurance funds provide coverage for up to a maximum of \$300,000 for each workers' compensation claim and \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. All funds of the City participate in the program and make payments to the self-insurance funds based on actuarial estimates of the amounts needed to pay prior and current year claims.

The fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end. The accruals are in the amounts of \$1,446,000 and \$954,000 for the workers' compensation claims and general liability claims, respectively, for a total of \$2,400,000. Of these amounts, the current year's adjustment is an increase of \$439,340.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 11 Self-Insurance (Continued)

A reconciliation of changes in aggregate liabilities for claims for the current fiscal year and the prior fiscal year is as follows:

	General Liability	Workers; Compensation	Total
Amounts of accrued claims at June 30, 2015	\$ 847,000	\$ 1,370,000	\$ 2,217,000
Incurred claims, representing the total of a provision for events for the current fiscal year and any changes (increase or decrease) in the provision for events of prior fiscal years and adjustments to estimates.	(44,100)	422,000	377,900
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(195,240)</u>	<u>(439,000)</u>	<u>(634,240)</u>
Amount of accrued claims at June 30, 2016	607,660	1,353,000	1,960,660
Incurred claims, representing the total of a provision for events for the current fiscal year and any changes (increase or decrease) in the provision for events of prior fiscal years and adjustments to estimates.	619,156	360,105	979,261
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(272,816)</u>	<u>(267,105)</u>	<u>(539,921)</u>
Amount of accrued claims at June 30, 2017	<u>\$ 954,000</u>	<u>\$ 1,446,000</u>	<u>\$ 2,400,000</u>

Note 12 Successor Agency Trust for Assets of the Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Moreno Valley that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-04.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 12 **Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The City acts as the Successor Agency for the former redevelopment agency and accounts for its activities in a private purpose trust fund.

Cash and Investments

Cash and investments of the Successor Agency reported in the accompanying financial statements consisted of the following:

Cash and investments	\$ 3,016,198
Cash and investments with fiscal agent	<u>89</u>
	<u><u>\$ 3,016,287</u></u>

The Successor Agency's cash and investments are pooled with the City's cash and investments in order to generate optimum interest income. The share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investments is reported in Note 3.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 12 **Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2017, follows:

	Balance July 1, 2016	Additions	Repayments	Balance June 30, 2017	Due Within One Year
Fiduciary Activities					
City loans - principal	\$11,597,136	\$ -	\$ (595,140)	\$11,001,996	\$ 595,140
City loans - interest	3,208,205	-	(167,860)	3,040,345	167,860
2007 TABs, Series A	41,350,000	-	(245,000)	41,105,000	250,000
Totals	<u>\$56,155,341</u>	<u>\$ -</u>	<u>\$ (1,008,000)</u>	<u>\$55,147,341</u>	<u>\$ 1,013,000</u>

Loans Payable to the City of Moreno Valley

The Towngate Regional Mall notes (Sears Note), totaling \$13,000,000, originated from a participation agreement (as amended) whereby the Agency acquired certain parcels within the mall for subsequent transfer to major tenants. The notes bear interest of 4.9% and are payable solely from available site-generated property tax increment. Furthermore, the Agency had covenanted to use reasonable best efforts to refinance these notes with Tax Allocation Bonds, provided such financing is determined to be fiscally feasible. During 2003-2004, the City purchased the rights to the notes from the holder.

In a letter dated May 26, 2012, the California Department of Finance approved this loan as an enforceable obligation. At June 30, 2017, the outstanding principal and accrued interest balances are \$11,001,996 and \$3,040,345, respectively.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 12 **Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

2007 Tax Allocation Bonds Series A

The former Redevelopment Agency 2007 Tax Allocation Bonds, Series A, in the original issue amount of \$43,495,000 were issued in November 2007 for the purpose of financing various redevelopment activities and other undertakings permitted under the Redevelopment Law, to fund a reserve for the bonds and to pay issuance costs. The bonds mature in serial and term fashion through August 1, 2038 and bear interest ranging from 3.5% to 5.0%. The bonds are subject to both optional and mandatory redemption prior to maturity beginning on August 1, 2017. The bonds are payable solely from Tax Increment Revenues and other funds and amounts pledged therefore pursuant to the Indenture. This issue is fully insured in the event of nonpayment by the Agency.

The annual debt service requirements for the 2007 Tax Allocation Bonds Series A payable outstanding at June 30, 2017, are as follows:

Year Ending June 30,	2007 Tax Allocation Bonds Series A	
	Principal	Interest
2018	\$ 250,000	\$ 1,990,209
2019	260,000	1,980,009
2020	265,000	1,969,509
2021	270,000	1,958,640
2022	285,000	1,947,015
2023-2027	7,960,000	8,883,484
2028-2032	10,680,000	6,680,659
2033-2037	14,340,000	3,561,250
2038	6,795,000	343,875
Totals	\$ 41,105,000	\$ 29,314,650

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 12 **Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

Pledged Revenue

The former Redevelopment Agency pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill X1 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$70,419,650 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$5,942,322 and the debt service obligation on the bonds was \$2,245,110.

a. Insurance

The Successor Agency is covered under the City of Moreno Valley's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 12.

b. Commitments and Contingencies

Litigation

At June 30, 2017, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 13 Restatement of Net Position

The financial statements of the Governmental Activities, Governmental Funds and Proprietary Fund as of and for the year ended June 30, 2016 were restated to retroactively report the net OPEB liability as of the beginning of the fiscal year as a result of implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The City made adjustments for these items as a cumulative effect of change in accounting principle.

In addition, the City removed the fund balances and the related debt of the Agency Funds of \$3,712,416 and \$7,700,000, respectively, previously reported in the Debt Service Funds of the City.

Governmental Activities:

	Governmental Activities		
	Net Position	Long-term debt*	Net OPEB Liability
Balance as previously reported	\$ 1,012,158,113	\$ 73,912,755	\$ 1,599,000
Adjustment to reflect the retroactive effect of GASB 75 implementation	1,599,000	6,066,459	6,066,459
Adjustment to remove fund balances of Agency funds previously reported in Debt Service funds	(3,712,416)	-	-
Adjustments on the debts of Agency Funds previously reported in Debt Service funds	7,700,000	(7,700,000)	-
Balance as restated	\$ 1,017,744,697	\$ 72,279,214	\$ 7,665,459

* Excludes Net Pension Liability

Governmental Funds:

	Governmental Funds		
	Fund balance	Debt Service Funds	
		2007 Towngate Improvement Refunding	2007 Towngate Refunding
Balance as previously reported	\$ 161,092,291	\$ 860,301	\$ 2,852,115
Adjustment to remove fund balances of Agency funds previously reported in Debt Service funds	(3,712,416)	(860,301)	(2,852,115)
Balance as restated	\$ 157,379,875	\$ -	\$ -

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2017 (Continued)

Note 13 Restatement of Net Position (Continued)

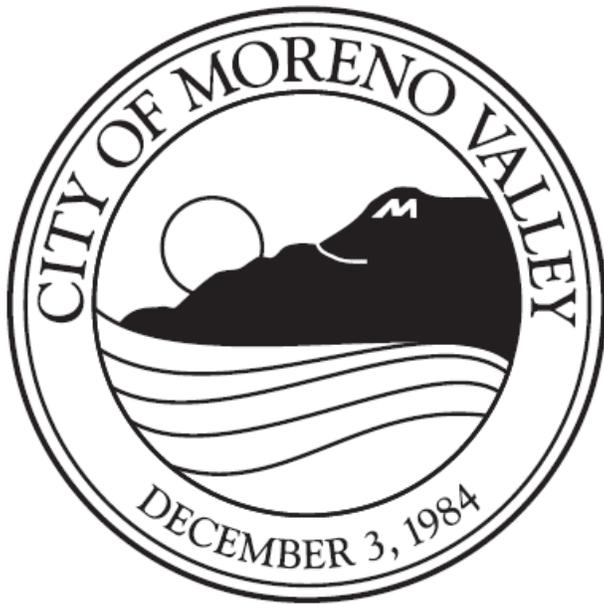
Proprietary Fund:

	Proprietary Fund	
	Enterprise Fund - Electric	Net OPEB Liability
Balance as previously reported	\$ 26,464,746	\$ -
Ajustment to reflect the retroactive effect of GASB 75 implementation	(282,981)	282,981
Balance as restated	\$ 26,181,765	\$ 282,981

Note 14 Subsequent Events

The City has evaluated events subsequent to June 30, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 5, 2017, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

On September 13, 2017, the Successor Agency for the City of Moreno Valley issued bonds in the amount of \$38,045,000 for the purpose of paying off the remaining portion of the 2007 Moreno Valley Redevelopment Agency Tax Allocation Bonds (\$40,855,000 as of August 1, 2017). These bonds are comprised of both serial and term bonds bearing interest rates ranging from 3.125% to 5%. With a final maturity of August 1, 2038 that bear a true interest cost of 3.057%. These bonds include an optional call provision beginning in 2027. The repayment of this debt will be financed through Tax Increment and has been approved by the California Department of Finance to be included in future Recognized Obligation Payment Schedules (ROPS) submitted by the Successor Agency. This transaction is a current refunding of the outstanding debt, and will result in an economic gain of \$8 million and a net savings in debt service costs of \$9.2 million.



City of Moreno Valley, California

**Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years***

	Last Ten Years *		
	Reporting Period		
	2015	2016	2017
Total Pension Liability			
Service cost	\$ 4,630,703	\$ 4,122,713	\$ 3,836,160
Interest on total pension liability	11,785,648	12,457,642	12,991,903
Changes in assumptions	—	(3,142,601)	—
Differences between expected and actual experience	—	(1,159,680)	(2,531,675)
Benefit payments, including refunds of employee contributions	(5,670,706)	(6,643,394)	(7,199,811)
Net change in total pension liability	<u>10,745,645</u>	<u>5,634,680</u>	<u>7,096,577</u>
Total pension liability - beginning of year	<u>157,661,972</u>	<u>168,407,617</u>	<u>174,042,297</u>
Total pension liability - end of year (a)	<u>\$ 168,407,617</u>	<u>\$ 174,042,297</u>	<u>\$ 181,138,874</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 4,620,745	\$ 4,923,787	\$ 5,086,125
Contributions - employee	1,934,518	1,688,857	1,705,426
Net investment income	16,911,034	2,629,698	639,392
Benefit payments	(5,670,706)	(6,643,394)	(7,199,811)
Administrative expenses	—	(132,025)	(71,338)
Net change in plan fiduciary net position	<u>17,795,591</u>	<u>2,466,923</u>	<u>159,794</u>
Plan fiduciary net position - beginning of year	<u>96,790,659</u>	<u>114,586,250</u>	<u>117,053,173</u>
Plan fiduciary net position - end of year (b)	<u>\$ 114,586,250</u>	<u>\$ 117,053,173</u>	<u>\$ 117,212,967</u>
Net pension liability - end of year (a)-(b)	<u>\$ 53,821,367</u>	<u>\$ 56,989,124</u>	<u>\$ 63,925,907</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>68.04%</u>	<u>67.26%</u>	<u>64.71%</u>
Covered - employee payroll	<u>\$ 23,278,052</u>	<u>\$ 22,079,654</u>	<u>\$ 20,814,759</u>
Net pension liability as percentage of covered-employee payroll	<u>231.21%</u>	<u>258.11%</u>	<u>307.12%</u>

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumption - In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

City of Moreno Valley, California

Schedule of Pension Plan Contributions Last Ten Years*

	2015	2016	2017
Actually determined contributions	\$ 4,616,283	\$ 4,919,325	\$ 5,081,663
Contributions in relation to the actuarially determined contributions	(4,620,745)	(4,923,787)	(5,086,125)
Contribution deficiency / (excess)	\$ (4,462)	\$ (4,462)	\$ (4,462)
 Covered-employee payroll	\$ 23,278,052	\$ 22,079,654	\$ 20,814,759
 Contributions as a percentage of covered-employee payroll	19.85%	22.30%	24.44%

Notes to Schedule:

Valuation date	6/30/2013	6/30/2014	6/30/2015
----------------	-----------	-----------	-----------

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial cost method	Entry Age Normal
Amortization method / Period	For details, see June 30, 2013 Funding Valuation Report.
Asset valuation method	Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50%, Net of Pension Plan Investment Expense and Administrative Expenses; including inflation.
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

City of Moreno Valley, California

**Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Ten Years***

	Fiscal Year Ending June 30, 2017 *
Total OPEB Liability	
Service cost	\$ 397,604
Interest on total OPEB liability	1,103,301
Benefit payments, including refunds of employee contributions	<u>(977,892)</u>
Net change in total OPEB liability	523,013
Total OPEB liability - beginning of year	<u>16,389,328</u>
Total OPEB liability - end of year (a)	<u>\$ 16,912,341</u>
 Plan Fiduciary Net Position	
Net investment income	\$ 1,450,417
Contributions - employer	1,116,747
Benefit payments, including refunds of employee contributions	(977,892)
Administrative expenses	<u>(4,601)</u>
Net change in plan fiduciary net position	1,584,671
Plan fiduciary net position - beginning of year	<u>8,440,888</u>
Plan fiduciary net position - end of year (b)	<u>\$ 10,025,559</u>
 Net OPEB liability - end of year (a)-(b)	<u>\$ 6,886,782</u>
 Plan fiduciary net position as a percentage of the total pension liability	<u>59.28%</u>
 Covered - employee payroll	<u>\$ 20,650,038</u>
 Net OPEB liability as percentage of covered-employee payroll	<u>33.35%</u>

* Fiscal year 2017 was the first year of implementation, therefore only one year is shown.

City of Moreno Valley, California

**Schedule of Contributions – OPEB
Last Ten Years***

	<u>2017</u>
Actually determined contributions	\$ 642,132
Contributions in relation to the actuarially determined contributions	(838,855)
Contribution deficiency / (excess)	<u>\$ (196,723)</u>
Covered-employee payroll	<u>\$ 20,650,038</u>
Contributions as a percentage of covered-employee payroll	<u>4.06%</u>

Notes to Schedule:

Valuation date	6/30/2017
Assumptions and methods	
Actuarial cost method	Entry age normal cost, level percent of pay
Amortization method	Closed period
Amortization period	20 years
Asset valuation method	Market value 3/31/2017, projected to 6/30/2017
Inflation	2.50%
Healthcare trend rates	7.00%, trending down to 3.94%
PEMHCA trend rate	3.00%
Rate of return on assets	7.00%
Mortality rate	CalPERS rates
Retirement rates	CalPERS rates
Other information	The ADC does not take into account the implicit subsidy

* Fiscal year 2017 was the first year of implementation, therefore only one year is shown.

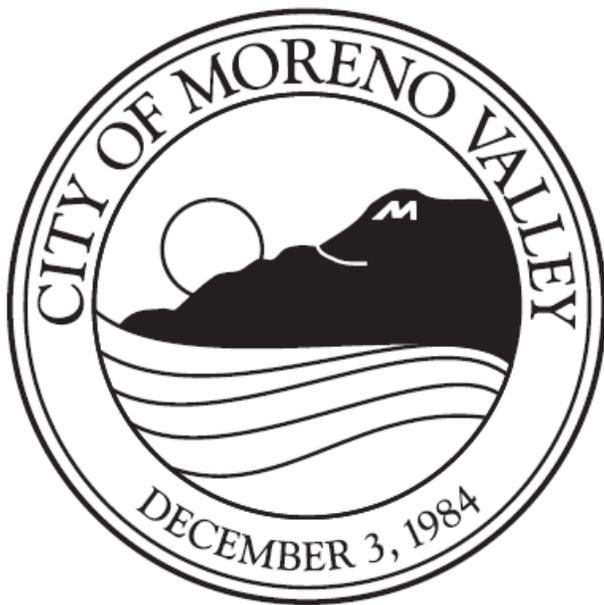
City of Moreno Valley, California

**Schedule of Investment Returns – OPEB
Last Ten Years***

	Fiscal Year Ending June 30, 2017
Annual money-weighted rate of return, net of investment expense	<u>9.77%</u>

Notes: Rate of return shown on a April 1 - March 31 basis

* Fiscal year 2017 was the first year of implementation, therefore only one year is shown.



SUPPLEMENTAL SCHEDULES



CITY OF MORENO VALLEY, CA

FISCAL YEAR ENDED JUNE 30, 2017

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

State Gas Tax Fund

This fund is used to account for the City's share of state gas tax revenue restricted for street improvement and maintenance. The revenue is apportioned under the Streets and Highway Code of the State of California.

Article 3 Transportation Fund

This fund is used to account for the City's share of Article 3 revenue restricted for construction of pedestrian and bikeway projects.

Measure A Fund

This fund is used to account for the City's share of the Riverside County half-cent sales tax restricted for transportation projects.

Law Enforcement Grants Fund

This fund is used to account for revenue from several grants restricted for law enforcement. The grants include the Supplemental Law Enforcement Services Fund (SLESF), Office of Traffic Safety Grant (OTS), Edward Byrne Memorial Justice Assistance Grant (JAG).

Other Grants Fund

This fund is used to account for revenues and expenditures received from various governmental agencies and other sources for multiple purposes including beverage recycling, energy efficiency, and public safety.

Public Education Government Access Fund

This fund is used to account for revenues and expenditures received in support of the City's cable television channel, MVTV-3. This fund also includes activity related to public education and government programming and equipment.

Air Quality Management Fund

This fund is used to account for the City's share of the State AB 2766 funds. The revenue is apportioned to cities by the South Coast Air Quality Management District and is restricted for programs to reduce air pollution from mobile sources pursuant to the California Clean Air Act of 1988.

Community Development Block Grant Fund

This fund is used to account for federal funds received from the U.S. Department of Housing and Urban Development – Community Development Block Grant Program to be used for the development of suitable housing environment and expansion of economic opportunities for low and moderate income families.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

Special Districts Administration Fund

This fund is used to account for the coordination and administration of all special assessments districts formed within the City for infrastructure improvements.

Storm Water Management Fund

This fund is used to account for the city-wide storm water and non-storm water pollution prevention compliance work conducted and programs prepared to comply with regulations set forth by the current National Pollutant Discharge Elimination System (NPDES).

HOME Fund

This fund is used to account for federal funds received from the U.S. Department of Housing and Urban Development to be used to develop and implement programs that expand the supply of affordable housing for low and very low income families.

Child Care Grant Fund

This fund is used to account for the Child Care grant program which provides after-school day care for the City's residents.

Used Oil Recycling Grant Fund

This fund is used to account for the California Integrated Waste Management Board Used Oil Block Grant. The program provides public education and convenient used oil collection sites.

Storm Water Maintenance Fund

This fund is used to ensure the safety and cleanliness of our City streets and the City's maintained storm drain system by cleaning all catch basins, connector pipes and culverts on an annual basis and by providing emergency services, as needed.

ASES Program Grants Fund

This fund is used to account for the ASES program grants which provide after school education, after school safety and a food program that helps providers serve nutritious and safely prepared meals and snacks to children and adults in a day care setting.

CFD No. 2014-01 Fund

This fund is used to account for the maintenance services related to parkway and median landscaping and street lighting for new developments that have annexed into the citywide district.

CFD No. 4-M Fund

This fund is used to account for the maintenance and administration costs of the detention basin within Centerpointe Business Park.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

Civil Penalties Fund

This fund is used to account for all financial transactions involving civil penalties received by the City in accordance with the provisions of SB 1137, which requires legal owners of vacant properties to maintain and care for them.

Emergency Services Agency Fines Fund

This fund is used to account for the financial transactions involving American Medical Response (AMR) fines received by the City, which are to be used only to fund the purchase of various equipment needed by the Fire Department.

Energy Efficiency Revolving Fund

This fund is used to account for cost-effective energy efficiency programs and projects with the use of utility rebates and incentives.

Capital Projects Grants Fund

This fund is used to account for capital project financed by grants.

Emergency Solutions Grants Fund

This fund is used to account for federal funds received from the U.S. Department of Housing and Urban Development to be used to assist, protect, and improve living conditions for the homeless and to provide homeless prevention services for low-income families.

CAPITAL PROJECTS FUNDS:

Public Works Capital Projects Fund

This fund is used to account for general City capital projects.

Traffic Signal Mitigation Fund

This fund is used to account for traffic signal projects funded by revenues received from traffic mitigation fees.

Fire Services Capital Projects Fund

This fund is used to account for capital projects specific to Fire Services, including construction of new fire stations.

Parks and Community Services Development and Projects Fund

This fund is used to account for parks acquisition and development projects in accordance with the Quimby Act, a 1965 provision in the State Subdivision Map Act for the dedication of park land. This fund is used to account for general parks and recreation capital projects, the development of new parks and recreation facilities, community parks, neighborhood parks and sports facilities and for the major renovation of existing parks and facilities.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS (CONTINUED):

TUMF Capital Projects Fund

This fund is used to account for transportation capital projects funded by the City's share of the Transportation Uniform Mitigation Fee (TUMF) which is a mandatory development impact fee program in Western Riverside County. This program, enacted by a two-thirds majority of voters in 2002, was designed to pay for major roads and interchange projects that are needed to serve communities as a result of new development. The Western Riverside Council of Governments (WRCOG) administers the program.

DIF Capital Projects Fund

This group of funds is used to account for construction of major capital improvements funded by the development impact fee (DIF) revenues charged to developers.

TRIP Capital Projects Fund

This fund is used to account for the construction of capital improvements funded by the 2013 TRIP Certificates of Participation issued in August 2013.

DEBT SERVICE FUNDS:

2011 Private Placement Refunding 97 Lease Rev Bonds

This fund is used to account for the accumulation of resources and for the payment of the refinancing of the 1997 Lease Revenue Bonds.

2011 Private Placement Refunding 97 Various COPs

This fund is used to account for the accumulation of resources and for the payment of the refinancing of the 1997 Certificates of Participation.

TRIP COP 13A

This fund is used to account for the accumulation of resources and for the payment of the 2013 TRIP Certificates of Participation issued in August 2013.

2013 Refunding 2005 Lease Revenue Bonds

This fund is used to account for the accumulation of resources and for the payment of the refinancing of the 2005 Lease Revenue Bonds.

2014 Refunding 2005 Lease Revenue Bonds

This fund is used to account for the accumulation of resources and for the payment of the refinancing of the 2005 Lease Revenue Bonds.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

PERMANENT FUNDS:

Celebration Park Endowment Fund

This fund is used to account for the endowment program for Celebration Park. The principal endowment amount was provided by a developer. The Parks and Community Services Department may use 85% of the interest earned each year to sponsor a community event at Celebration Park for the surrounding community to enhance community pride and involvement.

Equestrian Trail Endowment Fund

This fund is used to account for the endowment program for the Equestrian Trail. The principal endowment amount was provided by a developer. The interest earned will be used for the benefit of citywide trail use, maintenance, education and other trail-related costs.

Rockridge Park Endowment Fund

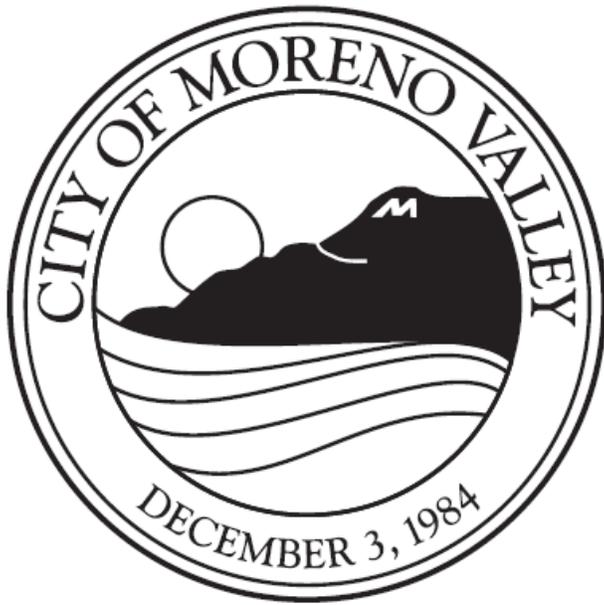
This fund is used to account for the endowment program provided for Rockridge Park. The principal endowment was provided by a developer. The interest earned will be used for the benefit of the facilities at Rockridge Park.

NPDES Endowment Fund

This fund is used to account for the endowment program provided for by National Pollutant Discharge Elimination System (NPDES). The principal endowment was provided by a property owner. The interest earned will be used for the benefit of the NPDES program.

Cultural Preservation Fund

This fund is used to account for funds held and managed for the purposes of securing a museum location or renovating a building for use as a museum. The interest earned will be used for the benefit of museum facility acquisition.



City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	<u>Special Revenue Funds</u>			
	State Gasoline Tax	Article 3 Transportation	Measure A	Law Enforcement Grants
Assets				
Pooled cash and investments	\$ 42,194	\$ -	\$ 4,517,406	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	128,997	677,216	255,745
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 42,194</u>	<u>\$ 128,997</u>	<u>\$ 5,194,622</u>	<u>\$ 255,745</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ 42,194	\$ 95,619	\$ 59,283	\$ 18,144
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	33,378	-	237,601
Total Liabilities	<u>42,194</u>	<u>128,997</u>	<u>59,283</u>	<u>255,745</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	5,135,339	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>5,135,339</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 42,194</u>	<u>\$ 128,997</u>	<u>\$ 5,194,622</u>	<u>\$ 255,745</u>

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

<u>Special Revenue Funds</u>				
<u>Other Grants</u>	<u>Public Education Government Access</u>	<u>Air Quality Management</u>	<u>Community Development Block Grant</u>	
\$ 28,755	\$ 1,228,959	\$ 157,452	\$ -	Assets
-	1,645	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
27,363	-	66,670	691,293	Interest
-	-	-	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 56,118</u>	<u>\$ 1,230,604</u>	<u>\$ 224,122</u>	<u>\$ 691,293</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 1,877	\$ -	\$ -	\$ 205,330	Liabilities
-	-	-	-	Accounts payable
54,241	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	489,129	Due to other funds
<u>56,118</u>	<u>-</u>	<u>-</u>	<u>694,459</u>	Total Liabilities
				Deferred Inflows of Resources:
-	-	-	-	Unavailable revenues
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
				Fund Balances:
				Nonspendable
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	-	-	-	Permanent fund principal
				Restricted for:
-	1,230,604	-	-	Community development projects
-	-	-	-	Public safety
-	-	224,122	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	(3,166)	Unassigned
<u>-</u>	<u>1,230,604</u>	<u>224,122</u>	<u>(3,166)</u>	Total Fund Balances
<u>\$ 56,118</u>	<u>\$ 1,230,604</u>	<u>\$ 224,122</u>	<u>\$ 691,293</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	<u>Special Revenue Funds</u>			
	<u>Special Districts Administration</u>	<u>Storm Water Management</u>	<u>HOME</u>	<u>Child Care Grant</u>
Assets				
Pooled cash and investments	\$ 1,464,410	\$ 884,142	\$ 365,991	\$ 8,007
Receivables:				
Accounts	-	334	-	-
Notes and loans	-	-	6,295,582	-
Interest	-	-	543,311	-
Due from other governments	-	111,131	254,904	27,676
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 1,464,410</u>	<u>\$ 995,607</u>	<u>\$ 7,459,788</u>	<u>\$ 35,683</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ 2,575	\$ 46,358	\$ 222,205	\$ 3,876
Accrued liabilities	19,847	-	-	31,807
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>22,422</u>	<u>46,358</u>	<u>222,205</u>	<u>35,683</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	1,263,260	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,263,260</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Notes and loans	-	-	5,575,633	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	398,690	-
Public safety	-	-	-	-
Public works	1,441,988	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water Quality	-	949,249	-	-
Unassigned				
Total Fund Balances	<u>1,441,988</u>	<u>949,249</u>	<u>5,974,323</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,464,410</u>	<u>\$ 995,607</u>	<u>\$ 7,459,788</u>	<u>\$ 35,683</u>

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

<u>Special Revenue Funds</u>			
<u>Used Oil Recycling</u>	<u>Storm Water Maintenance</u>	<u>ASES Program Grants</u>	<u>CFD No. 2014-01</u>
\$ 56,395	\$ -	\$ -	\$ 160,308
-	1,122	-	-
-	-	-	-
-	-	-	-
-	379,684	507,990	118
-	-	-	-
<u>\$ 56,395</u>	<u>\$ 380,806</u>	<u>\$ 507,990</u>	<u>\$ 160,426</u>
\$ -	\$ 2,321	\$ 6,727	\$ -
-	-	-	-
56,395	-	-	-
-	248,879	454,014	-
<u>56,395</u>	<u>251,200</u>	<u>460,741</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	47,249	-
-	-	-	-
-	129,606	-	160,426
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>129,606</u>	<u>47,249</u>	<u>160,426</u>
<u>\$ 56,395</u>	<u>\$ 380,806</u>	<u>\$ 507,990</u>	<u>\$ 160,426</u>

Assets

Pooled cash and investments
 Receivables:
 Accounts
 Notes and loans
 Interest
 Due from other governments
 Restricted assets:
 Cash with fiscal agents

Total Assets

Liabilities, Deferred Inflows of Resources, and Fund Balances:

Liabilities

Accounts payable
 Accrued liabilities
 Unearned revenues
 Due to other funds

Total Liabilities

Deferred Inflows of Resources:

Unavailable revenues

Total Deferred Inflows of Resources

Fund Balances:

Nonspendable

Notes and loans
 Advances to other funds
 Permanent fund principal

Restricted for:

Community development projects
 Public safety
 Public works
 Capital projects
 Debt service
 Endowment
 Water quality

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	<u>Special Revenue Funds</u>			
	<u>CFD No. 4-M</u>	<u>Civil Penalties</u>	<u>Emergency Services Agency Fines</u>	<u>Energy Efficiency Revolving</u>
Assets				
Pooled cash and investments	\$ 80,783	\$ 116,461	\$ 427,936	\$ 144,351
Receivables:				
Accounts	-	-	81,326	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 80,783</u>	<u>\$ 116,461</u>	<u>\$ 509,262</u>	<u>\$ 144,351</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ 3,748	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>3,748</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	116,461	-	-
Public safety	-	-	509,262	-
Public works	77,035	-	-	144,351
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>77,035</u>	<u>116,461</u>	<u>509,262</u>	<u>144,351</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 80,783</u>	<u>\$ 116,461</u>	<u>\$ 509,262</u>	<u>\$ 144,351</u>

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>		
<u>Grants Capital Projects</u>	<u>Emergency Solutions Grant</u>	<u>Public Works Capital Projects</u>	<u>Traffic Signal Mitigation</u>	
\$ 509,729	\$ -	\$ 80,693	\$ 156,191	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
281,737	32,402	1,962,000	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 791,466</u>	<u>\$ 32,402</u>	<u>\$ 2,042,693</u>	<u>\$ 156,191</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 39,366	26,068	\$ 165,135	\$ -	Liabilities
-	-	-	-	Accounts payable
140	-	231,120	-	Accrued liabilities
-	6,334	256,709	-	Unearned revenues
<u>39,506</u>	<u>32,402</u>	<u>652,964</u>	<u>-</u>	Due to other funds
				Total Liabilities
				Deferred Inflows of Resources:
-	-	-	-	Unavailable revenues
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
				Fund Balances:
				Nonspendable
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	-	-	-	Permanent fund principal
				Restricted for:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
751,960	-	1,389,729	156,191	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Unassigned
<u>751,960</u>	<u>-</u>	<u>1,389,729</u>	<u>156,191</u>	Total Fund Balances
<u>\$ 791,466</u>	<u>\$ 32,402</u>	<u>\$ 2,042,693</u>	<u>\$ 156,191</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Capital Projects Funds			
	Fire Services Capital Projects	Parks and Community Services Capital Projects	TUMF Capital Projects	DIF Capital Projects
Assets				
Pooled cash and investments	\$ -	\$ 3,969,234	\$ -	\$ 1,497,171
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	516,284	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 3,969,234	\$ 516,284	\$ 1,497,171
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 236,638	\$ 2,813
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	483,731	-
Total Liabilities	-	-	720,369	2,813
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	3,969,234	-	1,494,358
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned			(204,085)	-
Total Fund Balances	-	3,969,234	(204,085)	1,494,358
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 3,969,234	\$ 516,284	\$ 1,497,171

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

Capital Projects Funds	Debt Service Funds			
TRIP Capital Projects	2011 Private Placement Ref 97 Lease Rev Bonds	2011 Private Placement Ref 97 COPs	TRIP COP 13A	
\$ -	\$ -	\$ -	\$ -	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	3,031	Cash with fiscal agents
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,031</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ -	\$ -	\$ -	\$ -	Liabilities
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other funds
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Liabilities
-	-	-	-	Deferred Inflows of Resources:
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Unavailable revenues
-	-	-	-	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances:
-	-	-	-	Nonspendable
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	-	-	-	Permanent fund principal
-	-	-	-	Restricted for:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	3,031	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Unassigned
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,031</u>	Total Fund Balances
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,031</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Debt Services Funds		Permanent Funds	
	2013 Refunding 2005 Lease Revenue Bonds	2014 Refunding 2005 Lease Revenue Bonds	Celebration Park Endowment	Equestrian Trail Endowment
Assets				
Pooled cash and investments	\$ -	\$ 6,018,546	\$ 63,409	\$ 11,210
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	83	67	-	-
Total Assets	\$ 83	\$ 6,018,613	\$ 63,409	\$ 11,210
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	49,050	10,000
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Debt service	83	6,018,613	-	-
Endowment	-	-	14,359	1,210
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	83	6,018,613	63,409	11,210
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 83	\$ 6,018,613	\$ 63,409	\$ 11,210

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

<u>Permanent Funds</u>				
<u>Rockridge Park Endowment</u>	<u>NPDES Endowment</u>	<u>Cultural Preservation</u>	<u>Total Nonmajor Governmental Funds</u>	
\$ 109,921	\$ 32,629	\$ 120,987	\$ 22,253,270	Assets
-	-	-	84,427	Pooled cash and investments
-	-	-	6,295,582	Receivables:
-	-	-	543,311	Accounts
-	-	-	5,921,210	Notes and loans
-	-	-		Interest
-	-	-		Due from other governments
-	-	-	3,181	Restricted assets:
-	-	-		Cash with fiscal agents
<u>\$ 109,921</u>	<u>\$ 32,629</u>	<u>\$ 120,987</u>	<u>\$ 35,100,981</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ -	\$ -	\$ -	\$ 1,180,277	Liabilities
-	-	-	51,654	Accounts payable
-	-	-	341,896	Accrued liabilities
-	-	-	2,209,775	Unearned revenues
-	-	-		Due to other funds
-	-	-	<u>3,783,602</u>	Total Liabilities
-	-	-		Deferred Inflows of Resources:
-	-	-	1,263,260	Unavailable revenues
-	-	-	<u>1,263,260</u>	Total Deferred Inflows of Resources
-	-	-		Fund Balances:
-	-	-	5,575,633	Nonspendable
-	-	-	-	Notes and loans
100,000	14,506	114,542	288,098	Advances to other funds
-	-	-		Permanent fund principal
-	-	-	1,793,004	Restricted for:
-	-	-	509,262	Community development projects
-	-	-	7,312,867	Public safety
-	-	-	7,761,472	Public works
-	-	-	6,021,727	Capital projects
-	-	-		Debt service
9,921	18,123	6,445	50,058	Endowment
-	-	-	949,249	Water quality
-	-	-	(207,251)	Unassigned
<u>109,921</u>	<u>32,629</u>	<u>120,987</u>	<u>30,054,119</u>	Total Fund Balances
<u>\$ 109,921</u>	<u>\$ 32,629</u>	<u>\$ 120,987</u>	<u>\$ 35,100,981</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			
	<u>State Gasoline Tax</u>	<u>Article 3 Transportation</u>	<u>Measure A</u>	<u>Law Enforcement Grants</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,880,668	96,176	4,332,638	459,535
Fees and charges for services	-	-	-	-
Use of money and property	-	-	76,966	-
Miscellaneous	19,489	-	74,631	-
Total Revenues	<u>3,900,157</u>	<u>96,176</u>	<u>4,484,235</u>	<u>459,535</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	459,535
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	3,976,241	-	1,725,753	-
Capital outlay	33,916	96,176	2,788,087	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>4,010,157</u>	<u>96,176</u>	<u>4,513,840</u>	<u>459,535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(110,000)</u>	<u>-</u>	<u>(29,605)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	160,000	-	-	-
Transfers out	(50,000)	-	(2,551,422)	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	<u>110,000</u>	<u>-</u>	<u>(2,551,422)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,581,027)</u>	<u>-</u>
Fund Balances				
Beginning of year, as restated	-	-	7,716,366	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,135,339</u>	<u>\$ -</u>

City of Moreno Valley, California

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017**

Special Revenue Funds			
Other Grants	Public Education Government Access	Air Quality Management	Community Development Block Grant
\$ -	\$ -	\$ -	\$ -
198,219	-	265,191	1,489,568
-	-	-	-
-	-	1,754	-
-	378,461	-	-
198,219	378,461	266,945	1,489,568
10,214	693,540	-	-
88,597	-	-	53,877
-	-	-	901,227
-	-	-	-
54,896	-	189,498	-
44,512	-	249	537,630
-	-	-	-
-	-	-	-
198,219	693,540	189,747	1,492,734
-	(315,079)	77,198	(3,166)
-	-	-	-
-	-	-	-
-	-	-	-
-	(315,079)	77,198	(3,166)
-	1,545,683	146,924	-
\$ -	\$ 1,230,604	\$ 224,122	\$ (3,166)

Revenues

Taxes:
 Other taxes
 Intergovernmental
 Fees and charges for services
 Use of money and property
 Miscellaneous

Total Revenues

Expenditures

Current:
 General government
 Public safety
 Community development
 Community and cultural
 Public works
 Capital outlay
 Debt service:
 Principal retirement
 Interest and fiscal charges

Total Expenditures

**Excess (Deficiency) of Revenues
Over (Under) Expenditures**

Other Financing Sources (Uses)

Transfers in
 Transfers out
 Contributions from Successor Agency

Total other financing sources (uses)

Net Change in Fund Balances

Fund Balances

Beginning of year, as restated
 End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			
	<u>Special Districts Administration</u>	<u>Storm Water Management</u>	<u>HOME</u>	<u>Child Care Grant</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	449,580	693,711
Fees and charges for services	774,244	663,707	-	20,212
Use of money and property	8,883	-	77,431	-
Miscellaneous	-	10	-	540
Total Revenues	<u>783,127</u>	<u>663,717</u>	<u>527,011</u>	<u>714,463</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	451,948	-
Community and cultural	-	-	-	714,463
Public works	530,533	422,308	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>530,533</u>	<u>422,308</u>	<u>451,948</u>	<u>714,463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>252,594</u>	<u>241,409</u>	<u>75,063</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	223	-	-
Transfers out	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>223</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>252,594</u>	<u>241,632</u>	<u>75,063</u>	<u>-</u>
Fund Balances				
Beginning of year, as restated	<u>1,189,394</u>	<u>707,617</u>	<u>5,899,260</u>	<u>-</u>
End of year	<u>\$ 1,441,988</u>	<u>\$ 949,249</u>	<u>\$ 5,974,323</u>	<u>\$ -</u>

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

Special Revenue Funds				
Used Oil Recycling	Storm Water Maintenance	ASES Program Grants	CFD No. 2014-01	
				Revenues
				Taxes:
\$ -	\$ -	\$ -	\$ 24,535	Other taxes
53,925	-	6,773,200	-	Intergovernmental
-	381,089	-	71,417	Fees and charges for services
-	-	-	924	Use of money and property
-	-	21,719	-	Miscellaneous
53,925	381,089	6,794,919	96,876	Total Revenues
				Expenditures
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	6,783,143	-	Community and cultural
53,925	381,089	-	7,417	Public works
-	-	-	-	Capital outlay
				Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
53,925	381,089	6,783,143	7,417	Total Expenditures
				Excess (Deficiency) of Revenues Over (Under) Expenditures
-	-	11,776	89,459	
				Other Financing Sources (Uses)
-	50,000	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Contributions from Successor Agency
-	50,000	-	-	Total other financing sources (uses)
-	50,000	11,776	89,459	Net Change in Fund Balances
				Fund Balances
-	79,606	35,473	70,967	Beginning of year, as restated
\$ -	\$ 129,606	\$ 47,249	\$ 160,426	End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			
	<u>CFD #4M</u>	<u>Civil Penalties</u>	<u>Emergency Services Agency Fines</u>	<u>Energy Efficiency Revolving</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	81,325	-
Fees and charges for services	25,547	-	-	-
Use of money and property	158	-	1,599	-
Miscellaneous	-	9,474	-	4,421
Total Revenues	<u>25,705</u>	<u>9,474</u>	<u>82,924</u>	<u>4,421</u>
Expenditures				
Current:				
General government	-	14,588	-	-
Public safety	-	-	10,079	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	29,935	-	-	-
Capital outlay	-	-	36,865	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>29,935</u>	<u>14,588</u>	<u>46,944</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,230)</u>	<u>(5,114)</u>	<u>35,980</u>	<u>4,421</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	15,981
Transfers out	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,981</u>
Net Change in Fund Balances	<u>(4,230)</u>	<u>(5,114)</u>	<u>35,980</u>	<u>20,402</u>
Fund Balances				
Beginning of year, as restated	81,265	121,575	473,282	123,949
End of year	<u>\$ 77,035</u>	<u>\$ 116,461</u>	<u>\$ 509,262</u>	<u>\$ 144,351</u>

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>		
<u>Grants Capital Projects</u>	<u>Emergency Solutions Grant</u>	<u>Public Works Capital Projects</u>	<u>Traffic Signal Mitigation</u>	
\$ -	\$ -	\$ -	\$ -	Revenues
912,208	353,015	1,477,811	-	Taxes:
-	-	-	15,000	Other taxes
-	-	-	-	Intergovernmental
-	-	-	-	Fees and charges for services
-	-	-	-	Use of money and property
-	-	-	-	Miscellaneous
<u>912,208</u>	<u>353,015</u>	<u>1,477,811</u>	<u>15,000</u>	Total Revenues
-	-	-	-	Expenditures
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	353,015	-	-	Community and cultural
-	-	-	-	Public works
959,665	-	1,254,274	-	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
<u>959,665</u>	<u>353,015</u>	<u>1,254,274</u>	<u>-</u>	Total Expenditures
<u>(47,457)</u>	<u>-</u>	<u>223,537</u>	<u>15,000</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
-	-	-	-	Other Financing Sources (Uses)
-	-	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Contributions from Successor Agency
-	-	-	-	Total other financing sources (uses)
<u>(47,457)</u>	<u>-</u>	<u>223,537</u>	<u>15,000</u>	Net Change in Fund Balances
799,417	-	1,166,192	141,191	Fund Balances
<u>\$ 751,960</u>	<u>\$ -</u>	<u>\$ 1,389,729</u>	<u>\$ 156,191</u>	Beginning of year, as restated
				End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

	Capital Projects Funds			
	Fire Services Capital Projects	Parks and Community Services Capital Projects	TUMF Capital Projects	DIF Capital Projects
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	434,328	170,599
Fees and charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	434,328	170,599
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	-	-	-	-
Capital outlay	331	771,965	516,283	366,602
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	331	771,965	516,283	366,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	(331)	(771,965)	(81,955)	(196,003)
Other Financing Sources (Uses)				
Transfers in	-	325,000	-	638,600
Transfers out	(62,553)	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	(62,553)	325,000	-	638,600
Net Change in Fund Balances	(62,884)	(446,965)	(81,955)	442,597
Fund Balances				
Beginning of year, as restated	62,884	4,416,199	(122,130)	1,051,761
End of year	\$ -	\$ 3,969,234	\$ (204,085)	\$ 1,494,358

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

Capital Projects Funds		Debt Service Funds		
TRIP Capital Projects	2011 Private Placement Ref 97 Lease Rev Bonds	2011 Private Placement Ref 97 COPs	TRIP COP 13A	
\$ -	\$ -	\$ -	\$ -	Revenues
-	-	-	-	Taxes:
-	-	-	-	Other taxes
756	-	-	344	Intergovernmental
-	-	-	-	Fees and charges for services
-	-	-	-	Use of money and property
-	-	-	-	Miscellaneous
756	-	-	344	Total Revenues
-	-	-	-	Expenditures
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	-	6,200	Public works
718,636	-	-	-	Capital outlay
-	262,000	776,000	490,000	Debt service:
-	76,854	11,330	991,313	Principal retirement
718,636	338,854	787,330	1,487,513	Interest and fiscal charges
(717,880)	(338,854)	(787,330)	(1,487,169)	Total Expenditures
				Excess (Deficiency) of Revenues Over (Under) Expenditures
-	188,854	787,330	1,487,422	Other Financing Sources (Uses)
-	-	-	-	Transfers in
-	150,000	-	-	Transfers out
-	338,854	787,330	1,487,422	Contributions from Successor Agency
(717,880)	-	-	253	Total other financing sources (uses)
				Net Change in Fund Balances
717,880	-	-	2,778	Fund Balances
\$ -	\$ -	\$ -	\$ 3,031	Beginning of year, as restated
				End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

	Debt Service Funds		Permanent Funds	
	2013 Refunding 2005 Lease Revenue Bonds	2014 Refunding 2005 Lease Revenue Bonds	Celebration Park Endowment	Equestrian Trail Endowment
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees and charges for services	-	-	-	-
Use of money and property	202	140	127	21
Miscellaneous	-	-	-	30
Total Revenues	202	140	127	51
Expenditures				
Current:				
General government	-	3,322	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	1,984	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,085,000	-	-	-
Interest and fiscal charges	411,946	1,009,332	-	-
Total Expenditures	1,498,930	1,012,654	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,498,728)	(1,012,514)	127	51
Other Financing Sources (Uses)				
Transfers in	1,498,802	1,012,000	-	-
Transfers out	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	1,498,802	1,012,000	-	-
Net Change in Fund Balances	74	(514)	127	51
Fund Balances				
Beginning of year, as restated	9	6,019,127	63,282	11,159
End of year	\$ 83	\$ 6,018,613	\$ 63,409	\$ 11,210

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

<u>Permanent Funds</u>			
<u>Rockridge Park Endowment</u>	<u>NPDES Endowment</u>	<u>Cultural Preservation</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 24,535
-	-	-	21,768,682
-	-	-	1,951,216
217	62	240	169,824
-	-	-	508,775
<u>217</u>	<u>62</u>	<u>240</u>	<u>24,423,032</u>
-	-	-	721,664
-	-	-	612,088
-	-	-	1,353,175
-	-	-	7,497,606
-	-	-	7,379,779
-	-	-	8,125,191
-	-	-	2,613,000
-	-	-	2,500,775
<u>-</u>	<u>-</u>	<u>-</u>	<u>30,803,278</u>
<u>217</u>	<u>62</u>	<u>240</u>	<u>(6,380,246)</u>
-	-	-	6,164,212
-	(223)	-	(2,664,198)
-	-	-	150,000
<u>-</u>	<u>(223)</u>	<u>-</u>	<u>3,650,014</u>
<u>217</u>	<u>(161)</u>	<u>240</u>	<u>(2,730,232)</u>
109,704	32,790	120,747	32,784,351
<u>\$ 109,921</u>	<u>\$ 32,629</u>	<u>\$ 120,987</u>	<u>\$ 30,054,119</u>

Revenues

Taxes:
Other taxes
Intergovernmental
Fees and charges for services
Use of money and property
Miscellaneous

Total Revenues

Expenditures

Current:
General government
Public safety
Community development
Community and cultural
Public works
Capital outlay
Debt service:
Principal retirement
Interest and fiscal charges

Total Expenditures

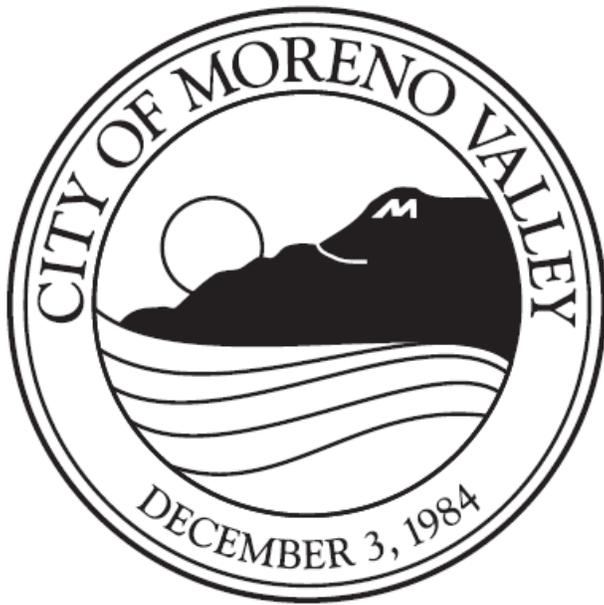
**Excess (Deficiency) of Revenues
Over (Under) Expenditures**

Other Financing Sources (Uses)

Transfers in
Transfers out
Contributions from Successor Agency
Total other financing sources (uses)
Net Change in Fund Balances

Fund Balances

Beginning of year, as restated
End of year



City of Moreno Valley, California

Budgetary Comparison Schedule
State Gasoline Tax
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,078,762	\$ 3,918,890	\$ 3,880,668	\$ (38,222)
Use of money and property	1,000	1,000	-	(1,000)
Miscellaneous	1,000	21,000	19,489	(1,511)
Total Revenues	4,080,762	3,940,890	3,900,157	(40,733)
Expenditures:				
Current:				
Public works	4,135,959	3,971,100	3,976,241	(5,141)
Capital outlay	-	-	33,916	(33,916)
Total Expenditures	4,135,959	3,971,100	4,010,157	(39,057)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,197)	(30,210)	(110,000)	(79,790)
Other Financing Sources (Uses):				
Transfers in	160,000	160,000	160,000	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	110,000	110,000	110,000	-
Net Change in Fund Balances	54,803	79,790	-	(79,790)
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ 54,803	\$ 79,790	\$ -	\$ (79,790)

City of Moreno Valley, California

Budgetary Comparison Schedule
 Article 3 Transportation
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 315,000	\$ 96,176	\$ (218,824)
Total Revenues	250,000	315,000	96,176	(218,824)
Expenditures:				
Capital outlay	-	282,179	96,176	186,003
Total Expenditures	-	282,179	96,176	186,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	250,000	32,821	-	(32,821)
Net Change in Fund Balances	250,000	32,821	-	(32,821)
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ 250,000	\$ 32,821	\$ -	\$ (32,821)

City of Moreno Valley, California

Budgetary Comparison Schedule
Measure A
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,805,000	\$ 3,824,930	\$ 4,332,638	\$ 507,708
Use of money and property	105,000	99,000	76,966	(22,034)
Miscellaneous	11,500	11,500	74,631	63,131
Total Revenues	3,921,500	3,935,430	4,484,235	548,805
Expenditures:				
Current:				
Public works	2,220,165	2,013,221	1,725,753	287,468
Capital outlay	1,475,000	8,486,624	2,788,087	5,698,537
Total Expenditures	3,705,765	10,499,845	4,513,840	5,986,005
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,735	(6,564,415)	(29,605)	6,534,810
Other Financing Sources (Uses):				
Transfers out	(2,553,000)	(2,553,000)	(2,551,422)	1,578
Total Other Financing Sources (Uses)	(2,553,000)	(2,553,000)	(2,551,422)	1,578
Net Change in Fund Balances	(2,337,265)	(9,117,415)	(2,581,027)	6,536,388
Fund Balance, Beginning of year	7,716,366	7,716,366	7,716,366	-
Fund Balance, End of year	\$ 5,379,101	\$ (1,401,049)	\$5,135,339	\$ 6,536,388

City of Moreno Valley, California

Budgetary Comparison Schedule
Law Enforcement Grants
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 325,000	\$ 488,753	\$ 459,535	\$ (29,218)
Total Revenues	325,000	488,753	459,535	(29,218)
Expenditures:				
Current:				
Public safety	325,000	488,753	459,535	29,218
Total Expenditures	325,000	488,753	459,535	29,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
Other Grants
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 506,324	\$ 866,859	\$ 198,219	\$ (668,640)
Total Revenues	506,324	866,859	198,219	(668,640)
Expenditures:				
Current:				
General government	-	28,164	10,214	17,950
Public safety	275,700	291,658	88,597	203,061
Community development	230,624	-	-	-
Community and cultural	-	454,501	-	454,501
Public works	-	79,364	54,896	24,468
Capital outlay	-	13,172	44,512	(31,340)
Total Expenditures	506,324	866,859	198,219	668,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California
Budgetary Comparison Schedule
Public Education Government Access
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 565,000	\$ 565,000	\$ 378,461	\$ (186,539)
Total Revenues	565,000	565,000	378,461	(186,539)
Expenditures:				
Current:				
General government	659,705	659,705	693,540	(33,835)
Total Expenditures	659,705	659,705	693,540	(33,835)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,705)	(94,705)	(315,079)	(220,374)
Net Change in Fund Balances	(94,705)	(94,705)	(315,079)	(220,374)
Fund Balance, Beginning of year	1,545,683	1,545,683	1,545,683	-
Fund Balance, End of year	\$ 1,450,978	\$ 1,450,978	\$ 1,230,604	\$ (220,374)

City of Moreno Valley, California

Budgetary Comparison Schedule
Air Quality Management
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 265,191	\$ 45,191
Use of money and property	7,000	7,000	1,754	(5,246)
Total Revenues	227,000	227,000	266,945	39,945
Expenditures:				
Current:				
Public works	208,032	208,032	189,498	18,534
Capital outlay	30,000	47,899	249	47,650
Total Expenditures	238,032	255,931	189,747	66,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,032)	(28,931)	77,198	106,129
Net Change in Fund Balances	(11,032)	(28,931)	77,198	106,129
Fund Balance, Beginning of year	146,924	146,924	146,924	-
Fund Balance, End of year	\$ 135,892	\$ 117,993	\$ 224,122	\$ 106,129

City of Moreno Valley, California
Budgetary Comparison
Community Development Block Grant
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,280,484	\$ 2,714,901	\$ 1,489,568	\$ (1,225,333)
Total Revenues	2,280,484	2,714,901	1,489,568	(1,225,333)
Expenditures:				
Current:				
Public safety	-	54,000	53,877	123
Community development	1,728,465	1,035,906	901,227	134,679
Capital outlay	550,000	1,624,995	537,630	1,087,365
Total Expenditures	2,278,465	2,714,901	1,492,734	1,222,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,019	-	(3,166)	(3,166)
Net Change in Fund Balances	2,019	-	(3,166)	(3,166)
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ 2,019	\$ -	\$ (3,166)	\$ (3,166)

City of Moreno Valley, California

**Budgetary Comparison
Special Districts Administration
Year Ended June 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ 679,897	\$ 705,863	\$ 774,244	\$ 68,381
Use of money and property	(1,000)	(1,000)	8,883	9,883
Total Revenues	678,897	704,863	783,127	78,264
Expenditures:				
Current:				
Public works	874,737	874,737	530,533	344,204
Total Expenditures	874,737	874,737	530,533	344,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,840)	(169,874)	252,594	422,468
Other Financing Sources (Uses):				
Transfers in	-	25,000	-	(25,000)
Total Other Financing Sources (Uses)	-	25,000	-	-
Net Change in Fund Balances	(195,840)	(144,874)	252,594	397,468
Fund Balance, Beginning of year	1,189,394	1,189,394	1,189,394	-
Fund Balance, End of year	\$ 993,554	\$ 1,044,520	\$1,441,988	\$ 397,468

City of Moreno Valley, California

**Budgetary Comparison Schedule
Storm Water Management
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 714,940	\$ 714,940	\$ 663,707	\$ (51,233)
Miscellaneous	-	-	10	10
Total Revenues	714,940	714,940	663,717	(51,223)
Expenditures:				
Current:				
Public works	644,451	644,451	422,308	222,143
Total Expenditures	644,451	644,451	422,308	222,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,489	70,489	241,409	170,920
Other Financing Sources (Uses):				
Transfers in	223	223	223	-
Total Other Financing Sources (Uses)	223	223	223	-
Net Change in Fund Balances	70,712	70,712	241,632	170,920
Fund Balance, Beginning of year	707,617	707,617	707,617	-
Fund Balance, End of year	\$ 778,329	\$ 778,329	\$ 949,249	\$ 170,920

City of Moreno Valley, California
Budgetary Comparison Schedule
HOME
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 516,846	\$ 527,298	\$ 449,580	\$ (77,718)
Use of money and property	-	-	77,431	77,431
Total Revenues	<u>516,846</u>	<u>527,298</u>	<u>527,011</u>	<u>(287)</u>
Expenditures:				
Current:				
Community development	516,846	527,298	451,948	75,350
Total Expenditures	<u>516,846</u>	<u>527,298</u>	<u>451,948</u>	<u>75,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	75,063	75,063
Net Change in Fund Balances	-	-	75,063	75,063
Fund Balance, Beginning of year	5,899,260	5,899,260	5,899,260	-
Fund Balance, End of year	<u>\$ 5,899,260</u>	<u>\$5,899,260</u>	<u>\$ 5,974,323</u>	<u>\$ 75,063</u>

City of Moreno Valley, California

**Budgetary Comparison Schedule
Child Care Grant
Year Ended June 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 627,054	\$ 697,817	\$ 693,711	\$ (4,106)
Charges for services	20,000	20,000	20,212	212
Miscellaneous	-	-	540	540
Total Revenues	647,054	717,817	714,463	(3,354)
Expenditures:				
Current:				
Community and cultural	647,054	717,817	714,463	3,354
Total Expenditures	647,054	717,817	714,463	3,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
Used Oil Recycling
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 52,544	\$ 110,320	\$ 53,925	\$ (56,395)
Total Revenues	52,544	110,320	53,925	(56,395)
Expenditures:				
Current:				
Public works	52,544	110,320	53,925	56,395
Total Expenditures	52,544	110,320	53,925	56,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
Storm Water Maintenance
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ 390,000	\$ 390,000	\$ 381,089	\$ (8,911)
Total Revenues	390,000	390,000	381,089	(8,911)
Expenditures:				
Current:				
Public works	401,254	401,254	381,089	20,165
Total Expenditures	401,254	401,254	381,089	20,165
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,254)	(11,254)	-	11,254
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	50,000	50,000	50,000	-
Net Change in Fund Balances	38,746	38,746	50,000	11,254
Fund Balance, Beginning of year	79,606	79,606	79,606	-
Fund Balance, End of year	\$ 118,352	\$118,352	\$129,606	\$ 11,254

City of Moreno Valley, California

Budgetary Comparison Schedule
 ASES Program Grants
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,773,200	\$ 6,773,200	\$ 6,773,200	\$ -
Use of money and property	5,000	5,000	-	(5,000)
Miscellaneous	-	-	21,719	21,719
Total Revenues	6,778,200	6,778,200	6,794,919	16,719
Expenditures:				
Current:				
Community and cultural	6,778,200	6,771,854	6,783,143	(11,289)
Total Expenditures	6,778,200	6,771,854	6,783,143	(11,289)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	6,346	11,776	5,430
Net Change in Fund Balances	-	6,346	11,776	5,430
Fund Balance, Beginning of year	35,473	35,473	35,473	-
Fund Balance, End of year	\$ 35,473	\$ 41,819	\$ 47,249	\$ 5,430

City of Moreno Valley, California

Budgetary Comparison Schedule
 CFD No. 2014-01
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Other taxes	\$ 42,000	\$ 24,659	\$ 24,535	\$ (124)
Fees and charges for services	1,000	1,000	71,417	70,417
Use of money and property	200	200	924	724
Total Revenues	43,200	25,859	96,876	71,017
Expenditures:				
Current:				
Public works	21,612	29,712	7,417	22,295
Total Expenditures	21,612	29,712	7,417	22,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,588	(3,853)	89,459	93,312
Net Change in Fund Balances	21,588	(3,853)	89,459	93,312
Fund Balance, Beginning of year	70,967	70,967	70,967	-
Fund Balance, End of year	\$ 92,555	\$ 67,114	\$160,426	\$ 93,312

City of Moreno Valley, California
Budgetary Comparison Schedule
CFD No. 4-M
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ 41,400	\$ 41,400	\$ 25,547	\$ (15,853)
Use of money and property	81	81	158	77
Total Revenues	41,481	41,481	25,705	(15,776)
Expenditures:				
Current:				
Public works	33,815	33,815	29,935	3,880
Total Expenditures	33,815	33,815	29,935	3,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,666	7,666	(4,230)	(11,896)
Net Change in Fund Balances	7,666	7,666	(4,230)	(11,896)
Fund Balance, Beginning of year	81,265	81,265	81,265	-
Fund Balance, End of year	\$ 88,931	\$ 88,931	\$ 77,035	\$ (11,896)

City of Moreno Valley, California
Budgetary Comparison Schedule
Civil Penalties
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Miscellaneous	60,000	60,000	9,474	(50,526)
Total Revenues	64,000	64,000	9,474	(54,526)
Expenditures:				
Current:				
General government	105,066	105,066	14,588	90,478
Total Expenditures	105,066	105,066	14,588	90,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,066)	(41,066)	(5,114)	35,952
Net Change in Fund Balances	(41,066)	(41,066)	(5,114)	35,952
Fund Balance, Beginning of year	121,575	121,575	121,575	-
Fund Balance, End of year	\$ 80,509	\$ 80,509	\$116,461	\$ 35,952

City of Moreno Valley, California

Budgetary Comparison Schedule
Emergency Services Agency Fines
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 81,325	\$ 41,325
Use of money and property	4,000	4,000	1,599	(2,401)
Total Revenues	44,000	44,000	82,924	38,924
Expenditures:				
Current:				
Public safety	44,000	48,000	10,079	37,921
Capital outlay	-	-	36,865	(36,865)
Total Expenditures	44,000	48,000	46,944	1,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,000)	35,980	39,980
Net Change in Fund Balances	-	(4,000)	35,980	39,980
Fund Balance, Beginning of year	473,282	473,282	473,282	-
Fund Balance, End of year	\$ 473,282	\$ 469,282	\$ 509,262	\$ 39,980

City of Moreno Valley, California

Budgetary Comparison Schedule
Energy Efficiency Revolving
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 4,421	\$ 4,421
Total Revenues	-	-	4,421	4,421
Excess (Deficiency) of Revenues Over (Under) Expenditures, California	-	-	4,421	4,421
Other Financing Sources (Uses):				
Transfers in	-	15,000	15,981	981
Total Other Financing Sources (Uses)	-	15,000	15,981	981
Net Change in Fund Balances	-	15,000	20,402	5,402
Fund Balance, Beginning of year	123,949	123,949	123,949	-
Fund Balance, End of year	\$ 123,949	\$ 138,949	\$ 144,351	\$ 5,402

City of Moreno Valley, California

Budgetary Comparison Schedule
Grants Capital Projects
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,230,340	\$ 4,574,200	\$ 912,208	\$ (3,661,992)
Total Revenues	4,230,340	4,574,200	912,208	(3,661,992)
Expenditures:				
Current:				
Capital outlay	-	13,805,417	959,665	12,845,752
Total Expenditures	-	13,805,417	959,665	12,845,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,230,340	(9,231,217)	(47,457)	9,183,760
Net Change in Fund Balances	4,230,340	(9,231,217)	(47,457)	9,183,760
Fund Balance, Beginning of year	799,417	799,417	799,417	-
Fund Balance, End of year	\$ 5,029,757	\$ (8,431,800)	\$ 751,960	\$ 9,183,760

City of Moreno Valley, California

Budgetary Comparison Schedule
Emergency Solutions Grant
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 588,557	\$ 353,015	\$ (235,542)
Total Revenues	-	588,557	353,015	(235,542)
Expenditures:				
Current:				
Capital outlay	-	588,557	353,015	235,542
Total Expenditures	-	588,557	353,015	235,542
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
 Facility Construction
 Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,000,000	\$ 4,768,000	\$ 3,768,000
Total revenues	-	1,000,000	4,768,000	3,768,000
Expenditures				
Capital outlay	-	642,461	202,795	439,666
Total Expenditures	-	642,461	202,795	439,666
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	357,539	4,565,205	4,207,666
Other Financing Sources (Uses)				
Transfers in	-	48,000	48,000	-
Total Other Financing Sources (Uses)	-	48,000	48,000	-
Net Change in Fund Balances	-	405,539	4,613,205	4,207,666
Fund Balance - Beginning of year	5,853,211	5,853,211	5,853,211	-
Fund Balance - End of year	\$ 5,853,211	\$ 6,258,750	\$ 10,466,416	\$ 4,207,666

City of Moreno Valley, California

Budgetary Comparison Schedule
Public Works Capital Projects
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,453,420	\$ 3,392,206	\$ 1,477,811	\$ (1,914,395)
Total Revenues	3,453,420	3,392,206	1,477,811	(1,914,395)
Expenditures:				
Capital outlay	-	5,440,800	1,254,274	4,186,526
Total Expenditures	-	5,440,800	1,254,274	4,186,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,453,420	(2,048,594)	223,537	2,272,131
Fund Balance, Beginning of year	1,166,192	1,166,192	1,166,192	-
Fund Balance, End of year	\$4,619,612	\$ (882,402)	\$1,389,729	\$ 2,272,131

City of Moreno Valley, California

Budgetary Comparison Schedule
Traffic Signal Mitigation
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ -	\$ -	\$ 15,000	\$ 15,000
Total Revenues	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	15,000	15,000
Fund Balance, Beginning of year	<u>141,191</u>	<u>141,191</u>	<u>141,191</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 141,191</u>	<u>\$ 141,191</u>	<u>\$ 156,191</u>	<u>\$ 15,000</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 Fire Services Capital Projects
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay	\$ -	\$ 2,400	\$ 331	\$ 2,069
Total Expenditures	<u>-</u>	<u>2,400</u>	<u>331</u>	<u>2,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,400)</u>	<u>(331)</u>	<u>2,069</u>
Other Financing Sources (Uses):				
Transfers out	-	(63,000)	(62,553)	447
Total Other Financing Sources (Uses)	<u>-</u>	<u>(63,000)</u>	<u>(62,553)</u>	<u>447</u>
Net Change in Fund Balances	-	(65,400)	(62,884)	2,516
Fund Balance, Beginning of year	<u>62,884</u>	<u>62,884</u>	<u>62,884</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 62,884</u>	<u>\$ (2,516)</u>	<u>\$ -</u>	<u>\$ 2,516</u>

City of Moreno Valley, California

**Budgetary Comparison Schedule
Parks and Community Services Capital Projects
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ 230,000	\$ 2,284,840	\$ 771,965	\$ 1,512,875
Total Expenditures	230,000	2,284,840	771,965	1,512,875
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,000)	(2,284,840)	(771,965)	1,512,875
Other Financing Sources (Uses):				
Transfers in	325,000	325,000	325,000	-
Total Other Financing Sources (Uses)	325,000	325,000	325,000	-
Net Change in Fund Balances	95,000	(1,959,840)	(446,965)	1,512,875
Fund Balance, Beginning of year	4,416,199	4,416,199	4,416,199	-
Fund Balance, End of year	\$ 4,511,199	\$ 2,456,359	\$ 3,969,234	\$ 1,512,875

City of Moreno Valley, California
Budgetary Comparison Schedule
TUMF Capital Projects
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 1,100,000	\$ 434,328	\$ (665,672)
Total Revenues	<u>-</u>	<u>1,100,000</u>	<u>434,328</u>	<u>(665,672)</u>
Expenditures:				
Capital outlay	2,000,000	1,100,000	516,283	583,717
Total Expenditures	<u>2,000,000</u>	<u>1,100,000</u>	<u>516,283</u>	<u>583,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,000,000)</u>	<u>-</u>	<u>(81,955)</u>	<u>(81,955)</u>
Fund Balance, Beginning of year	<u>(122,130)</u>	<u>(122,130)</u>	<u>(122,130)</u>	<u>-</u>
Fund Balance, End of year	<u>\$(2,122,130)</u>	<u>\$ (122,130)</u>	<u>\$ (204,085)</u>	<u>\$ (81,955)</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
DIF Capital Projects
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 170,599	\$ 170,599
Miscellaneous	500	500	-	(500)
Total Revenues	500	500	170,599	170,099
Expenditures:				
Capital outlay	-	1,675,462	366,602	1,308,860
Total Expenditures	-	1,675,462	366,602	1,308,860
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	(1,674,962)	(196,003)	1,478,959
Other Financing Sources (Uses):				
Transfers in	-	638,600	638,600	-
Total Other Financing Sources (Uses)	-	638,600	638,600	-
Net Change in Fund Balances	500	(1,036,362)	442,597	1,478,959
Fund Balance, Beginning of year	1,051,761	1,051,761	1,051,761	-
Fund Balance, End of year	\$ 1,052,261	\$ 15,399	\$ 1,494,358	\$ 1,478,959

City of Moreno Valley, California

Budgetary Comparison Schedule
TRIP Capital Projects
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 756	\$ 756
Total Revenues	<u>-</u>	<u>-</u>	<u>756</u>	<u>756</u>
Expenditures:				
Capital outlay	-	718,636	718,636	-
Total Expenditures	<u>-</u>	<u>718,636</u>	<u>718,636</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(718,636)</u>	<u>(717,880)</u>	<u>756</u>
Net Change in Fund Balances	-	(718,636)	(717,880)	756
Fund Balance, Beginning of year	<u>717,880</u>	<u>717,880</u>	<u>717,880</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 717,880</u>	<u>\$ (756)</u>	<u>\$ -</u>	<u>\$ 756</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 2011 Private Placement Refunding 97 Lease Revenue Bonds
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 262,000	\$ 262,000	\$ 262,000	\$ -
Interest and fiscal charges	77,000	77,000	76,854	146
Total Expenditures	339,000	339,000	338,854	146
Excess (Deficiency) of Revenues Over (Under) Expenditures	(339,000)	(339,000)	(338,854)	146
Other Financing Sources (Uses):				
Transfers in	339,000	189,000	188,854	(146)
Contributions from Successor Agency	-	150,000	150,000	-
Total Other Financing Sources (Uses)	339,000	339,000	338,854	(146)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
2011 Private Placement Refunding 97 COPs
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 776,000	\$ 776,000	\$ 776,000	\$ -
Interest and fiscal charges	12,000	12,000	11,330	670
Total Expenditures	788,000	788,000	787,330	670
Excess (Deficiency) of Revenues Over (Under) Expenditures	(788,000)	(788,000)	(787,330)	670
Other Financing Sources (Uses):				
Transfers in	788,000	788,000	787,330	(670)
Total Other Financing Sources (Uses)	788,000	788,000	787,330	(670)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
TRIP COP 13A
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 344	\$ (344)
Total Revenues	<u>-</u>	<u>-</u>	<u>344</u>	<u>(344)</u>
Expenditures:				
Current:				
Public works	7,000	7,000	6,200	800
Debt service:				
Principal retirement	490,000	490,000	490,000	-
Interest and fiscal charges	992,000	992,000	991,313	687
Total Expenditures	<u>1,489,000</u>	<u>1,489,000</u>	<u>1,487,513</u>	<u>1,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,489,000)</u>	<u>(1,489,000)</u>	<u>(1,487,169)</u>	<u>1,831</u>
Other Financing Sources (Uses):				
Transfers in	1,489,000	1,489,000	1,487,422	(1,578)
Total Other Financing Sources (Uses)	<u>1,489,000</u>	<u>1,489,000</u>	<u>1,487,422</u>	<u>(1,578)</u>
Net Change in Fund Balances	-	-	253	253
Fund Balance, Beginning of year	<u>2,778</u>	<u>2,778</u>	<u>2,778</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 2,778</u>	<u>\$ 2,778</u>	<u>\$ 3,031</u>	<u>\$ 253</u>

City of Moreno Valley, California
Budgetary Comparison Schedule
2013 Refunding 2005 Lease Revenue Bonds
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 202	\$ (202)
Total Revenues	<u>-</u>	<u>-</u>	<u>202</u>	<u>(202)</u>
Expenditures:				
Public works	3,300	3,300	1,984	\$ 1,316
Debt service:				
Principal retirement	1,085,000	1,085,000	1,085,000	-
Interest and fiscal charges	412,000	412,000	411,946	54
Total Expenditures	<u>1,500,300</u>	<u>1,500,300</u>	<u>1,498,930</u>	<u>1,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,500,300)</u>	<u>(1,500,300)</u>	<u>(1,498,728)</u>	<u>1,572</u>
Other Financing Sources (Uses):				
Transfers in	1,503,000	1,503,000	1,498,802	(4,198)
Total Other Financing Sources (Uses)	<u>1,503,000</u>	<u>1,503,000</u>	<u>1,498,802</u>	<u>(4,198)</u>
Net Change in Fund Balances	2,700	2,700	74	(2,626)
Fund Balance, Beginning of year	<u>9</u>	<u>9</u>	<u>9</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 2,709</u>	<u>\$ 2,709</u>	<u>\$ 83</u>	<u>\$ (2,626)</u>

City of Moreno Valley, California
Budgetary Comparison Schedule
2014 Refunding 2005 Lease Revenue Bonds
Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 140	\$ 140
Total Revenues	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
Expenditures:				
Current:				
General government	3,300	3,300	3,322	(22)
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	1,007,000	1,007,000	1,009,332	(2,332)
Total Expenditures	<u>1,010,300</u>	<u>1,010,300</u>	<u>1,012,654</u>	<u>(2,332)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,010,300)</u>	<u>(1,010,300)</u>	<u>(1,012,514)</u>	<u>(2,214)</u>
Other Financing Sources (Uses):				
Transfers in	1,012,000	1,012,000	1,012,000	-
Total Other Financing Sources (Uses)	<u>1,012,000</u>	<u>1,012,000</u>	<u>1,012,000</u>	<u>-</u>
Net Change in Fund Balances	1,700	1,700	(514)	(2,214)
Fund Balance, Beginning of year	<u>6,019,127</u>	<u>6,019,127</u>	<u>6,019,127</u>	<u>-</u>
Fund Balance, End of year	<u>\$6,020,827</u>	<u>\$6,020,827</u>	<u>\$6,018,613</u>	<u>\$ (2,214)</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 Celebration Park Endowment
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 127	\$ (873)
Total Revenues	1,000	1,000	127	(873)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	127	(873)
Net Change in Fund Balances	1,000	1,000	127	(873)
Fund Balance, Beginning of year	63,282	63,282	63,282	-
Fund Balance, End of year	\$ 64,282	\$ 64,282	\$ 63,409	\$ (873)

City of Moreno Valley, California

Budgetary Comparison Schedule
Equestrian Trail Endowment
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 200	\$ 200	\$ 21	\$ (179)
Miscellaneous revenue	-	-	30	30
Total Revenues	200	200	51	(149)
Expenditures:				
Current:				
Community and cultural	200	200	-	200
Total Expenditures	200	200	-	200
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	51	51
Net Change in Fund Balances	-	-	51	51
Fund Balance, Beginning of year	11,159	11,159	11,159	-
Fund Balance, End of year	\$ 11,159	\$ 11,159	\$ 11,210	\$ 51

City of Moreno Valley, California

Budgetary Comparison Schedule
 Rockridge Park Endowment
 Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 217	\$ (1,783)
Total Revenues	2,000	2,000	217	(1,783)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	217	(1,783)
Net Change in Fund Balances	2,000	2,000	217	(1,783)
Fund Balance, Beginning of year	109,704	109,704	109,704	-
Fund Balance, End of year	\$ 111,704	\$ 111,704	\$ 109,921	\$ (1,783)

City of Moreno Valley, California

Budgetary Comparison Schedule
NPDES Endowment
Year Ended June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 62	\$ 62
Total Revenues	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
Other Financing Sources (Uses):				
Transfers out	(223)	(223)	(223)	-
Total Other Financing Sources (Uses)	<u>(223)</u>	<u>(223)</u>	<u>(223)</u>	<u>-</u>
Net Change in Fund Balances	(223)	(223)	(161)	62
Fund Balance, Beginning of year	<u>32,790</u>	<u>32,790</u>	<u>32,790</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 32,567</u>	<u>\$ 32,567</u>	<u>\$ 32,629</u>	<u>\$ 62</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 Cultural Preservation
 Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 240	\$ 240
Total Revenues	<u>-</u>	<u>-</u>	<u>240</u>	<u>240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>240</u>	<u>240</u>
Net Change in Fund Balances	-	-	240	240
Fund Balance, Beginning of year	<u>120,747</u>	<u>120,747</u>	<u>120,747</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 120,747</u>	<u>\$ 120,747</u>	<u>\$ 120,987</u>	<u>\$ 240</u>

INTERNAL SERVICE FUNDS

General Liability Insurance Fund

This fund is used to account for the costs of maintaining the City's general liability insurance program, on a reimbursement basis through charges to benefiting funds; and maintaining responsible reserves based on current actuarial assumptions.

Workers' Compensation Insurance Fund

This fund is used to account for the costs of maintaining the City worker's compensation insurance program, on a reimbursement basis through charges to benefiting funds; and maintaining responsible reserves based on current actuarial assumptions.

Technology Services Fund

This fund is used to account for the costs of maintaining and replacing the City's information systems including major software, hardware, radios, telephones, and the City's backbone telecommunications infrastructure. The fund recovers costs through charges to benefiting funds.

Facilities Maintenance Fund

This fund is used to account for the costs of maintaining all City-owned and leased buildings. Its user charges include the recovery of both depreciation on the City Hall building and debt service on the 1997 variable rate Certificates of Participation originally issued in 1995 to finance the acquisition of the building.

Fleet Operations Fund

This fund is used to account for the maintenance and replacement costs of the City's inventory of vehicles and equipment. This fund receives cash through annual lease fees to benefiting departments.

Equipment Replacement Reserve Fund

This fund is used to account for the accumulation of cash reserves to replace capital equipment based on replacement cost and useful life. The reserve receives cash through user charges for each fund's share of annual depreciation; and provides cash as a funding source to participating funds for capital replacement.

Compensated Absences Fund

This fund is used to account for the accumulation of cash reserves to provide for payment of future unfunded liabilities to employees attributable to services already rendered.

City of Moreno Valley, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	<u>General Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Technology Services</u>	<u>Facilities Maintenance</u>
Assets:				
Current:				
Pooled cash and investments	\$ 2,299,348	\$ 3,426,870	\$ 9,318,583	\$ 5,108,288
Receivables:				
Accounts	-	-	-	104
Prepaid costs	-	-	-	5,585
Inventories	-	-	-	21,454
Total Current Assets	<u>2,299,348</u>	<u>3,426,870</u>	<u>9,318,583</u>	<u>5,135,431</u>
Noncurrent:				
Capital assets - net of accumulated depreciation	-	-	2,306,935	10,364,094
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>2,306,935</u>	<u>10,364,094</u>
Total Assets	<u>2,299,348</u>	<u>3,426,870</u>	<u>11,625,518</u>	<u>15,499,525</u>
Liabilities:				
Current:				
Accounts payable	320,321	-	125,855	285,268
Compensated absences	24,159	3,150	-	111,805
Self-insurance payable	430,000	429,000	-	-
Total Current Liabilities	<u>774,480</u>	<u>432,150</u>	<u>125,855</u>	<u>397,073</u>
Noncurrent:				
Compensated absences	16,106	2,100	-	74,537
Self-insurance payable	524,000	1,017,000	-	-
Total Noncurrent Liabilities	<u>540,106</u>	<u>1,019,100</u>	<u>-</u>	<u>74,537</u>
Total Liabilities	<u>1,314,586</u>	<u>1,451,250</u>	<u>125,855</u>	<u>471,610</u>
Net Position:				
Investment in capital assets	-	-	2,306,935	10,364,094
Unrestricted	984,762	1,975,620	9,192,728	4,663,821
Total Net Position	<u>\$ 984,762</u>	<u>\$ 1,975,620</u>	<u>\$ 11,499,663</u>	<u>\$ 15,027,915</u>

City of Moreno Valley, California

**Combining Statement of Net Position
Internal Service Funds
June 30, 2017**

<u>Fleet Operations</u>	<u>Equipment Replacement Reserve</u>	<u>Compensated Absences</u>	<u>Total</u>	
				ASSETS
				Current:
\$ 6,345,947	\$ 13,609,345	\$ 1,633,042	\$ 41,741,423	Pooled cash and investments
-	-	-	104	Receivables:
-	-	-	5,585	Accounts
7,523	-	-	28,977	Prepaid costs
<u>6,353,470</u>	<u>13,609,345</u>	<u>1,633,042</u>	<u>41,776,089</u>	Inventories
				Total Current Assets
116,778	-	-	12,787,807	Noncurrent:
<u>116,778</u>	<u>-</u>	<u>-</u>	<u>12,787,807</u>	Capital assets - net of accumulated de
<u>6,470,248</u>	<u>13,609,345</u>	<u>1,633,042</u>	<u>54,563,896</u>	Total Noncurrent Assets
				Total Assets
				Liabilities:
				Current:
25,596	-	-	757,040	Accounts payable
28,399	-	-	167,513	Compensated absences
-	-	-	859,000	Self-insurance payable
<u>53,995</u>	<u>-</u>	<u>-</u>	<u>1,783,553</u>	Total Current Liabilities
18,933	-	-	111,676	Noncurrent:
-	-	-	1,541,000	Compensated absences
<u>18,933</u>	<u>-</u>	<u>-</u>	<u>1,652,676</u>	Self-insurance payable
<u>72,928</u>	<u>-</u>	<u>-</u>	<u>3,436,229</u>	Total Noncurrent Liabilities
				Total Liabilities
116,778	-	-	12,787,807	Net Position:
6,280,542	13,609,345	1,633,042	38,339,860	Investment in capital assets
<u>\$ 6,397,320</u>	<u>\$ 13,609,345</u>	<u>\$ 1,633,042</u>	<u>\$ 51,127,667</u>	Unrestricted
				Total Net Position

City of Moreno Valley, California

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2017**

	General Liability Insurance	Workers' Compensation Insurance	Technology Services	Facilities Maintenance
Operating Revenues:				
Sales and service charges	\$ 1,087,109	\$ 486,737	\$ -	\$ 4,337,177
Miscellaneous	40,258	4,670	1,168	3,081
Total Operating Revenues	1,127,367	491,407	1,168	4,340,258
Operating Expenses:				
Cost of services	463,281	108,260	385,380	3,415,224
Depreciation expense	-	-	748,892	361,826
Self-insurance claims and charges	1,079,956	592,038	-	-
Total Operating Expenses	1,543,237	700,298	1,134,272	3,777,050
Operating Income (Loss)	(415,870)	(208,891)	(1,133,104)	563,208
Nonoperating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	-	-	(22,263)	-
Total Nonoperating Revenues (Expenses)	-	-	(22,263)	-
Income (Loss) Before Transfers and Contributions	(415,870)	(208,891)	(1,155,367)	563,208
Transfers in	-	-	893,493	-
Transfers out	-	-	-	(868,311)
Changes in net position	(415,870)	(208,891)	(261,874)	(305,103)
Net Position:				
Beginning of year	1,400,632	2,184,511	11,761,537	15,333,018
End of year	\$ 984,762	\$ 1,975,620	\$ 11,499,663	\$ 15,027,915

City of Moreno Valley, California

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2017

<u>Fleet Operations</u>	<u>Equipment Replacement Reserve</u>	<u>Compensated Absences</u>	<u>Total</u>	
\$ 1,979,546	\$ 581,182	\$ -	\$ 8,471,751	Operating Revenues:
-	-	-	49,177	Sales and service charges
1,979,546	581,182	-	8,520,928	Miscellaneous
				Total Operating Revenues
1,056,895	-	-	5,429,040	Operating Expenses:
10,123	-	-	1,120,841	Cost of services
-	-	-	1,671,994	Depreciation expense
1,067,018	-	-	8,221,875	Self-insurance claims and charges
				Total Operating Expenses
912,528	581,182	-	299,053	Operating Income (Loss)
-	-	-	(22,263)	Nonoperating Revenues (Expenses):
-	-	-	(22,263)	Gain (loss) on disposal of capital assets
				Total Nonoperating Revenues (Expenses)
912,528	581,182	-	276,790	Income (Loss) Before Transfers and Contributions
90,000	-	-	983,493	Transfers in
(2,547,650)	-	-	(3,415,961)	Transfers out
(1,545,122)	581,182	-	(2,155,678)	Changes in net position
7,942,442	13,028,163	1,633,042	53,283,345	Net Position:
				Beginning of year
\$ 6,397,320	\$ 13,609,345	\$ 1,633,042	\$ 51,127,667	End of year

City of Moreno Valley, California

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2017**

	<u>General Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Technology Services</u>	<u>Facilities Maintenance</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 1,127,367	\$ 491,407	\$ 1,168	\$ 4,340,258
Cash paid to suppliers for goods and services	(46,435)	(51,160)	(165,582)	(2,322,040)
Cash paid for claims	(733,616)	(499,038)	-	-
Cash paid to employees for services	(119,285)	(56,222)	(186,099)	(947,955)
Net Cash Provided (Used) by Operating Activities	228,031	(115,013)	(350,513)	1,070,263
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	-	-	893,493	-
Cash transfers out	-	-	-	(868,311)
Net Cash Provided (Used) by Non-capital Financing Activities	-	-	893,493	(868,311)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	(425,806)	(665,476)
Net Cash Provided (Used) by Investing Activities	-	-	(425,806)	(665,476)
Net Increase (Decrease) in Cash and Cash Equivalents	228,031	(115,013)	117,174	(463,524)
Cash and Cash Equivalents at Beginning of Year	2,071,317	3,541,883	9,201,409	5,571,812
Cash and Cash Equivalents at End of Year	\$ 2,299,348	\$ 3,426,870	\$ 9,318,583	\$ 5,108,288
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (415,870)	\$ (208,891)	\$ (1,133,104)	\$ 563,208
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	748,892	361,826
(Increase) decrease in accounts receivable	-	-	-	(7)
(Increase) decrease in prepaid costs	-	-	-	3,889
(Increase) decrease in inventories	-	-	-	(2,333)
Increase (decrease) in accounts payable	293,601	-	33,699	156,895
Increase (decrease) in self-insurance payable	346,340	93,000	-	-
Increase (decrease) in compensated absences	3,960	878	-	(13,215)
Total Adjustments	643,901	93,878	782,591	507,055
Net Cash Provided (Used) by Operating Activities	\$ 228,031	\$ (115,013)	\$ (350,513)	\$ 1,070,263

City of Moreno Valley, California

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2017**

<u>Fleet Operations</u>	<u>Equipment Replacement Reserve</u>	<u>Compensated Absences</u>	<u>Total</u>	
\$ 1,979,546	\$ 581,182	\$ -	\$ 8,520,928	Cash Flows from Operating Activities:
(639,352)	-	-	(3,224,569)	Cash received from customers
-	-	-	(1,232,654)	Cash paid to suppliers for goods and services
(449,100)	-	-	(1,758,661)	Cash paid for claims
				Cash paid to employees for services
<u>891,094</u>	<u>581,182</u>	<u>-</u>	<u>2,305,044</u>	Net Cash Provided (Used) by Operating Activities
				Cash Flows from Non-Capital Financing Activities:
90,000	-	-	983,493	Cash transfers in
(2,547,650)	-	-	(3,415,961)	Cash transfers out
<u>(2,457,650)</u>	<u>-</u>	<u>-</u>	<u>(2,432,468)</u>	Net Cash Provided (Used) by Non-capital Financing Activities
				Cash Flows from Capital and Related Financing Activities:
(1,131)	-	-	(1,092,413)	Acquisition and construction of capital assets
<u>(1,131)</u>	<u>-</u>	<u>-</u>	<u>(1,092,413)</u>	Net Cash Provided (Used) by Investing Activities
<u>(1,567,687)</u>	<u>581,182</u>	<u>-</u>	<u>(1,219,837)</u>	Net Increase (Decrease) in Cash and Cash Equivalents
7,913,634	13,028,163	1,633,042	42,961,260	Cash and Cash Equivalents at Beginning of Year
<u>\$ 6,345,947</u>	<u>\$ 13,609,345</u>	<u>\$ 1,633,042</u>	<u>\$ 41,741,423</u>	Cash and Cash Equivalents at End of Year
				Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities
\$ 912,528	\$ 581,182	\$ -	\$ 299,053	Operating Income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
10,123	-	-	1,120,841	Depreciation
-	-	-	(7)	(Increase) decrease in accounts receivable
-	-	-	3,889	(Increase) decrease in prepaid costs
566	-	-	(1,767)	(Increase) decrease in inventories
(41,422)	-	-	442,773	Increase (decrease) in accounts payable
-	-	-	439,340	Increase (decrease) in self-insurance payable
9,299	-	-	922	Increase (decrease) in compensated absences
<u>(21,434)</u>	<u>-</u>	<u>-</u>	<u>2,005,991</u>	Total Adjustments
<u>\$ 891,094</u>	<u>\$ 581,182</u>	<u>\$ -</u>	<u>\$ 2,305,044</u>	Net Cash Provided (Used) by Operating Activities

City of Moreno Valley, California

AGENCY FUNDS

Deposit Liability Fund

This fund is used to account for miscellaneous deposits collected by the City.

Assessment District 87-4 Fund

This fund is used to account for the receipt and remittance of special assessments for the Assessment District 87-4 Limited Obligation Improvement Bonds. The bonds are not secured by the general taxing power of the City, the State of California or any other political subdivision thereof, and neither the City nor the State, nor any potential subdivision thereof, has pledged its full faith and credit for the payment thereof.

TUMF Trust Fund

This fund is used to account for the receipt of the Transportation Uniform Mitigation Fees (TUMF) and their remittance to the Western Riverside Council of Governments (WRCOG).

MSHCP Trust Fund

This fund is used to account for the receipt of the Multi-Species Habitat Conservation Plan (MSHCP) fees and their remittance to the Western Riverside County Regional Authority (WRCRCA).

Moreno Valley Foundation Donations Fund

This fund is being used on a temporary basis to account for the receipts and disbursements of the Moreno Valley Community Foundation until such time that the Foundation is officially cleared by the Internal Revenue Service to become operational as a tax-exempt 501(c)3 organization.

Arts Commission Fund

This fund is used to account for funds received to encourage, stimulate, promote and foster programs for the cultural enrichment of the City, thereby contributing to the quality of life of its residents. This fund also accounts for funding received to develop an awareness of the value of arts in Moreno Valley's business community, local government and the general public.

CFD #5 Stoneridge Fund

This fund is used to account for the receipt and remittance of special taxes for the CFD #5 Stoneridge Special Tax Bonds. The bonds are not secured by the general taxing power of the City, the State of California or any other political subdivision thereof, and neither the City nor the State, nor any potential subdivision thereof, has pledged its full faith and credit for the payment thereof.

2007 Towngate Improvement Refunding

This fund is used to account for the collection of the special tax and the transfer of special tax funds to the trustee for the payment of principal, interest, and trustee and administrative costs related to the Improvement Area No. 1 Special Tax Refunding Bonds issued November 29, 2007.

2007 Towngate Refunding

This fund is used to account for the collection of the special tax and the transfer of special tax funds to the trustee for the payment of principal, interest and trustee and administrative costs related to the Special Tax Refunding Bonds issued November 29, 2007.

IA1 CFD #7

This fund is used to account for the collection of the special tax and the transfer of special tax funds to the trustee for the payment of principal, interest and trustee and administrative costs related to the Community Facilities District 7 Improvement Area #1 Special Tax Bonds issued August 2016.

City of Moreno Valley, California

**Combining Balance Sheet
All Agency Funds
June 30, 2017**

	<u>Deposit Liability</u>	<u>TUMF Trust</u>	<u>MSHCP Trust</u>	<u>Moreno Valley Foundation Donations</u>	<u>Arts Commission</u>
Assets:					
Current:					
Pooled cash and investments	\$ 6,426,011	\$ 53,238	\$ 69,720	\$ 221,650	\$ 1,840
Accounts receivable	600				
Due from other governments	-	-	-	-	-
Restricted Assets:					
Cash with fiscal agents	-	-	-	-	-
Total Assets	<u>\$ 6,426,611</u>	<u>\$ 53,238</u>	<u>\$ 69,720</u>	<u>\$ 221,650</u>	<u>\$ 1,840</u>
Liabilities:					
Current:					
Accounts payable	111,675	\$ 53,238	\$ 69,720	\$ -	\$ -
Deposits Payable	6,314,936	-	-	-	-
Payable to trustee	-	-	-	221,650	1,840
Due to City of Moreno Valley	-	-	-	-	-
Total Liabilities	<u>\$ 6,426,611</u>	<u>\$ 53,238</u>	<u>\$ 69,720</u>	<u>\$ 221,650</u>	<u>\$ 1,840</u>

City of Moreno Valley, California

**Combining Balance Sheet
All Agency Funds
June 30, 2017**

<u>CFD # 5 Stoneridge</u>	<u>2007 Towngate Improvement Refunding</u>	<u>2007 Towngate Refunding</u>	<u>IA1 CFD # 7</u>	<u>Total</u>	
\$ -	\$ 89,372	\$ 195,830	\$ 27,200	\$ 7,084,861	Assets:
45,141				600	Current:
				45,141	Pooled cash and investments
					Accounts receivable
					Due from other governments
<u>756,810</u>	<u>678,398</u>	<u>2,685,534</u>	<u>232,610</u>	<u>4,353,352</u>	Restricted Assets:
					Cash with fiscal agents
<u>\$ 801,951</u>	<u>\$ 767,770</u>	<u>\$ 2,881,364</u>	<u>\$ 259,810</u>	<u>\$ 11,483,954</u>	Total Assets
					Liabilities:
\$ -	\$ -	\$ -	\$ -	\$ 234,633	Current:
-	-	-	-	6,314,936	Accounts payable
798,859	767,770	2,881,364	259,810	4,931,293	Deposits Payable
3,092	-	-	-	3,092	Payable to trustee
					Due to City of Moreno Valley
<u>\$ 801,951</u>	<u>\$ 767,770</u>	<u>\$ 2,881,364</u>	<u>\$ 259,810</u>	<u>\$ 11,483,954</u>	Total Liabilities

City of Moreno Valley, California

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Deposit Liability</u>				
Assets:				
Pooled cash and investments	\$ 4,586,410	3,552,715	1,713,114	\$ 6,426,011
Accounts receivable	-	5,062	4,462	600
Total Assets	<u>\$ 4,586,410</u>	<u>3,557,777</u>	<u>1,717,576</u>	<u>\$ 6,426,611</u>
Liabilities:				
Accounts payable	\$ 73,588	1,479,554	1,441,467	\$ 111,675
Deposits payable	4,512,822	4,823,751	3,021,637	6,314,936
Total Liabilities	<u>\$ 4,586,410</u>	<u>6,303,305</u>	<u>4,463,104</u>	<u>\$ 6,426,611</u>
<u>Assessment District 87-4</u>				
Assets:				
Pooled cash and investments	\$ 966	-	966	\$ -
Total Assets	<u>\$ 966</u>	<u>-</u>	<u>966</u>	<u>\$ -</u>
Liabilities:				
Payable to trustee	\$ 966	-	966	\$ -
Total Liabilities	<u>\$ 966</u>	<u>-</u>	<u>966</u>	<u>\$ -</u>
<u>TUMF Trust</u>				
Assets:				
Pooled cash and investments	\$ 1,456,045	1,904,640	3,307,447	\$ 53,238
Total Assets	<u>\$ 1,456,045</u>	<u>1,904,640</u>	<u>3,307,447</u>	<u>\$ 53,238</u>
Liabilities:				
Accounts payable	\$ 1,456,045	3,871,391	5,274,198	\$ 53,238
Total Liabilities	<u>\$ 1,456,045</u>	<u>3,871,391</u>	<u>5,274,198</u>	<u>\$ 53,238</u>
<u>MSHCP Trust</u>				
Assets:				
Pooled cash and investments	\$ 54,656	1,307,483	1,292,419	\$ 69,720
Total Assets	<u>\$ 54,656</u>	<u>1,307,483</u>	<u>1,292,419</u>	<u>\$ 69,720</u>
Liabilities:				
Accounts payable	\$ 54,656	2,616,958	2,601,894	\$ 69,720
Total Liabilities	<u>\$ 54,656</u>	<u>2,616,958</u>	<u>2,601,894</u>	<u>\$ 69,720</u>

City of Moreno Valley, California

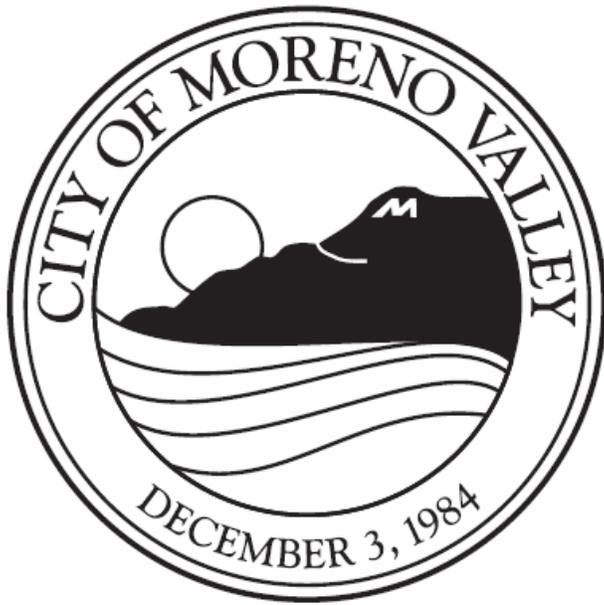
**Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Moreno Valley Foundation Donations</u>				
Assets:				
Pooled cash and investments	\$ 221,650	-	-	\$ 221,650
Total Assets	\$ 221,650	-	-	\$ 221,650
Liabilities:				
Payable to trustee	\$ 221,650	-	-	\$ 221,650
Total Liabilities	\$ 221,650	-	-	\$ 221,650
<u>Arts Commission</u>				
Assets:				
Pooled cash and investments	\$ 2,693	2,500	3,353	\$ 1,840
Total Assets	\$ 2,693	2,500	3,353	\$ 1,840
Liabilities:				
Payable to trustee	\$ 2,693	-	853	\$ 1,840
Total Liabilities	\$ 2,693	-	853	\$ 1,840
<u>CFD # 5 Stoneridge</u>				
Assets:				
Due from other governments	\$ -	45,141	-	\$ 45,141
Restricted assets:				
Cash and investments with fiscal agents	793,858	941	37,989	756,810
Total Assets	\$ 793,858	46,082	37,989	\$ 801,951
Liabilities:				
Payable to trustee	\$ 789,591	9,268	-	\$ 798,859
Due to City of Moreno Valley	4,267	-	1,175	3,092
Total Liabilities	\$ 793,858	9,268	1,175	\$ 801,951
<u>2007 Towngate Improvement Refunding</u>				
Assets:				
Pooled cash and investments	\$ -	89,372	-	\$ 89,372
Restricted assets:				
Cash and investments with fiscal agents		786,312	107,914	678,398
Total Assets	\$ -	875,684	107,914	\$ 767,770
Liabilities:				
Payable to trustee	\$ -	860,300	92,530	\$ 767,770
Total Liabilities	\$ -	860,300	92,530	\$ 767,770

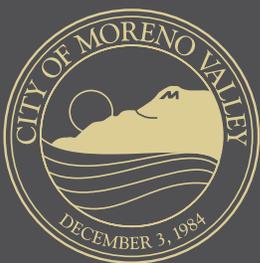
City of Moreno Valley, California

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>2007 Towngate Refunding</u>				
Assets:				
Pooled cash and investments	\$ -	195,830	-	\$ 195,830
Restricted assets:				
Cash and investments with fiscal agents		2,805,536	120,002	2,685,534
Total Assets	\$ -	3,001,366	120,002	\$ 2,881,364
Liabilities:				
Payable to trustee	\$ -	2,881,364	-	\$ 2,881,364
Total Liabilities	\$ -	2,881,364	-	\$ 2,881,364
 <u>IA1 CFD #7</u>				
Assets:				
Pooled cash and investments	\$ -	27,200	-	\$ 27,200
Restricted assets:				
Cash and investments with fiscal agents		232,610	-	232,610
Total Assets	\$ -	259,810	-	\$ 259,810
Liabilities:				
Payable to trustee	\$ -	259,810	-	\$ 259,810
Total Liabilities	\$ -	259,810	-	\$ 259,810
 <u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 6,322,420	\$ 7,079,740	\$ 6,317,299	\$ 7,084,861
Accounts receivable	-	5,062	4,462	600
Due from other governments	-	45,141	-	45,141
Restricted assets:				
Cash and investments with fiscal agents	793,858	3,825,399	265,905	4,353,352
Total Assets	\$ 7,116,278	10,955,342	6,587,666	\$ 11,483,954
Liabilities:				
Accounts payable	\$ 1,584,289	7,967,903	9,317,559	\$ 234,633
Deposits payable	4,512,822	4,823,751	3,021,637	6,314,936
Payable to trustee	1,014,900	4,010,742	94,349	4,931,293
Due to City of Moreno Valley	4,267	-	1,175	3,092
Total Liabilities	\$ 7,116,278	16,802,396	12,434,720	\$ 11,483,954



STATISTICAL SECTION



CITY OF MORENO VALLEY, CA

FISCAL YEAR ENDED JUNE 30, 2017

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page #</u>
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.	188
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its key revenues.	193
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	199
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time and with other governments.	204
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	206

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2003.

City of Moreno Valley
 Net Position by Component,
 Last ten fiscal years
 (accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets										
Restricted for:	\$ 622,102,140	\$ 704,987,685	\$ 768,345,954	\$ 784,881,452	\$ 757,856,437	\$ 812,637,341	\$ 841,259,763	\$ 848,135,743	\$ 843,153,359	\$ 839,572,666
Community development projects	41,908,201	19,960,752	36,341,964	7,079,640	37,716,605	38,269,946	47,104,275	44,564,797	67,426,468	63,563,689
Community and cultural	8,259,181	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156	15,490,740	17,003,008	18,850,364
Public safety	663,854	280,107	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282	509,262
Public works/capital projects	79,745,801	71,335,816	61,365,635	109,095,517	27,654,589	40,264,691	56,388,219	43,385,566	45,945,528	47,002,124
Debt service	7,291,425	17,373,369	15,818,072	12,867,643	11,956,354	12,413,131	11,996,640	9,695,909	9,734,330	6,021,727
Other programs	3,598,110	11,731,764	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617	949,249
Permanent funds-nonexpendable	64,692	66,436	169,287	170,162	188,335	191,646	328,823	332,597	337,682	338,156
Unrestricted	104,545,617	69,630,581	46,594,052	24,461,651	95,014,503	91,359,292	70,552,111	33,342,552	27,376,839	26,675,321
Total Governmental activities net position	\$ 868,179,021	\$ 895,366,510	\$ 941,652,520	\$ 948,471,198	\$ 942,064,400	\$ 1,007,995,816	\$ 1,041,697,324	\$ 996,487,445	\$ 1,012,158,113	\$ 1,003,482,558
Business-type activities										
Net investment in capital assets										
Restricted	\$ 14,110,399	\$ 10,083,679	\$ 12,201,754	\$ 13,942,981	\$ 8,396,845	\$ 9,052,878	\$ 9,569,296	\$ 10,903,412	\$ 13,977,670	\$ 20,512,511
Regulatory contingencies	948,207	1,767,402	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	4,605,893	4,806,157
Unrestricted	(2,252,565)	(4,023,374)	(4,520,034)	(5,623,674)	(413,445)	(652,825)	260,457	4,297,438	7,881,183	4,972,812
Total Business-type activities net position	\$ 12,806,041	\$ 7,827,707	\$ 8,839,920	\$ 10,021,344	\$ 10,504,312	\$ 11,845,022	\$ 13,733,416	\$ 19,004,092	\$ 26,464,746	\$ 30,291,480
Primary government										
Net investment in capital assets										
Restricted for:	\$ 636,212,539	\$ 715,071,364	\$ 780,547,708	\$ 798,824,433	\$ 766,253,282	\$ 821,690,219	\$ 850,829,059	\$ 859,039,155	\$ 857,131,029	\$ 860,085,177
Community development projects	41,908,201	19,960,752	36,341,964	7,079,640	37,716,605	38,269,946	47,104,275	44,564,797	67,426,468	63,563,689
Community and cultural	8,259,181	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156	15,490,740	17,003,008	18,850,364
Public safety	663,854	280,107	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282	509,262
Public works/capital projects	79,745,801	71,335,816	61,365,635	109,095,517	27,654,589	40,264,691	56,388,219	43,385,566	45,945,528	47,002,124
Debt service	7,291,425	17,373,369	15,818,072	12,867,643	11,956,354	12,413,131	11,996,640	9,695,909	9,734,330	6,021,727
Other programs	3,598,110	11,731,764	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617	949,249
Permanent funds-nonexpendable	64,692	66,436	169,287	170,162	188,335	191,646	328,823	332,597	337,682	338,156
Regulatory contingencies	948,207	1,767,402	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	4,605,893	4,806,157
Unrestricted	102,293,052	65,607,207	42,074,018	18,837,977	94,601,058	90,706,467	70,812,568	37,639,990	35,258,022	31,648,133
Total primary government net position	\$ 880,985,062	\$ 903,194,217	\$ 950,492,440	\$ 958,492,542	\$ 952,568,712	\$ 1,019,840,838	\$ 1,055,430,740	\$ 1,015,491,537	\$ 1,038,622,859	\$ 1,033,774,038

City of Moreno Valley
Change in Net Position,
Last ten fiscal years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 14,416,941	\$ 14,948,628	\$ 12,093,157	\$ 13,001,340	\$ 11,326,363	\$ 11,758,206	\$ 12,081,324	\$ 26,675,932	\$ 17,250,813	\$ 20,743,087
Public safety	54,412,284	50,856,439	58,165,412	59,640,431	56,037,192	56,896,151	53,578,915	56,270,003	56,238,838	57,880,925
Community development	10,964,507	12,036,237	29,663,451	10,003,780	11,317,359	11,886,089	7,755,380	9,873,837	9,527,082	9,895,574
Community and cultural	33,717,135	27,904,884	22,700,681	25,046,848	19,245,060	18,400,148	20,615,807	20,589,032	20,910,561	22,144,633
Public works	29,247,892	36,095,949	14,990,867	34,432,579	36,159,171	39,467,695	43,540,207	29,397,062	34,772,563	39,433,172
Interest on long-term debt	12,081,884	10,334,932	9,126,054	8,333,540	6,415,344	2,552,119	4,031,673	3,338,928	3,625,887	2,407,992
Total Governmental activities expenses	154,840,643	152,177,069	146,739,622	150,458,518	140,500,449	140,960,408	141,603,306	146,144,794	142,325,744	152,505,383
Business-type activities:										
Electric	12,282,161	14,067,086	13,812,966	14,807,788	16,549,224	18,139,446	19,796,146	22,277,378	24,230,158	25,319,390
Total business-type activities expenses	12,282,161	14,067,086	13,812,966	14,807,788	16,549,224	18,139,446	19,796,146	22,277,378	24,230,158	25,319,390
Total primary government expenses	\$ 167,122,804	\$ 166,244,155	\$ 160,552,588	\$ 165,266,306	\$ 157,049,673	\$ 159,099,854	\$ 161,399,452	\$ 168,422,172	\$ 166,555,902	\$ 177,824,773
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,329,861	\$ 1,144,983	\$ 3,148,712	\$ 5,008,441	\$ 7,056,028	\$ 9,505,989	\$ 5,057,964	\$ 4,996,612	\$ 6,142,310	\$ 6,705,689
Public safety	4,948,923	6,559,817	4,371,535	2,787,962	2,738,303	2,951,403	3,077,843	3,196,167	3,409,176	3,013,430
Community development	6,962,389	7,607,316	4,071,460	4,911,984	5,973,104	4,821,911	7,620,631	7,529,017	7,437,687	3,710,803
Community and cultural	12,163,575	14,982,931	11,254,752	11,237,049	11,584,756	11,343,108	6,518,337	6,292,363	4,927,785	5,992,611
Public works	19,134,172	7,840,754	2,264,619	3,364,804	1,495,407	3,109,029	2,604,218	3,245,439	3,268,761	3,765,362
Operating contributions and grants:										
General government	-	92,319	66,861	940,799	1,094,413	2,974,751	121,564	154,230	121,850	146,906
Public safety	704,324	385,195	1,016,552	1,009,290	988,848	796,155	687,498	4,213,573	3,954,561	2,459,630
Community development	2,873,752	2,541,925	8,909,018	5,769,165	4,028,880	9,928,414	4,972,354	2,278,546	1,225,925	120,222
Community and cultural	6,911,186	5,936,040	5,174,090	6,635,271	6,284,823	7,166,971	7,515,185	7,595,170	7,437,170	7,306,606
Public works	631,830	3,901,583	6,345,620	6,353,159	15,499,751	15,250,978	12,279,173	12,837,819	10,131,877	9,395,207
Capital contributions and grants										
General government	-	-	31,307	-	5,056,545	-	17,576	-	-	-
Public safety	-	-	146,606	534,771	893,608	357,393	-	-	-	-
Community development	-	-	918,785	20,180	-	-	9,729,528	16,679,953	16,440,489	-
Community and cultural	-	239,746	-	-	-	-	-	-	-	-
Public works	74,004,139	31,573,778	70,826,175	29,208,716	(270,863)	37,847,697	6,544,892	5,052,634	1,638,903	5,544,464
Total governmental activities program revenues	129,664,151	82,806,387	118,546,092	77,781,591	62,423,603	106,053,799	66,746,763	74,071,523	66,136,494	48,160,930
Business-type activities:										
Charges for services										
Electric	10,311,654	12,430,482	13,326,364	15,671,939	16,778,766	19,098,088	20,213,736	27,678,542	29,363,663	29,090,573
Capital contributions and grants										
-	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	10,311,654	12,430,482	13,326,364	15,671,939	16,778,766	19,098,088	20,213,736	27,678,542	29,363,663	29,090,573
Total primary government program revenues	\$ 139,975,805	\$ 95,236,869	\$ 131,872,456	\$ 93,453,530	\$ 79,202,369	\$ 125,151,887	\$ 86,960,499	\$ 101,750,065	\$ 95,500,157	\$ 77,251,503

(continued)

City of Moreno Valley
Change in Net Position,
Last ten fiscal years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (25,176,492)	\$ (69,370,682)	\$ (28,193,530)	\$ (72,676,927)	\$ (78,076,846)	\$ (34,906,609)	\$ (74,856,543)	\$ (72,073,271)	\$ (76,189,250)	\$ (104,344,453)
Business-type activities	(1,970,507)	(1,636,604)	(486,602)	864,151	229,542	958,642	417,590	5,401,164	5,133,505	3,771,183
Total primary government net (expense)/revenue	\$ (27,146,999)	\$ (71,007,286)	\$ (28,680,132)	\$ (71,812,776)	\$ (77,847,304)	\$ (33,947,967)	\$ (74,438,953)	\$ (66,672,107)	\$ (71,055,745)	\$ (100,573,270)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 30,351,211	\$ 28,316,208	\$ 16,836,699	\$ 22,699,683	\$ 18,342,475	\$ 13,088,911	\$ 14,281,943	\$ 15,600,436	\$ 17,009,795	\$ 18,233,839
Property taxes in lieu	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754	15,137,754	16,409,009	17,430,250
Transient occupancy tax	593,009	497,936	535,775	692,586	747,100	831,881	991,431	1,197,143	1,416,343	1,852,584
Sales tax	13,623,654	12,163,719	10,982,811	12,277,450	14,003,993	14,043,560	15,887,129	16,130,340	18,937,738	18,395,442
Franchise taxes	4,381,882	4,876,055	4,607,594	4,888,143	5,008,507	5,147,342	5,361,531	5,885,913	5,493,936	5,384,726
Business license taxes	1,111,021	1,051,702	961,303	1,053,146	1,175,104	1,305,925	1,581,918	1,886,558	2,249,400	2,291,816
Utility users tax	15,186,616	15,081,286	15,358,341	15,317,439	15,591,386	15,683,931	15,595,141	16,138,202	15,824,481	15,613,484
Other taxes	2,620,059	2,683,193	2,278,529	1,204,064	1,155,334	1,325,025	6,467,203	6,512,910	6,529,065	6,464,018
Franchise in lieu taxes	96,816	120,969	132,548	150,456	168,267	189,577	194,943	278,186	293,022	288,383
Documentary transfer tax	575,003	598,084	479,208	424,931	434,554	350,413	447,103	502,822	740,120	719,514
Intergovernmental-motor vehicle in lieu, unrestricted	800,667	865,718	547,188	-	-	-	-	-	-	-
Use of property and money	16,380,462	9,381,199	10,850,116	5,298,098	8,708,429	2,236,328	4,718,739	3,440,087	4,774,277	2,639,133
Gain on sale of capital assets	2,575	-	-	605	-	-	-	-	-	-
Miscellaneous	885,602	1,787,772	1,238,641	2,784,308	469,671	1,728,104	696,377	403,609	2,182,732	769,125
Extraordinary items	-	-	-	-	(7,305,736)	31,492,582	26,364,076	-	-	-
Transfers	61,817	653,554	225,192	(107,841)	-	-	(904,032)	-	-	-
Total governmental activities	103,398,994	94,868,473	78,737,142	79,738,864	71,670,048	100,838,025	105,555,256	83,113,960	91,859,918	90,082,314
Business-type activities										
Use of property and money	-	-	61,428	29,540	89,183	8,848	35,249	137,947	202,544	129,253
Other	-	131,033	1,250,000	179,892	164,243	373,220	531,523	1,141,838	2,124,605	209,279
Transfers	(61,817)	(653,554)	(225,192)	107,841	-	-	904,032	-	-	-
Total business-type activities	(61,817)	(522,521)	1,086,236	317,273	253,426	382,068	1,470,804	1,279,785	2,327,149	338,532
Total primary government	\$ 103,337,177	\$ 94,345,952	\$ 79,823,378	\$ 80,056,137	\$ 71,923,474	\$ 101,220,093	\$ 107,026,060	\$ 84,393,745	\$ 94,187,067	\$ 90,420,846
Change in Net Position										
Government activities	\$ 78,222,502	\$ 25,497,791	\$ 50,543,612	\$ 7,061,937	\$ (6,406,798)	\$ 65,931,416	\$ 30,698,713	\$ 11,040,689	\$ 15,670,668	\$ (14,262,139)
Business-type activities	(2,032,324)	(2,159,125)	599,634	1,181,424	482,968	1,340,710	1,888,394	6,680,949	7,460,654	4,109,715
Total primary government	\$ 76,190,178	\$ 23,338,666	\$ 51,143,246	\$ 8,243,361	\$ (5,923,830)	\$ 67,272,126	\$ 32,587,107	\$ 17,721,638	\$ 23,131,322	\$ (10,152,424)

City of Moreno Valley
Fund Balances, Governmental Funds
Last ten fiscal years
(modified accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved	\$ 35,752,164	\$ 34,787,698	\$ 33,788,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,937,845	17,066,883	17,500,579	-	-	-	-	-	-	-
Nonspendable	-	-	-	5,716,008	5,438,306	5,497,653	9,132,415	8,388,275	8,215,977	8,395,058
Restricted	-	-	-	-	1,000,000	-	-	-	-	-
Committed	-	-	-	2,600,000	2,600,000	2,701,000	2,729,722	2,266,281	2,755,281	13,359,691
Assigned	-	-	-	1,414,860	2,613,937	646,598	1,156,993	1,115,184	3,149,038	10,007,195
Unassigned	-	-	-	36,634,651	29,814,811	25,528,774	27,536,445	31,606,163	37,001,739	24,369,793
Total General Fund	<u>\$ 57,690,009</u>	<u>\$ 51,854,581</u>	<u>\$ 51,289,539</u>	<u>\$ 46,365,519</u>	<u>\$ 41,467,054</u>	<u>\$ 34,374,025</u>	<u>\$ 40,555,575</u>	<u>\$ 43,375,903</u>	<u>\$ 51,122,035</u>	<u>\$ 56,131,737</u>
All Other Funds										
Reserved	\$ 90,143,820	\$ 86,530,127	\$ 79,688,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	50,516,963	42,222,678	30,378,947	-	-	-	-	-	-	-
Capital projects funds	29,300,262	27,359,094	27,373,151	-	-	-	-	-	-	-
Permanent funds	-	66,436	169,287	-	-	-	-	-	-	-
Nonspendable	-	-	-	32,582,050	35,169,140	35,479,835	6,848,083	6,351,290	5,869,254	5,863,731
Restricted	-	-	-	106,735,045	54,025,315	68,502,016	123,037,367	110,373,496	103,223,132	98,182,217
Committed	-	-	-	13,321	17,332	17,332	-	-	1,000,000	5,768,000
Assigned	-	-	-	15,151,482	19,708,984	11,130,251	-	-	-	-
Unassigned	-	-	-	(33,954,694)	(692,943)	(1,074,556)	(449,279)	(447,628)	(122,130)	(207,251)
Total all other funds	<u>\$ 169,961,045</u>	<u>\$ 156,178,335</u>	<u>\$ 137,609,871</u>	<u>\$ 120,527,204</u>	<u>\$ 108,227,828</u>	<u>\$ 114,054,878</u>	<u>\$ 129,436,171</u>	<u>\$ 116,277,158</u>	<u>\$ 109,970,256</u>	<u>\$ 109,606,697</u>

Notes: The City implemented GASB Statement No. 54 in fiscal year 2011.

City of Moreno Valley
Changes in Fund Balances, Governmental Funds
Last ten fiscal years
(modified accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	30,351,211	28,316,208	16,836,699	22,699,683	18,342,475	13,088,911	14,281,943	15,600,436	17,009,795	18,233,839
Property taxes in lieu	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754	15,137,754	16,409,009	17,430,250
Utility taxes	15,186,616	15,081,286	15,358,341	15,317,439	15,591,386	15,683,931	15,595,141	16,138,202	15,824,481	15,613,484
Sales taxes	13,623,654	12,163,719	10,982,811	12,277,450	14,003,993	14,043,560	15,887,129	16,130,340	18,937,738	18,395,442
Other taxes	9,377,790	9,827,939	8,994,957	8,413,326	8,688,866	9,150,163	15,044,129	16,263,532	16,721,886	17,000,816
Licenses, fees and permits	2,650,530	1,930,905	1,354,188	1,532,514	1,523,800	1,585,312	2,164,753	2,020,230	2,834,449	2,860,486
Charges for services	24,745,073	21,876,389	20,182,147	21,497,689	25,480,671	27,718,832	20,229,634	21,050,766	21,193,893	20,967,315
Intergovernmental	31,497,898	32,642,154	39,049,424	27,591,342	28,993,998	38,624,704	28,810,219	32,505,519	27,463,858	27,205,717
Use of property and money	16,380,462	9,381,199	10,850,116	7,027,197	7,605,758	1,749,494	4,034,589	3,405,008	4,734,930	2,639,133
Fines and forfeitures	1,293,056	1,262,712	1,176,403	833,799	653,285	650,259	619,942	630,175	569,383	626,710
Miscellaneous/other	885,602	1,787,772	1,238,641	4,251,577	1,424,186	3,162,871	2,269,465	1,623,569	2,273,288	769,126
Total revenues	162,720,492	151,061,361	139,726,924	134,497,812	135,479,382	138,872,483	132,808,698	140,505,531	143,972,711	141,742,318
Expenditures										
General government	14,681,999	14,825,012	12,607,630	14,504,781	14,442,873	12,099,984	12,019,962	13,146,749	16,275,216	16,860,169
Public safety	56,361,973	57,866,348	58,311,716	58,152,125	54,602,358	58,393,974	53,492,051	55,248,006	55,140,221	56,601,719
Community development	18,144,115	13,895,163	15,003,855	9,061,184	10,530,127	12,374,216	7,923,409	9,883,788	9,116,820	8,759,075
Community and cultural	32,683,219	27,331,726	21,982,074	23,006,061	17,348,779	18,021,610	19,232,689	18,797,257	19,031,065	19,163,687
Public works	34,616,617	45,328,685	13,796,314	15,018,071	15,588,709	15,673,611	18,273,006	18,130,438	19,293,627	18,434,525
Capital outlay	-	-	26,269,751	23,879,656	27,709,622	45,615,380	27,212,890	28,898,279	19,586,004	11,038,070
Debt service										
Principal retirement	18,538,387	4,154,660	3,690,094	11,724,021	3,965,407	3,017,500	13,884,500	2,556,230	3,092,176	2,613,000
Interest and fiscal charges	9,213,625	10,382,080	9,198,762	8,345,084	6,250,237	2,462,481	3,284,958	3,388,158	2,950,685	2,500,775
Bond issuance costs	2,413,464	-	-	-	-	-	895,960	360,956	-	-
Total expenditures	186,653,399	173,783,674	160,860,196	163,690,983	150,438,112	167,658,756	156,219,425	150,409,861	144,485,814	135,971,020
Excess of revenues over/ (under) expenditures	(23,932,907)	(22,722,313)	(21,133,272)	(29,193,171)	(14,958,730)	(28,786,273)	(23,410,727)	(9,904,330)	(513,103)	5,771,298
Other Financing Sources (Uses)										
Issuance of debt	58,412,429	-	-	7,447,764	-	-	-	-	-	-
Transfers in	38,016,856	27,284,397	29,322,934	18,994,235	25,245,873	16,689,425	30,993,218	44,585,720	9,218,855	11,834,731
Transfers out	(36,688,115)	(24,926,511)	(26,106,962)	(19,012,256)	(25,818,899)	(15,473,618)	(30,111,368)	(44,677,294)	(8,588,009)	(9,397,470)
Contributions from Successor Agency	-	-	-	-	900,124	2,811,741	9,729,528	1,489,134	1,620,000	150,000
Contributions to Successor Agency	-	-	-	-	-	-	-	-	(298,513)	-
Sale of capital assets	442,085	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	905,166	-	-	-
Other debts issued	-	-	-	-	-	-	20,000,000	-	-	-
Defeased bonds	-	-	-	-	-	-	-	(25,940,000)	-	-
Refunding bonds issued	-	-	-	-	-	-	10,454,230	24,108,085	-	-
Total other financing sources (uses)	60,183,255	2,357,886	3,215,972	7,429,743	327,098	4,027,548	41,970,774	(434,355)	1,952,333	2,587,261
Extraordinary Items	-	-	-	-	(2,566,209)	23,492,746	-	-	-	-
Net change in fund balances	\$ 36,250,348	\$ (20,364,427)	\$ (17,917,300)	\$ (21,763,428)	\$ (17,197,841)	\$ (1,265,979)	\$ 18,560,047	\$ (10,338,685)	\$ 1,439,230	\$ 8,358,559
Debt service as a percentage of noncapital expenditures	19.40%	10.65%	9.58%	14.35%	8.59%	4.39%	13.06%	5.38%	5.21%	4.76%

City of Moreno Valley
 Tax Revenues by Source, General Fund
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property	Property Tax	Utility Users	Sales & Use	Transient	Franchise	Motor Vehicle	Business License	Documentary	Total
		In-Lieu of Vehicle License Fees					In-Lieu	Gross Receipt	Transfer	
2008	\$ 14,361,253	\$ 16,728,600	\$ 15,186,616	\$ 11,694,525	\$ 593,009	\$ 4,478,698	\$ 800,667	\$ 1,111,021	\$ 575,003	\$ 65,529,392
2009	12,790,196	16,791,078	15,081,286	10,202,384	497,936	4,997,024	865,718	1,051,701	598,084	62,875,407
2010	9,917,734	13,703,197	15,358,341	9,298,296	535,775	4,757,920	547,188	961,303	479,208	55,558,962
2011	9,430,846	13,055,796	15,317,439	11,283,435	692,586	5,038,600	887,331	1,053,145	424,931	57,184,109
2012	9,397,373	13,170,964	15,591,386	14,003,992	747,100	5,176,775	96,578	1,175,104	434,554	59,793,826
2013	9,765,007	13,414,446	15,683,931	14,043,560	831,881	5,336,919	100,727	1,305,924	350,413	60,832,808
2014	10,668,782	13,871,755	15,595,141	15,887,129	991,431	5,556,474	84,056	1,581,918	447,103	64,683,789
2015	11,594,459	15,137,754	16,138,202	16,130,340	1,197,143	6,164,099	81,658	1,886,558	502,822	68,833,035
2016	12,679,455	16,409,009	15,824,481	18,937,742	1,416,343	5,786,958	80,967	2,249,400	740,120	74,124,475
2017	13,593,075	17,430,250	15,613,484	18,395,442	1,852,584	5,673,110	92,009	2,291,816	719,514	75,661,282
Change										
2008 to 2017	-5.00%	4.00%	3.00%	57.00%	212.00%	27.00%	-89.00%	106.00%	25.00%	15.00%

Source: City of Moreno Valley Financial and Management Services Department

City of Moreno Valley
 Key Revenues, General Fund
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Utility Users Tax</u>	<u>Property Tax</u>	<u>Property Tax In-Lieu of VLF</u>	<u>Vehicle License In-Lieu Fees</u>	<u>Sales Tax</u>	<u>Property Tax In-Lieu of Sales Tax</u>	<u>Development Services</u>
2008	\$ 15,186,616	\$ 14,361,253	\$ 16,728,600	\$ 800,667	\$ 7,942,982	\$ 3,751,543	\$ 8,706,327
2009	15,081,286	12,790,196	16,791,078	865,718	7,135,246	3,067,138	5,510,492
2010	15,358,341	9,917,734	13,703,197	547,188	6,952,123	2,346,173	2,631,820
2011	15,317,439	9,430,846	13,055,796	887,331	8,113,635	3,169,800	2,675,770
2012	15,591,386	9,397,373	13,170,964	96,578	10,848,031	3,155,962	3,928,365
2013	15,683,931	9,765,007	13,414,446	100,727	10,523,544	3,520,016	3,586,632
2014	15,595,141	10,668,782	13,871,754	84,056	11,478,971	4,408,158	5,832,468
2015	16,138,202	11,594,459	15,137,754	81,658	12,347,660	3,782,680	5,323,881
2016	15,824,481	12,679,455	16,409,009	80,967	15,412,390	3,525,352	6,453,497
2017	15,613,484	13,593,075	17,430,250	92,009	18,395,442	- (1)	7,124,351

Notes:

- 1) Per direction of the State Director of Finance, the Triple Flip program ended in 2016.

Source: City of Moreno Valley Financial and Management Services Department

City of Moreno Valley
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended June 30,	City						Redevelopment Agency **						
	Secured Value	Unsecured Value	Total Assessed and Estimated Full Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate	Secured Value	Unsecured Value	Total Assessed and Estimated Full Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate	Total Direct Tax Rate
2008	\$ 13,491,161	\$ 232,774	\$ 13,723,935	\$ (194,693)	\$ 13,529,242	0.00143	\$ 2,788,876	\$ 137,206	\$ 2,926,082	\$ (75,251)	\$ 2,850,831	0.00838	0.00264
2009	13,132,444	243,521	13,375,965	(154,973)	13,220,992	0.00131	2,229,290	117,596	2,346,886	(72,232)	2,274,654	0.01045	0.00265
2010	10,625,910	236,904	10,862,814	(154,289)	10,708,525	0.00160	2,391,494	154,639	2,546,133	(81,595)	2,464,538	0.00675	0.00256
2011	10,516,338	238,786	10,755,124	(227,178)	10,527,946	0.00164	2,375,549	157,430	2,532,979	(81,830)	2,451,149	0.00575	0.00242
2012	10,561,585	271,336	10,832,921	(236,235)	10,596,686	0.00258	-	-	-	-	-	-	0.00258
2013	10,646,415	342,094	10,988,509	(249,331)	10,739,178	0.00183	-	-	-	-	-	-	0.00183
2014	11,042,637	352,337	11,394,974	(264,161)	11,130,813	0.00185	-	-	-	-	-	-	0.00185
2015	12,102,252	366,400	12,468,652	(262,713)	12,205,939	0.00179	-	-	-	-	-	-	0.00179
2016	12,991,881	486,350	13,478,231	(256,756)	13,221,475	0.00173	-	-	-	-	-	-	0.00173
2017	13,703,128	609,642	14,312,770	(265,286)	14,047,484	0.00172	-	-	-	-	-	-	0.00172

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

**As of January 31, 2012 the Redevelopment Agency was dissolved due to the California Supreme Court passing two bills, AB X1 26 and AB X1 27.

Source: City of Moreno Valley Financial and Management Services Department
 County of Riverside Auditor-Controller

City of Moreno Valley
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(per \$100 of assessed value)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Direct Rate:	\$0.00143	\$0.00131	\$0.00160	\$0.00164	\$0.00258	\$0.00177	\$0.00185	\$0.00179	\$0.00173	\$0.00172
Redevelopment Agency Direct Rate:	0.00838	0.01045	0.00675	0.00575	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Tax Rate:	0.00264	0.00265	0.00256	0.00242	0.00258	0.00177	0.00185	0.00179	0.00173	0.00172
Eastern Municipal Water Imp Dist	0.01500	0.00700	0.03000	0.03000	0.03000	0.03000	0.03000	0.01100	0.01100	0.01100
Metropolitan Water Dist Original Area	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350
Moreno Valley Unified School District	0.03066	0.03081	0.02660	0.03357	0.04096	0.04060	0.04354	0.04071	0.10223	0.10320
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01394	0.01320
Riverside City Community College District	0.01259	0.01254	0.01242	0.01499	0.01700	0.01702	0.01768	0.01791	0.01725	0.01649
San Jacinto Unified School District	0.07202	0.09600	0.09052	0.11744	0.12875	0.12800	0.12746	0.11866	0.11727	0.11656
Val Verde Unified District	0.00000	0.03189	0.04089	0.03347	0.03160	0.08383	0.07235	0.07882	0.07135	0.07210
Total Tax Rate	<u>\$0.14722</u>	<u>\$0.19695</u>	<u>\$0.17232</u>	<u>\$0.24298</u>	<u>\$0.25717</u>	<u>\$0.30649</u>	<u>\$0.29823</u>	<u>\$0.27239</u>	<u>\$0.33827</u>	<u>\$0.33777</u>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Metropolitan Water District bonds, the Eastern Municipal Water District bonds and the Riverside Community College bonds.

Source: City of Moreno Valley Finance Department
County of Riverside Auditor-Controller
Hdl Coren & Cone

City of Moreno Valley
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
HF Logistics SKX(Skechers)	\$ 229,713,987	1	1.64%	\$ -		0.00%
Western A West California LLC	160,331,975	2	1.14%	-		0.00%
Ross Dress for Less, Inc.	137,208,910	3	0.98%	49,845,154	6	0.37%
Walgreen Company	115,758,227	4	0.82%	134,852,249	1	1.00%
Golden State FC LLC	112,794,343	5	0.80%	-		0.00%
FR California Indian Avenue	112,182,243	6	0.80%	-		0.00%
First Industrial LP	102,053,187	7	0.73%	-		0.00%
AI California LLC	95,057,597	8	0.68%	-		0.00%
Kaiser	94,591,476	9	0.67%	-		0.00%
Towngate on Mem Apartments LLC	85,938,299	10	0.61%	-		0.00%
Dav-G Stonegate LLC	-		0.00%	88,368,000	2	0.66%
Towngate Lot 12 Apartments	-		0.00%	69,148,000	3	0.51%
Moreno Valley Properties	-		0.00%	60,563,080	4	0.45%
Ridge Moreno Valley	-		0.00%	52,294,416	5	0.39%
SP4 Heacock LP	-		0.00%	45,323,674	7	0.34%
Bre Prop Inc	-		0.00%	41,600,664	8	0.31%
EI Dorado Pointe Apartments Inv	-		0.00%	41,000,000	9	0.30%
WNRA Moreno Valley	-		0.00%	40,562,000	10	0.30%
	<u>\$ 1,245,630,244</u>		<u>8.87%</u>	<u>\$ 623,557,237</u>		<u>4.63%</u>

City of Moreno Valley
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent years	Total Collections to Date	
		Amount	Percent of Levy (1)		Amount	Percent of Levy
2008	\$ 43,561,908	\$ 43,457,010	99.76%	\$ 104,898	\$ 43,561,908	100.00%
2009	41,285,111	41,165,168	99.71%	119,943	41,285,111	100.00%
2010	35,573,656	35,492,693	99.77%	80,963	35,573,656	100.00%
2011	33,713,334	33,658,226	99.84%	55,108	33,713,334	100.00%
2012	33,226,437	33,172,713	99.84%	53,724	33,226,437	100.00%
2013	25,630,602	25,580,901	99.81% (2)	49,701	25,630,602	100.00%
2014	26,906,254	26,862,040	99.84%	44,214	26,906,254	100.00%
2015	26,455,986	26,154,116	98.86%	301,870	26,455,986	100.00%
2016	27,643,578	27,249,232	98.57%	394,345	27,643,578	100.00%
2017	28,476,155	28,270,448	99.28%	-	28,270,448	99.28%

Notes: (1) The City began participating in the "Teeter Plan" in FY 1993-94. The Teeter Plan adopted by the County of Riverside guarantees each participating city payment equal to 100% of the total tax value. Any delinquencies and the associated penalties and interest are collected and maintained by the County.

(2) Beginning in 2013 the Redevelopment Tax Increment was no longer included in the calculation for the levy and the collections.

Source: County of Riverside Auditor-Controller
City of Moreno Valley Financial and Management Services Department

City of Moreno Valley
Direct and Overlapping Debt

Fiscal Year 2016/17 Assessed Valuation \$ 14,047,202,787

	Total Debt 6/30/2017	% Applicable(1)	City's Share of Debt 6/30/2017
OVERLAPPING TAX AND ASSESSMENT DEBT			
Metropolitan Water District	\$ 74,905,000	0.543%	\$ 406,734
Riverside County Flood Control and Water Reclamation District, Zone No.4	18,730,000	31.231	5,849,566
Eastern Municipal Water District I.D. No U-22	2,467,000	100	2,467,000
Riverside Community College District	262,164,713	15.030	39,403,356
Mount San Jacinto Community College District	63,950,000	0.027	17,267
Moreno Valley Unified School District	123,193,521	84.813	104,484,121
San Jacinto Unified School District	66,948,971	0.816	546,304
Val Verde Unified School District	124,756,488	38.818	48,427,974
Moreno Valley Unified School District Community Facilities District No. 2002-1	6,915,000	100	6,915,000
Moreno Valley Unified School District Community Facilities District No. 2003-1&2	10,515,000	100	10,515,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	2,865,000	100	2,865,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,025,000	100	5,025,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,720,000	100	3,720,000
Moreno Valley Unified School District Community Facilities District No. 2004-4	3,825,000	100	3,825,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,635,000	100	4,635,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	25,290,000	100	25,290,000
Moreno Valley Unified School District Community Facilities District No. 2005-1	6,835,000	100	6,835,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,055,000	100	23,055,000
Moreno Valley Unified School District Community Facilities District No. 2007-1	5,140,000	100	5,140,000
Val Verde Unified School District Community Facilities District No. 98-1	17,135,000	100	17,135,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,740,000	100	2,740,000
Eastern Municipal Water District Community Facilities Districts	14,447,000	100	14,447,000
City of Moreno Valley Community Facilities District No. 5	5,530,000	100	5,530,000
City of Moreno Valley Community Facilities District No. 7, 1. A. No. 1	3,265,000	100	3,265,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	2,115,000	100	2,115,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 344,654,322
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$ 849,105,407	5.607%	\$ 47,609,340
Riverside County Pension Obligations	286,535,000	5.607%	16,066,017
Moreno Valley Unified School District Certificates of Participation	10,785,000	84.813%	9,147,082
San Jacinto Unified School District Certificates of Participation	38,580,000	0.816%	314,813
Val Verde Unified School District Certificates of Participation	67,910,000	38.818%	26,361,304
City of Moreno Valley General Fund Obligations	69,750,000	100.000%	69,750,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 169,248,556
Less: Riverside County self-supporting obligations			271,785
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 168,976,771
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	\$ 78,745,000	36.855-100%	\$ 57,847,162
TOTAL DIRECT DEBT			69,750,000
TOTAL GROSS OVERLAPPING DEBT			502,000,040
TOTAL NET OVERLAPPING DEBT			501,728,255
GROSS COMBINED TOTAL DEBT			571,750,040 (2)
NET COMBINED TOTAL DEBT			571,478,255

Notes:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations

Ratios to FY 2016-17 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt 2.45%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$69,750,000) 0.50%
Gross Combined Total Debt 4.07%
Net Combined Total Debt 4.07%

Ratios to Redevelopment Incremental Valuation (\$2,791,527,708):

Total Overlapping Tax Increment Debt 2.07%

AB: (\$500)

Source: California Municipal Statistics

City of Moreno Valley
 Legal Debt Margin
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2017	\$ 13,909,814,250
Assessed Value	2,086,472,138
Debt Limit (15% of assessed value)	
Debt applicable to limit:	-
	<u>\$ -</u>
Total net debt applicable to limit	

	Fiscal Year (1)									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Valuation (in thousands)	\$ 13,374,229	\$ 13,375,965	\$ 10,862,814	\$ 10,366,869	\$ 10,462,566	\$ 10,590,832	\$ 12,199,659	\$ 12,064,572	\$ 13,082,108	\$13,909,814
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation (in thousands)	3,343,557	3,343,991	2,715,704	2,591,717	2,615,642	2,647,708	3,049,915	3,016,143	3,270,527	3,477,454
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit (in thousands)	501,534	501,599	407,356	388,758	392,346	397,156	457,487	452,421	490,579	521,618
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin (in thousands)	501,534	501,599	407,356	388,758	392,346	397,156	457,487	452,421	490,579	521,618
Total net debt applicable to the limit as a percentage of the debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: City of Moreno Valley Financial and Management Services Department
 County of Riverside Auditor-Controller

City of Moreno Valley
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Debt per Capita
	Certificates of Participation	Lease Revenue Bonds	RDA Tax Allocation Bonds	Notes and Other	Governmental Activities	Lease Revenue Bonds			
2008	\$6,040,000	\$46,160,000	43,495,000	\$4,318,513	100,013,513	\$30,870,000	\$130,883,513	4.03%	712
2009	5,470,001	45,205,000	42,725,000	6,849,487	100,249,488	30,775,000	131,024,488	3.96%	703
2010	4,875,000	44,205,000	42,605,000	6,667,850	98,352,850	30,285,000	128,637,850	3.55%	682
2011	- (2)	39,660,000 (2)	42,475,000	12,301,668 (2)	94,436,668	29,780,000	124,216,668	3.63%	636
2012	-	38,775,000	- (3)	12,405,733	51,180,733	29,245,000	80,425,733	2.35%	409
2013	-	37,855,000	- (3)	12,340,304	50,195,304	28,685,000	78,880,304	2.18%	398
2014	20,000,000	36,394,230	- (3)	11,874,411	68,268,641	27,836,607	96,105,248	2.66%	482
2015	20,000,000	32,486,745	- (3)	10,620,844	63,107,589	26,982,029	90,089,618	2.43%	442
2016	20,000,000	33,788,512	- (3)	2,838,000 (5)	56,626,512	36,713,979 (4)	93,340,491	2.54%	454
2017	19,391,245	32,324,572	- (3)	1,800,000 (5)	53,515,817	37,339,941 (4)	90,855,758	2.41%	439

Notes:

- 1) These ratios are calculated using personal income and population for the prior year.
- 2) In Fiscal Year 2011 the City defeased the 1997 Lease Revenue Bonds and the 1997 City Hall COPs with private placement financing.
- 3) No Longer considered general bonded debt as the result of the dissolution of the Redevelopment Agency.
- 4) In Fiscal Year 2016 the Moreno Valley Electric Utility issued Taxable Lease Revenue Bonds in the amount of \$10,430,000.
- 5) Beginning in Fiscal Year 2016 OPEB and Compensated Absences are not included in Notes and Other.

Source: City of Moreno Valley Financial and Management Services Department
Riverside County Economic Development Agency
State of California Department of Finance

City of Moreno Valley
Ratio of Bonded Debt
Last Ten Fiscal Years

Fiscal Year Ended June 30,	(1) Certificates of Participation	Lease Revenue Bonds	Total Governmental Activities	Percent of Assessed Value	Per Capita
2008	\$6,040,000	\$46,160,000	\$52,200,000	0.39%	284
2009	5,470,001	45,205,000	50,675,001	0.38%	272
2010	4,875,000	44,205,000	49,080,000	0.45%	260
2011	- (2)	39,660,000 (2)	39,660,000	0.37%	203
2012	-	38,775,000	38,775,000	0.36%	197
2013	-	37,855,000	37,855,000	0.35%	191
2014	20,000,000	36,394,230	56,394,230	0.50%	283
2015	20,000,000	32,486,745	52,486,745	0.43%	258
2016	20,000,000	33,788,512	53,788,512	0.41%	262
2017	19,391,245	32,324,572	51,715,817	0.37%	250

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which the City has none).

1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

2) In Fiscal Year 2011 the City defeased the 1997 Lease Revenue Bonds and the 1997 City Hall COPs with private placement financing.

Data Source: City of Moreno Valley Financial and Management Services Department
County of Riverside Auditor-Controller

City of Moreno Valley
Pledged Revenue Coverage
Last Ten Years

Fiscal Year Ended June 30,	Community Facilities District No. 3, AutoMall Refinancing					Community Facilities District No. 5 of the City of Moreno Valley (Stoneridge)				Towngate Community Facilities District No. 87-1, 2007 Special Tax Refunding Bonds				Towngate Community Facilities District No. 87-1, Improvement No. 1 Special Tax Refunding Bonds				
	Special Tax Lewy	Property Tax Increment	Debt Service		Coverage	Special Tax Lewy	Debt Service		Coverage	Property Tax Increment	Debt Service		Coverage	Special Tax Lewy	Property Tax Increment	Debt Service		Coverage
			Principal	Interest			Principal	Interest			Principal	Interest				Principal	Interest	
2008	1,088,427	190,425	785,000	327,050	1.15	198,306	-	217,261	0.91	2,072,568	-	226,176	9.16	429,990	-	-	60,994	0.00
2009	1,212,713	103,026	865,000	269,300	1.16	344,701	-	288,613	1.19	1,164,131	575,000	435,881	1.15	108,706	287,228	220,000	175,859	1.00
2010	1,173,443	185,125	950,000	205,775	1.18	362,124	15,000	288,313	1.19	373,011	600,000	409,381	0.37	78,519	303,573	190,000	168,029	1.07
2011	78,021	96,489	1,045,000	135,950	0.15	376,005	20,000	287,613	1.22	1,168,536	630,000	382,569	1.15	112,162	277,359	195,000	160,375	1.10
2012	74,137	29,292	925,000	64,688	0.10	384,249	30,000	286,613	1.21	1,175,145	655,000	359,294	1.16	115,946	274,445	205,000	152,173	1.09
2013	75,878	31,192	295,000	18,938	0.34	388,022	35,000	285,295	1.21	1,170,595	680,000	335,931	1.15	110,672	275,008	210,000	143,719	1.09
2014	-	-	105,000	3,938	0.00	393,684	45,000	283,633	1.20	1,174,345	700,000	310,906	1.16	117,164	275,007	220,000	135,009	1.10
2015	-	-	-	-	0.00	398,468	55,000	281,505	1.18	1,186,238	730,000	283,181	1.17	114,616	277,896	230,000	125,668	1.10
2016	-	-	-	-	0.00	405,862	65,000	278,893	1.18	1,190,000	760,000	253,381	1.17	114,070	280,000	240,000	115,739	1.11
2017	-	-	-	-	0.00	368,314	75,000	275,775	1.05	1,175,245	790,000	218,431	1.17	16,083	275,803	250,000	105,170	0.82

Community Redevelopment Agency 2007 Tax Allocation Bonds

Fiscal Year Ended June 30,	Property Tax Increment	Debt Service		Coverage
		Principal	Interest	
2008	\$ 23,890,555	\$ -	\$ 359,683	66.42
2009	23,775,956	770,000	2,073,084	8.36
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-

Data Source: City of Moreno Valley Financial and Management Services Department
City of Moreno Valley Public Works Department

City of Moreno Valley
 Demographic and Economic Statistics
 Last Nine Years

<u>Calendar Year (1)</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	186,301	\$ 3,702,458	\$ 18,898	15.7%
2010	188,537	3,836,808	19,230	17.6%
2011	195,216	3,463,419	17,519	16.1%
2012	196,495	3,491,186	17,425	13.9%
2013	198,129	3,615,062	18,246	11.8%
2014	199,258	3,612,548	18,130	11.0%
2015	203,696	3,704,415	18,186	7.0%
2016	205,383	3,671,016	17,874	7.1%
2017	206,750	3,775,669	18,262	6.0%

(1) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

Data Source: California Department of Finance
www.dof.ca.gov/research/demographic

Employment Development Department
<http://www.edd.ca.gov/>

City of Moreno Valley
Principal Employers
Current Year and Nine Years Ago

Employer	Sector	Business Type	2017		2008	
			Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
March Air Reserve Base	Military/Public Sector	Military Reserve Base	8,000	8.66%	9,000	25.54%
Amazon	Fulfillment	Retail Distribution	5,000	5.41%		
Moreno Valley Unified School District	Public Sector	Public Schools	3,468	3.75%	3,752	10.65%
Riverside County Regional Medical Center	Medical Facilities	County Hospital	2,882	3.12%	2,215	6.29%
Ross Dress for Less / dd's Discounts	Distribution	Retail Distribution	1,953	2.11%		
Val Verde Unified School District (MV Only)	Public Sector	Public Schools	1,404	1.52%	734	2.08%
Kaiser Permanente Community Hospital	Medical Facilities	Hospital/Medical Services	870	0.94%	430	1.22%
Harbor Freight Tools	Distribution	Retail Distribution	775	0.84%		
United Natural Foods (UNFI)	Distribution	Retail Distribution	493	0.53%		
City of Moreno Valley	Public Sector	Municipal Government	458	0.50%	746	2.12%
Moreno Valley Mall (excludes major tenants)	Retail	Retail Mall			1,669	4.74%
Riverside Community College - Moreno Valley Campus	Public Sector	Higher Education			1,038	2.95%
Walgreens	Distribution	Retail Distribution			650	1.84%
Riverside County DPSS	Public Sector	Social Services			432	1.23%

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: City of Moreno Valley Economic Development Department
California Department of Finance

City of Moreno Valley
 Full-time and Part-time City Employees by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government	150	142	150	147	125	96	93	94	91	101
Public Works	141	151	146	143	134	122	121	119	118	121
Community Development	74	72	68	59	66	59	49	51	60	51
Parks and Community Services	240	238	453	101 (2)	118	112	113	127	138	147
Animal Services	27	29	27	21	19	21	22	22	22	26
Redevelopment Agency	18	16	14	12	0	0	0	0	0	0
Public Safety (1)	383	393	415	407	407	318	286	287	284	291
	<u>1,033</u>	<u>1,041</u>	<u>1,273</u>	<u>890</u>	<u>869</u>	<u>728</u>	<u>684</u>	<u>700</u>	<u>713</u>	<u>737</u>

This data represents a count of people employed by the City not the number of approved full time equivalents.

(1) The City contracts with the County of Riverside for Police and Fire services. The number includes the County and City employees.

(2) In 2011 the Parks and Community Services Department received a grant from the State of California related to the After School Education and Safety Grant, however staffing for this services was contracted to an outside agency. This resulted in a large decrease in staffing.

Source: City of Moreno Valley Financial and Management Services Department

City of Moreno Valley
 Capital Asset Statistics
 Last Nine Fiscal Years

	Fiscal Year								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Lane miles of streets	1,076	1,076	1,076	1,076	1,095	1,080	1,080	1,080	1,080
Number of street lights	11,037	11,046	11,260	11,358	11,381	11,449	11,512	11,620	11,694
Number of traffic signals	167	170	173	175	180	182	186	188	191
Fire protection:									
Number of stations	6	6	6	6	7	7	7	7	7
Police protection:									
Number of policing stations	1	1	1	1	1	1	1	1	1
Number of policing substations	4	4	4	6	6	6	2	3	2
Recreation and culture:									
Parks	39	37	37	37	37	37	38	38	38
Maintained acreage of parks	531	531	532	520	520	520	533	533	540
Parks under construction	6	6	1	1	1	1	-	-	-
Acreage of parks under construction	25.14	25.14	12.25	12.75	12.75	12.75	-	-	-
Multi-use athletic fields	21	21	21	21	21	21	24	24	24
Conference/Recreation centers	1	1	1	1	1	1	1	1	1
Square footage of recreation centers	42,413	42,413	42,413	42,413	42,413	42,413	42,413	42,800	42,800
Senior Centers	1	1	1	1	1	1	1	1	1
Square footage of senior centers	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700
Equestrian centers	1	1	1	1	1	1	1	1	1
Maintained acreage of equestrian centers	45	45	45	45	45	45	45	45	45
Multi-use equestrian trails maintained	10 Miles	10 Miles	10 Miles	10 Miles	10 Miles	10 Miles	10 Miles	11 Miles	11 Miles
Community centers	4	4	4	4	4	4	4	4	4
Square footage of community centers	38,758	38,758	38,758	38,758	38,758	38,758	38,758	38,758	38,758
Sports courts	24	24	24	24	24	24	24	24	24
Skate parks	1	1	1	1	1	1	1	1	1
Square footage of skate parks	1,850	1,850	1,851	1,850	1,850	1,850	1,850	1,850	1,850
Soccer Arena	0	0	0	1	1	1	1	1	1
Nine-hole golf courses	1	1	1	1	1	1	1	1	1
Play apparatus	24	26	26	26	26	26	27	27	28
Water play features	2	2	2	2	2	2	2	2	2
Utilities:									
Residential utility meters	4,802	4,904	5,003	5,028	5,091	5,202	5,260	5,365	5,494
Commercial utility meters	565	545	599	592	607	639	652	663	673

1) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

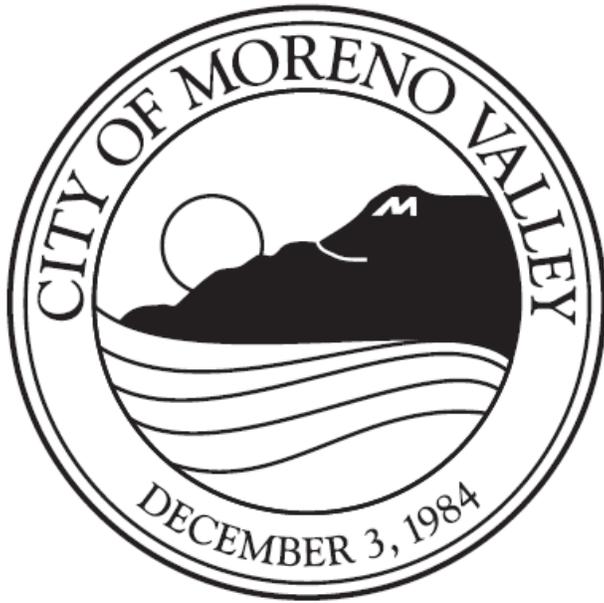
Sources: City of Moreno Valley Technology Services, Special Districts, Transportation, Fire Department, Police Department, Parks & Community Services, Utilities.

City of Moreno Valley
 Operating Indicators by Function
 Last Nine Fiscal Years

	Fiscal Year								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Square mileage of area	52	52	52	52	52	52	52	52	52
Fire protection:									
Provided by the County of Riverside in cooperation with the State Department of Forestry and Fire:									
Sworn personnel	81	80	79	71	72	69	69	69	69
Volunteers	25	25	10	16	16	25	18	16	14
Non-sworn personnel	8	8	8	8	8	11	13	12	11
OEM non-sworn personnel	0	0	0	2	3	3	2	3	3
Responses to emergency calls	12,971	13,530	15,268	14,824	15,905	16,340	17,727	19,006	21,268
Inspections and Permits	3,522	2,369	3,383	2,304	2,400	3,251	3,445	6,382	4,741
Apartment Complex Inspections	0	0	0	849	872	1,476	1,777	1,943	771
Plan checks	664	424	358	786	1,218	1,646	1,788	1,317	861
Counter/Public inquires	7,249	2,734	2,452	2,671	2,431	2,966	2,683	2,604	2,162
Police protection:									
Provided through contract with the County of Riverside									
Sheriff's Department:									
Sworn officers	186	184	186	181	181	153	151	150	150
Classified personnel	55	54	55	54	51	49	50	50	50
City support personnel	3	3	3	3	3	2	2	0	0
Volunteers	56	62	77	85	77	69	84	72	88
Responses to Calls:									
Priority 1	572	519	423	363	425	402	420	461	446
Priority 1A	1,110	1,181	1,274	1,289	1,584	1,500	1,463	1,480	1,398
Priority 2	24,967	24,938	27,797	26,021	27,733	28,048	28,696	30,294	31,097
Priority 3	26,466	24,800	27,487	29,393	29,860	28,521	30,499	35,317	33,816
Priority 4	17,592	16,630	18,625	18,087	17,280	16,662	16,749	17,944	17,841
Priority 5	91	1	1	1	1	63	62	54	18
Priority 6	0	0	0	0	0	0	0	0	0
Priority 7	0	0	0	0	0	0	1	0	0
Priority 8	0	0	1	1	0	0	0	0	0
Priority 9	248	279	312	223	347	436	312	295	331
Cancelled	5,359	5,222	5,543	5,991	23,338	26,172	29,095	26,061	22,903
Disp/Arr Time Missing	8,540	7,638	7,944	8,125	8,941	8,191	9,384	8,807	7,592
Same Disp/Arr Time	60,510	54,645	54,379	47,638	45,096	40,425	45,041	47,794	67,829
T. R. U. Calls	43	32	37	54	87	76	42	27	39
Building and Safety:									
Building permits issued	2,058	1,645	1,700	1,889	1,797	2,066	2,329	2,411	2,823
Counter requests for service	8,922	6,611	6,105	6,563	6,407	7,049	7,597	8,066	7,895
Planning:									
Planning applications processed	894	682	644	740	745	752	667	672	494
Counter requests for service	4,669	3,875	3,683	3,853	3,749	3,718	3,527	3,366	3,598
Recreation and culture:									
Rounds of golf played	6,123	6,638	9,719	n/a	8,209	9,002	7,948	8,237	6,500
Facility rentals	893	1,026	1,005	992	997	1,058	1,087	1,235	1,300
Participants in recreation programs	46,075	46,561	46,040	48,473	41,992	47,405	43,361	44,000	46,000
Utilities:									
Average residential daily consumption (kilowatt hours)	19.8	18.5	18.5	19.7	20.7	19.1	20.1	19.7	19.7
Average commercial daily consumption (kilowatt hours)	254.8	284.4	296.3	371.9	383.0	395.3	573	622.2	646.2
New residential connections	123	93	99	23	63	111	58	105	129
New commercial connections	65	5	54	23	15	32	13	11	10
Employees:									
Members of City Council	5	5	5	5	5	5	5	5	5
Members of the Planning Commission	7	7	7	7	7	7	7	9	8
Full-time career status (FTE)	324	312	283	281	277	299	261	264	262
Part-time career status (FTE)	14	29	21	66	22	11	14	15	12

Note: GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.

Sources: City of Moreno Valley Technology Services, Fire Department, Police Department, Community & Economic Development, Parks & Community Services, Public Works, Utilities, Financial-Payroll.



CITY OF MORENO VALLEY, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COMMUNITY SERVICES DISTRICT



FISCAL YEAR ENDED JUNE 30, 2017



**City of Moreno Valley, California
Community Services District**

**Financial Statements
Year Ended June 30, 2017**

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditors' Report..... 1

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position..... 3

Statement of Activities..... 5

Fund Financial Statements:

Balance Sheet – Governmental Funds..... 6

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position..... 9

Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds..... 10

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities..... 12

Budget Comparison Statements

Zone L Library Services..... 13

Zone A Parks and Community Services..... 14

Landscape Maintenance District (LMD) No. 2014-02..... 15

Zone E Extensive Landscaping Administration..... 16

Zone D Standard Landscaping Administration 17

Notes to Financial Statements..... 18

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds..... 36

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds..... 38

Budgetary Comparison Schedules

Lighting Maintenance District (LMD) No. 2014-01 40

Zone C Arterial Street Lights Administration 41

Zone M Median 42

CFD No.1 44

Zone S Sunnymead Boulevard Maintenance 44

INDEPENDENT AUDITORS' REPORT

To the Directors
City of Moreno Valley, California
Community Services District

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, Community Services District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and budgetary comparison for the Zone L Library Services, Zone A Parks and Community Services, Landscape Maintenance District (LMD) 2014-02, Zone E Extensive Landscaping Administration, and Zone D Standard Landscaping Administration for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District'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.

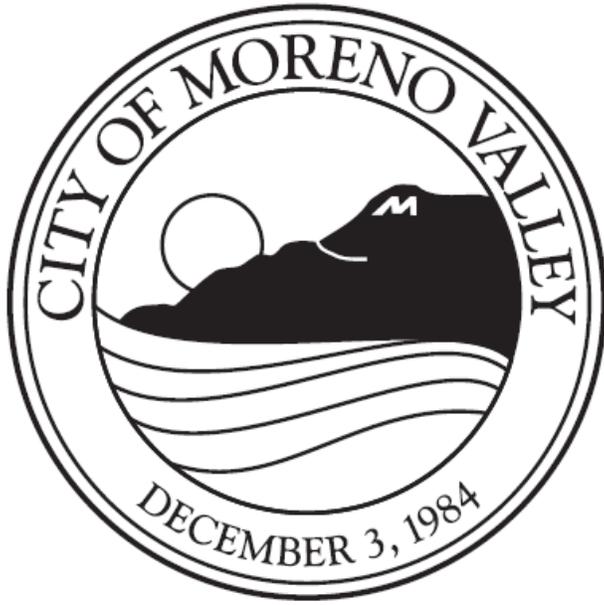
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2017 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Vasquez + Company LLP

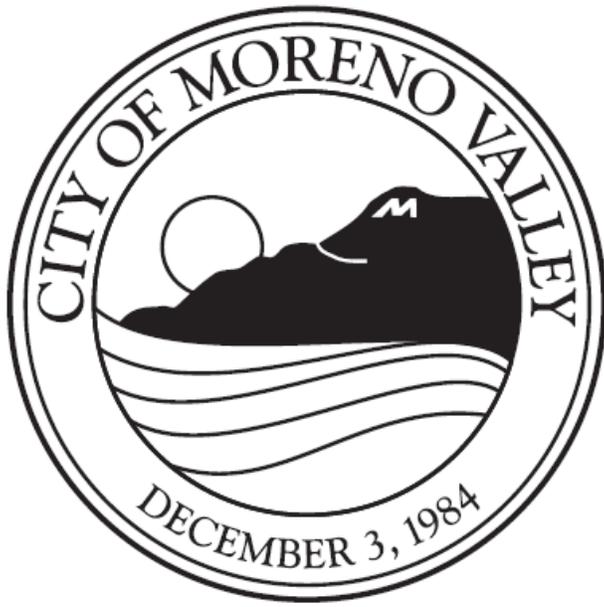
Los Angeles, California
December 5, 2017



**City of Moreno Valley, California
Community Services District**

**Statement of Net Position
June 30, 2017**

	Governmental Activities
Assets	
Cash and investments (note 2)	\$ 19,713,885
Receivables:	
Accounts	99,459
Due from other governments	269,982
Capital assets not being depreciated (note 3)	1,786,208
Capital assets, net of depreciation (note 3)	19,116,545
Total Assets	40,986,079
 Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	1,963,824
Total Deferred Outflows of Resources	1,963,824
 Liabilities	
Accounts payable	960,523
Unearned revenue	247,717
Deposits payable	100
Due to other governments	13
Due to the City of Moreno Valley	24,609
Net pension liability	10,168,064
Net OPEB liability	881,237
Total Liabilities	12,282,263
 Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	1,171,703
Deferred inflows of resources related to OPEB	84,497
Total Deferred Inflows of Resources	1,256,200
 Net Position	
Net investment in capital assets	20,902,753
Restricted for:	
Special zones	8,508,687
	\$ 29,411,440



**City of Moreno Valley, California
Community Services District**

**Statement of Activities
Year Ended June 30, 2017**

Functions/Programs: Primary Government:	Program Revenues				Net (Expenses)
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Revenues and Changes in Net Position
					Governmental Activities
Governmental Activities					
Community and cultural	\$ 14,645,902	\$ 5,828,516	\$ -	\$ -	\$ (8,817,386)
Public works	5,548,877	-	-	-	(5,548,877)
Total Governmental Activities	\$ 20,194,779	\$ 5,828,516	\$ -	\$ -	\$ (14,366,263)
General revenues					
Taxes:					
Property taxes, levied for general purpose					4,640,764
Other taxes					6,439,258
Use of money and property					767,938
Other					56,112
Capital assets contribution from the City of Moreno Valley					1,181,120
Contributions from the City of Moreno Valley					1,354,316
Total general revenues and contributions					14,439,508
Change in Net Position					73,245
Net Position - Beginning of year					29,338,195
Net position - End of year					\$ 29,411,440

**City of Moreno Valley, California
Community Services District**

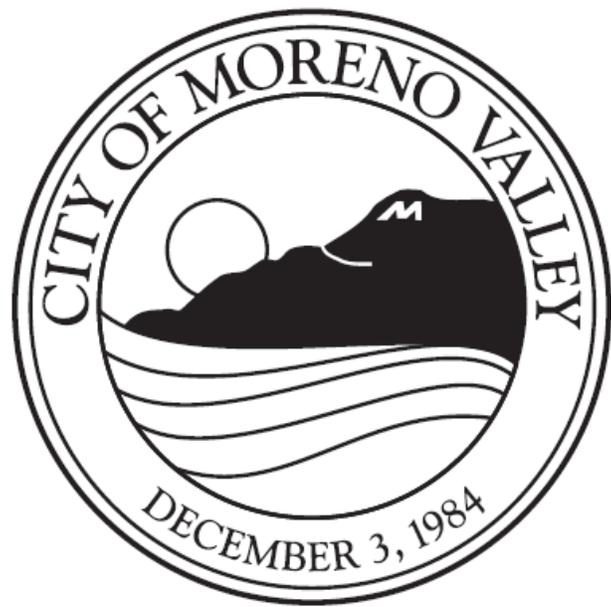
**Governmental Funds
Balance Sheet
June 30, 2017**

	Special Revenue Funds		
	Zone L Library Services	Zone A Parks and Community Services	Landscape Maintenance District No. 2014-02
Assets:			
Pooled cash and investments (note 2)	\$ 869,392	\$ 6,611,862	\$ 5,026,595
Receivables:			
Accounts	-	99,459	-
Due from other governments	60,677	130,550	28,028
Total Assets	\$ 930,069	\$ 6,841,871	\$ 5,054,623
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 4,678	\$ 218,311	\$ 446,680
Unearned revenues	-	247,717	-
Deposits payable	-	100	-
Due to other governments	-	13	-
Due to the City of Moreno Valley	-	24,609	-
Total Liabilities	4,678	490,750	446,680
Fund Balances:			
Restricted for:			
Special zones	925,391	6,351,121	4,607,943
Total Fund Balances	925,391	6,351,121	4,607,943
Total Liabilities and Fund Balances	\$ 930,069	\$ 6,841,871	\$ 5,054,623

**City of Moreno Valley, California
Community Services District**

**Governmental Funds
Balance Sheet
June 30, 2017**

Special Revenue Funds				
Zone E Extensive Landscaping Administration	Zone D Standard Landscaping Administration	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 2,694,700	\$ 2,092,270	\$ 2,419,066	\$ 19,713,885	Assets:
-	-	-	99,459	Pooled cash and investments (note 2)
4,551	12,433	33,743	269,982	Receivables:
				Accounts
				Due from other governments
\$ 2,699,251	\$ 2,104,703	\$ 2,452,809	\$ 20,083,326	Total Assets
				Liabilities and Fund Balances:
\$ 16,094	\$ 64,081	\$ 210,679	\$ 960,523	Liabilities:
-	-	-	247,717	Accounts payable
-	-	-	100	Unearned revenues
-	-	-	13	Deposits payable
-	-	-	24,609	Due to other governments
				Due to the City of Moreno Valley
16,094	64,081	210,679	1,232,962	Total Liabilities
				Fund Balances:
2,683,157	2,040,622	2,242,130	18,850,364	Restricted for:
2,683,157	2,040,622	2,242,130	18,850,364	Special zones
\$ 2,699,251	\$ 2,104,703	\$ 2,452,809	\$ 20,083,326	Total Fund Balances
				Total Liabilities and Fund Balances



**City of Moreno Valley, California
Community Services District**

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2017**

Fund balances of governmental funds	\$ 18,850,364
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of depreciation, used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Capital assets, not being depreciated	1,786,208
Depreciable capital assets, net of accumulated depreciation	19,116,545
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the governmental funds	1,963,824
Long-term liabilities related to pension are not due and payable in the current period and therefore are not reported in the governmental funds	
Net pension liability	(10,168,064)
Net OPEB liability	(881,237)
Deferred inflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds	<u>(1,256,200)</u>
Net position of governmental activities	<u>\$ 29,411,440</u>

**City of Moreno Valley, California
Community Services District**

**Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2017**

	Special Revenue Funds		
	Zone L Library Services	Zone A Parks and Community Services	Landscape Maintenance District No. 2014-02
Revenues:			
Taxes:			
Property taxes	\$ 1,942,458	\$ 2,383,088	\$ -
Other taxes	-	4,936,030	-
Fees and charges for services	37,488	1,061,102	2,070,630
Use of money and property	-	741,211	13,544
Fines and forfeitures	38,261	-	-
Miscellaneous	56	16,930	745
Total Revenues	<u>2,018,263</u>	<u>9,138,361</u>	<u>2,084,919</u>
Expenditures:			
Current:			
Community and cultural	1,802,530	8,661,633	-
Public works	-	-	2,167,985
Capital outlay	-	24,590	-
Total Expenditures	<u>1,802,530</u>	<u>8,686,223</u>	<u>2,167,985</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,733	452,138	(83,066)
Other Financing Sources (Uses):			
Contribution from the City of Moreno Valley	-	524,084	201,807
Total Other Financing Sources (Uses)	<u>-</u>	<u>524,084</u>	<u>201,807</u>
Net Change in Fund Balances	<u>215,733</u>	<u>976,222</u>	<u>118,741</u>
Fund Balances, Beginning of Year	709,658	5,374,899	4,489,202
Fund Balances, End of Year	<u>\$ 925,391</u>	<u>\$ 6,351,121</u>	<u>\$ 4,607,943</u>

**City of Moreno Valley, California
Community Services District**

**Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2017**

Special Revenue Funds				
Zone E Extensive Landscaping Administration	Zone D Extensive Standard Administration	Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ 315,218	\$ 4,640,764	Revenues:
-	-	1,503,228	6,439,258	Taxes:
323,026	1,192,141	1,144,129	5,828,516	Property taxes
6,521	9,009	(2,346)	767,939	Other taxes
-	-	-	38,261	Fees and charges for services
-	108	11	17,850	Use of money and property
329,547	1,201,258	2,960,240	17,732,588	Fines and forfeitures
				Miscellaneous
				Total Revenues
				Expenditures:
				Current:
-	-	1,201,918	11,666,081	Community and cultural
166,045	806,709	2,408,138	5,548,877	Public works
-	-	-	24,590	Capital outlay
166,045	806,709	3,610,056	17,239,548	Total Expenditures
				Excess (Deficiency) of Revenues Over (Under) Expenditures
163,502	394,549	(649,816)	493,040	
				Other Financing Sources (Uses):
-	-	628,425	1,354,316	Contribution from the City of Moreno Valley
-	-	628,425	1,354,316	Total Other Financing Sources (Uses)
163,502	394,549	(21,391)	1,847,356	Net Change in Fund Balances
2,519,655	1,646,073	2,263,521	17,003,008	Fund Balances, Beginning of Year
\$ 2,683,157	\$ 2,040,622	\$ 2,242,130	\$ 18,850,364	Fund Balances, End of Year

**City of Moreno Valley, California
Community Services District**

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

Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ 1,847,356

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	24,590
Depreciation expense	(2,086,879)
Capital assets contributions from the City of Moreno Valley	1,181,120

Pension and OPEB expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds

(892,942)

Change in net position of governmental activities

\$ 73,245

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone L Library Services
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 1,787,470	\$ 1,787,470	\$ 1,942,458	\$ 154,988
Fees and charges for services	18,000	18,000	37,488	19,488
Fines and forfeitures	50,000	50,000	38,261	(11,739)
Miscellaneous	2,000	2,000	56	(1,944)
Total Revenues	<u>1,857,470</u>	<u>1,857,470</u>	<u>2,018,263</u>	<u>160,793</u>
Expenditures:				
Current:				
Community and cultural	1,779,473	1,779,473	1,802,530	(23,057)
Total Expenditures	<u>1,779,473</u>	<u>1,779,473</u>	<u>1,802,530</u>	<u>(23,057)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>77,997</u>	<u>77,997</u>	<u>215,733</u>	<u>137,736</u>
Net Change in Fund Balances	77,997	77,997	215,733	137,736
Fund Balance, Beginning of Year	<u>709,658</u>	<u>709,658</u>	<u>709,658</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 787,655</u>	<u>\$ 787,655</u>	<u>\$ 925,391</u>	<u>\$ 137,736</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone A Parks and Community Services
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 2,250,887	\$ 2,250,887	\$ 2,383,088	\$ 132,201
Other taxes	4,930,000	4,930,000	4,936,030	6,030
Fees and charges for services	1,114,350	1,114,350	1,061,102	(53,248)
Use of money and property	681,200	677,001	741,211	64,210
Miscellaneous	7,150	7,150	16,930	9,780
Total Revenues	<u>8,983,587</u>	<u>8,979,388</u>	<u>9,138,361</u>	<u>158,973</u>
Expenditures:				
Current				
Community and cultural	9,250,791	9,293,994	8,661,633	632,361
Capital outlay	-	24,590	24,590	-
Total Expenditures	<u>9,250,791</u>	<u>9,318,584</u>	<u>8,686,223</u>	<u>632,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(267,204)</u>	<u>(339,196)</u>	<u>452,138</u>	<u>791,334</u>
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	521,021	524,084	524,084	-
Total Other Financing Sources (Uses)	<u>521,021</u>	<u>524,084</u>	<u>524,084</u>	<u>-</u>
Net Change in Fund Balances	253,817	184,888	976,222	791,334
Fund Balance, Beginning of Year	<u>5,374,899</u>	<u>5,374,899</u>	<u>5,374,899</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,628,716</u>	<u>\$ 5,559,787</u>	<u>\$ 6,351,121</u>	<u>\$ 791,334</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Landscape Maintenance District (LMD) No. 2014-02
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 2,075,800	\$ 2,067,498	\$ 2,070,630	\$ 3,132
Use of money and property	10,737	10,737	13,544	2,807
Miscellaneous	-	232,858	745	(232,113)
Total Revenues	<u>2,086,537</u>	<u>2,311,093</u>	<u>2,084,919</u>	<u>(226,174)</u>
Expenditures:				
Current:				
Public works	<u>2,412,448</u>	<u>2,733,282</u>	<u>2,167,985</u>	<u>565,297</u>
Total Expenditures	<u>2,412,448</u>	<u>2,733,282</u>	<u>2,167,985</u>	<u>565,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(325,911)</u>	<u>(422,189)</u>	<u>(83,066)</u>	<u>339,123</u>
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	<u>220,529</u>	<u>201,807</u>	<u>201,807</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>220,529</u>	<u>201,807</u>	<u>201,807</u>	<u>-</u>
Net Change in Fund Balances	(105,382)	(220,382)	118,741	339,123
Fund Balance, Beginning of Year	<u>4,489,202</u>	<u>4,489,202</u>	<u>4,489,202</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,383,820</u>	<u>\$ 4,268,820</u>	<u>\$ 4,607,943</u>	<u>\$ 339,123</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone E Extensive Landscaping Administration
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Fees and charges for services	\$ 401,900	\$ 451,261	\$ 323,026	\$ (128,235)
Use of money and property	22,164	22,164	6,521	(15,643)
Total Revenues	<u>424,064</u>	<u>473,425</u>	<u>329,547</u>	<u>(143,878)</u>
Expenditures:				
Current				
Public works	531,589	533,740	166,045	367,695
Total Expenditures	<u>531,589</u>	<u>533,740</u>	<u>166,045</u>	<u>367,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,525)</u>	<u>(60,315)</u>	<u>163,502</u>	<u>223,817</u>
Net Change in Fund Balances	<u>(107,525)</u>	<u>(60,315)</u>	<u>163,502</u>	<u>223,817</u>
Fund Balance, Beginning of Year	<u>2,519,655</u>	<u>2,519,655</u>	<u>2,519,655</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,412,130</u>	<u>\$ 2,459,340</u>	<u>\$ 2,683,157</u>	<u>\$ 223,817</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone D Standard Landscaping Administration
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 1,227,700	\$ 1,189,953	\$ 1,192,141	\$ 2,188
Use of money and property	6,500	6,500	9,009	2,509
Miscellaneous	-	-	108	108
Total Revenues	<u>1,234,200</u>	<u>1,196,453</u>	<u>1,201,258</u>	<u>4,805</u>
Expenditures:				
Current:				
Public works	1,204,716	1,208,837	806,709	402,128
Total Expenditures	<u>1,204,716</u>	<u>1,208,837</u>	<u>806,709</u>	<u>402,128</u>
Net Change in Fund Balances	29,484	(12,384)	394,549	406,933
Fund Balance, Beginning of Year	<u>1,646,073</u>	<u>1,646,073</u>	<u>1,646,073</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,675,557</u>	<u>\$ 1,633,689</u>	<u>\$ 2,040,622</u>	<u>\$ 406,933</u>

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements
June 30, 2017**

Note 1 Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Moreno Valley, California, Community Services District (the District), was created by a City Council ordinance adopted on December 3, 1984. Its purpose is to act as a legal entity, separate and distinct from the City of Moreno Valley (the City), even though the City Council is currently serving as the District's Governing Board. The District is broadly empowered to engage in the general maintenance and administration of the City's community programs.

Governmental Accounting Standards define the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either: a) the primary government has the ability to impose its will, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the primary government. Since the City Council of the City of Moreno Valley also serves as the Governing Board of the District, the City, in effect, has the ability to influence and control operations. Therefore, the City has oversight responsibility for the District. Accordingly, in applying the criteria of Governmental Accounting Standards, the financial statements of the District are included in the City's Comprehensive Annual Financial Report. The District has the same fiscal year end as the City and its financial statements can be obtained from the City Clerk.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the component unit. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they have been levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers operating revenues to be available if they are collected within 60 days of the end of the current fiscal period, while grant revenues have an availability period of 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The District reports the following major governmental funds:

Zone L Library Services accounts for the operations necessary to process and administer the library services program.

Zone A Parks and Community Services accounts for the administration and maintenance of the parks and community services facilities and programs.

Landscape Maintenance District (LMD) 2014-02 provides the funding for the operation and maintenance of public landscaping throughout the City.

Zone E Extensive Landscaping Administration accounts for the operations necessary to provide high-service level landscape maintenance in and around specific major residential developments throughout the City.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

Zone D Standard Landscaping Administration accounts for the operations necessary to provide high-service level landscape maintenance in and around specific major residential developments throughout the City.

d. Budgetary Reporting

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the governmental activities. Budgets presented in this report for comparison to actual amounts are presented in accordance with generally accepted accounting principles (GAAP). From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various District departments.

Reported budget amounts represent the original legally adopted budget as amended. The City Council may amend the budget only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution. Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund type, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for each department within the fund, but management control is exercised at budgetary line item levels within the departments. Management can transfer budgeted amounts between line items within each department provided that they do not increase or decrease total department appropriations. Expenditures may not legally exceed budgeted appropriations at the department and fund levels.

For the year ended June 30, 2017, there was one fund, the Zone L Library Services Fund, that had expenditures in excess of appropriations adopted by the City Council.

e. Unavailable Revenue and Unearned Revenue

The District reports unavailable revenue in the fund-level statements as deferred inflows. Unavailable revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow for unavailable revenue is removed and revenue is recognized.

The District reports unearned revenue in the fund-level statements and in the statement of net position. Unearned revenue arises when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

f. Fund Balance

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained as to use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the Governing Board. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the governing body.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Financial and Management Services Director is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

g. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. Currently, the District does not have any debt attributed to capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

h. Capital Assets

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

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

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

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 – 50
Furniture and Equipment	3 – 15
Vehicles	3 – 10
Infrastructure	25 – 50

i. Investments

The District records all investments at fair value. The current year's changes in fair value are recognized in the statement of revenues, expenditures and changes in fund balances as use of money and property. *Use of money and property* includes interest earnings, changes in fair value, rental income and any gains or losses.

j. Salary Expenditures

The District does not employ any personnel and relies on the City for administrative services. The financial statements include expenditures for salary and other benefits, which were allocated to the District by the City.

k. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Secured property taxes are levied on August 10 and are payable in two installments on November 1 and February 1. Unsecured personal property taxes are due in a single installment on July 1. The County of Riverside bills and collects the property taxes and remits them to the District in installments during the year. Property taxes received within 60 days after the District's fiscal year-end are considered "measurable" and "available" and are accrued in the District's financial statements.

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 related reported amounts of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

m. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

n. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City of Moreno Valley Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Note 2 Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City \$19,713,885

The District's cash and investments are pooled with the City of Moreno Valley's cash and investments in order to generate optimum investment income. The District is a voluntary participant in the City's investment pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The District has not adopted an investment policy separate from that of the City. Each fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investments is included in the City's basic financial statements, which are available at City Hall.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 2 Cash and Investments (Continued)

Fair Value Measurement

In accordance with GASB Statement 72, *Fair Value Measurement*, the City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Refer to the City's basic financial statements for details about fair value measurement disclosures.

Note 3 Capital Assets

The following is a summary of capital assets for governmental activities:

	Balances 7/1/2016	Additions	Deletions	Balances 6/30/2017
Non-Depreciable Assets:				
Land	\$ 779,584	\$ -	\$ -	\$ 779,584
Construction in Progress	203,152	1,205,710	(402,238)	1,006,624
Total Non-Depreciable Assets	<u>982,736</u>	<u>1,205,710</u>	<u>(402,238)</u>	<u>1,786,208</u>
Depreciable Assets				
Buildings and Improvements	57,098,730	379,684	-	57,478,414
Furniture and Equipment	3,255,337	22,554	-	3,277,891
Total Depreciable Assets	<u>60,354,067</u>	<u>402,238</u>	<u>-</u>	<u>60,756,305</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(38,306,698)	(1,818,855)	-	(40,125,553)
Furniture and Equipment	(1,246,183)	(268,024)	-	(1,514,207)
Total Accumulated Depreciation	<u>(39,552,881)</u>	<u>(2,086,879)</u>	<u>-</u>	<u>(41,639,760)</u>
Total Depreciable Assets, Net of Accumulated Depreciation	<u>20,801,186</u>	<u>(1,684,641)</u>	<u>-</u>	<u>19,116,545</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 21,783,922</u>	<u>\$ (478,931)</u>	<u>\$ (402,238)</u>	<u>\$ 20,902,753</u>

Depreciation expense was charged to functions/programs of the District as follows:
Governmental Activities:

Community and cultural \$ 2,086,879

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 4 Pension Plans

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City of Moreno Valley’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as common investment and administrative agent for its participating member employers. Benefits provisions under the Plan are established by State statute and City resolution. CalPERS issues publically available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous		
	Prior to December 23, 2011	December 23, 2011 thru December 31, 2012	On or after January 1, 2013
Hire Date	December 23, 2011	December 31, 2012	January 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50-55	50-55	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	27.196%	27.196%	27.196%

Employees Covered – At June 30, 2017, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous
Active employees	<u>315</u>
Retired employees	<u>305</u>
Inactive employees	<u>249</u>

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 4 Pension Plans (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The District’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability follows.

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2015
Measurement date	June 30, 2016
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.50% (2)
Mortality	Membership Data for all Funds

- (1) Depending on age, service, and type of employment
- (2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 4 Pension Plans (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is considered to be adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is without reduction of pension plan administrative expenses and is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 4 Pension Plans (Continued)

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

C. Changes in the Net Pension Liability

The changes in the District's Net Pension Liability over the measurement period are as follows:

<u>Miscellaneous Plan:</u>	<u>Net Pension Liability (Asset)</u>
Balance at June 30, 2016	\$ 9,310,838
Changes in the year:	
Service cost	474,061
Interest on the total pension liability	1,605,499
Difference between actual and expected experience	(312,857)
Contribution - employer	(628,528)
Contribution - employee (paid by employer)	(210,751)
Net investment income	(79,014)
Administrative expense	8,816
Net Changes	<u>857,226</u>
Balance at June 30, 2017	<u>\$ 10,168,064</u>

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 4 Pension Plans (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the District recognized pension expense of \$616,917. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 685,692	\$ -
Changes of assumptions	-	(128,343)
Differences between expected and actual experiences	-	(244,345)
Net difference between projected and actual earnings on pension plan investments	1,278,132	(799,015)
	\$ 1,963,824	\$ (1,171,703)

The amount of \$685,692 reported as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		
2018	\$	(321,709)
2019		(321,709)
Thereafter		

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 5 Other Post-Employment Benefits (OPEB)

Plan Description

The City's defined benefit postemployment healthcare plan provides a portion of certain health care for retired employees. In accordance with City policy, employees hired prior to September 30, 2011, who retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability) and are not temporary employees, are eligible for these benefits. In June 2009, the City established an irrevocable trust fund to begin funding the City's unfunded liability through the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, are established by state statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. The City administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date and employment status (Management or Non-Management). Benefits continue to the surviving spouses.

CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

Benefits Provided

The Public Employees' Medical and Hospital Care Act (PEMHCA) minimum amount for retirees participating in PEMHCA is \$128 per month for 2017. PEMHCA amounts are adjusted on an annual basis.

An additional \$318.73 per month will be paid for medical, dental, and vision for full-time employees hired and for City Council elected before September 30, 2011. The total subsidy will not be greater than the premium for the retiree and spouse. Coverage is allowed under any medical plan.

Employees Covered by Benefit Terms

At December 31, 2016 (the census date), the following employees were covered by the benefit terms:

Category	Count
Active employees	287
Inactive employees or beneficiaries currently receiving benefit payments	272
Inactive employees entitled to but not yet receiving benefit payment	0

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 5 Other Post-Employment Benefits (OPEB) (continued)

Contributions

The City establishes contributions based on the Actuarially Determined Contribution (ADC). For the year ended June 30, 2017, the City's average contribution rate was 4.06% of covered-employee-payroll. Employees do not contribute to the plan, but instead pay the difference between the benefit that they receive and the monthly premium for that benefit.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions

This valuation assumes that the City will fund the OPEB benefits using the ADC each year, with the ADC calculated as the sum of the Entry Age Normal Cost (cash subsidy only) for the year plus amortization of the Unfunded Actuarial Accrued Liability (UAAL) and estimated administrative expenses. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.

The total OPEB liability for the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Aggregate salary increases of 3%. Individual salary increases based on CalPERS
Investment rate of return	7.00%
Healthcare cost trend rates	7% in the first year, trending down to 3.94% over 58 years

Mortality rates were based on CalPERS tables

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 5 Other Post-Employment Benefits (OPEB) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	57%	5.82%
Fixed Income	27%	2.37%
Treasury Inflation Protection Securities	5%	1.44%
Real Estate Investment Trusts	8%	4.25%
Commodities	3%	2.34%
Total	100%	4.44%

Discount rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was determined to be the long-term expected rate of return on OPEB plan investments.

Change in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2016	\$ 1,012,433
Changes for the year:	
Service cost	49,135
Interest on the total OPEB liability	136,343
Contribution - employer	(138,004)
Net investment income	(179,239)
Administrative expense	569
Net Changes	(131,196)
Balance at June 30, 2017	\$ 881,237

**City of Moreno Valley, California
Community Services District**

**Notes to Financial Statements (Continued)
June 30, 2017**

Note 5 Other Post-Employment Benefits (OPEB) (continued)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2017, the District recognize OPEB expense of \$94,572. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

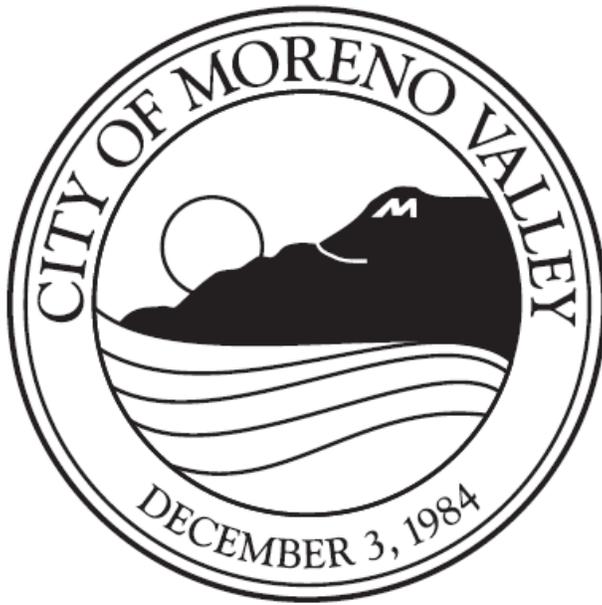
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on OPEB plan investments	\$ -	\$ 84,497
	\$ -	\$ 84,497

Note 6 Commitments and Contingencies

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The City of Moreno Valley established two Self-Insurance Funds (internal service funds) to account for and finance its uninsured risks of loss. Under this program, the self-insurance funds provide coverage for up to a maximum of \$300,000 for each worker's compensation claim and \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. All funds of the District participate in the program and make payments to the Self-Insurance Funds based on actuarial estimates of the amounts needed to pay prior and current year claims.

Note 7 Subsequent Events

The District has evaluated events subsequent to June 30, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 5, 2017, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.



**City of Moreno Valley, California
Community Services District**

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017**

	Special Revenue Funds		
	Lighting Maintenance District No. 2014-01	Zone C Arterial Street Lights Administration	Zone M Median
Assets:			
Pooled cash and investments	\$ 605,294	\$ 325,177	\$ 675,036
Due from other governments	14,702	10,240	787
Total Assets	<u>\$ 619,996</u>	<u>\$ 335,417</u>	<u>\$ 675,823</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 96,673	\$ 42,489	\$ 12,158
Total Liabilities	<u>96,673</u>	<u>42,489</u>	<u>12,158</u>
Fund Balances:			
Restricted for:			
Special zones	523,323	292,928	663,665
Total Fund Balances	<u>523,323</u>	<u>292,928</u>	<u>663,665</u>
Total Liabilities and Fund Balances	<u>\$ 619,996</u>	<u>\$ 335,417</u>	<u>\$ 675,823</u>

**City of Moreno Valley, California
Community Services District**

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017**

Special Revenue Funds

CFD #1	Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Funds
\$ 699,794	\$ 113,765	\$ 2,419,066
6,718	1,296	33,743
<u>\$ 706,512</u>	<u>\$ 115,061</u>	<u>\$ 2,452,809</u>
\$ 56,291	\$ 3,068	\$ 210,679
<u>56,291</u>	<u>3,068</u>	<u>210,679</u>
650,221	111,993	2,242,130
<u>650,221</u>	<u>111,993</u>	<u>2,242,130</u>
<u>\$ 706,512</u>	<u>\$ 115,061</u>	<u>\$ 2,452,809</u>

Assets:

Pooled cash and investments
Due from other governments

Total Assets

Liabilities and Fund Balances:

Liabilities:

Accounts payable

Total Liabilities

Fund Balances:

Restricted for:

Special zones

Total Fund Balances

Total Liabilities and Fund Balances

**City of Moreno Valley, California
Community Services District**

**Nonmajor Governmental Funds
Combining Statement of Revenues
Expenditures and Changes in Fund Balances
Year Ended June 30, 2017**

	Special Revenue Funds		
	Lighting	Zone C	
	Maintenance	Arterial Street	
	District	Lights	Zone M
	No. 2014-01	Administration	Median
Revenues:			
Taxes			
Property taxes	\$ 115,308	\$ 199,910	\$ -
Other taxes	-	423,419	-
Fees and charges for services	945,968	1,558	112,641
Use of money and property	(1,492)	(1,979)	1,378
Miscellaneous	-	-	11
Total Revenues	1,059,784	622,908	114,030
Expenditures:			
Current:			
Community and cultural	-	-	-
Public works	1,431,007	791,249	138,207
Total Expenditures	1,431,007	791,249	138,207
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(371,223)	(168,341)	(24,177)
Other Financing Sources (Uses):			
Contributions from the City of Moreno Valley	500,000	20,000	108,425
Total Other financing sources (uses)	500,000	20,000	108,425
Net Change in Fund Balances	128,777	(148,341)	84,248
Fund Balances, Beginning of Year	394,546	441,269	579,417
Fund Balances, End of Year	\$ 523,323	\$ 292,928	\$ 663,665

**City of Moreno Valley, California
Community Services District**

**Nonmajor Governmental Funds
Combining Statement of Revenues
Expenditures and Changes in Fund Balances
Year Ended June 30, 2017**

Special Revenue Funds

CFD #1	Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Funds
\$ -	\$ -	\$ 315,218
1,079,809	-	1,503,228
25,846	58,116	1,144,129
(451)	198	(2,346)
-	-	11
1,105,204	58,314	2,960,240
1,201,918	-	1,201,918
-	47,675	2,408,138
1,201,918	47,675	3,610,056
(96,714)	10,639	(649,816)
-	-	628,425
-	-	628,425
(96,714)	10,639	(21,391)
746,935	101,354	2,263,521
\$ 650,221	\$ 111,993	\$ 2,242,130

Revenues:

Taxes
Property taxes
Other taxes
Fees and charges for services
Use of money and property
Miscellaneous

Total Revenues

Expenditures:

Current:
Community and cultural
Public works

Total Expenditures

Excess (Deficiency) of Revenues

Over (Under) Expenditures

Other Financing Sources (Uses):

Contributions from the City of Moreno Valley
--

Total Other Financing Sources (Uses)

Net Change in Fund Balances

Fund Balances, Beginning of Year

Fund Balances, End of Year

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Schedule
Lighting Maintenance District (LMD) No. 2014-01
Year Ended June 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 90,700	\$ 90,700	\$ 115,308	\$ 24,608
Fees and charges for services	981,100	950,139	945,968	(4,171)
Use of money and property	-	-	(1,492)	(1,492)
Total Revenues	1,071,800	1,040,839	1,059,784	18,945
Expenditures:				
Current:				
Public works	1,795,108	1,795,108	1,431,007	364,101
Total Expenditures	1,795,108	1,795,108	1,431,007	364,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(723,308)	(754,269)	(371,223)	383,046
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	500,000	500,000	500,000	-
Total Other Financing Sources (Uses)	500,000	500,000	500,000	-
Net Change in Fund Balances	(223,308)	(254,269)	128,777	383,046
Fund Balance, Beginning of Year	394,546	394,546	394,546	-
Fund Balance, End of Year	\$ 171,238	\$ 140,277	\$ 523,323	\$ 383,046

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Schedule
Zone C Arterial Street Lights Administration
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property Taxes	\$ 134,100	\$ 134,100	\$ 199,910	\$ 65,810
Other taxes	423,300	423,144	423,419	275
Fees and charges for services	174,400	50,000	1,558	(48,442)
Use of money and property	-	-	(1,979)	(1,979)
Total Revenues	731,800	607,244	622,908	15,664
Expenditures:				
Current:				
Public works	1,033,249	1,033,249	791,249	242,000
Total Expenditures	1,033,249	1,033,249	791,249	242,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(301,449)	(426,005)	(168,341)	257,664
Other Financing Sources (Uses):				
Contribution from the City of Moreno Valley	20,000	20,000	20,000	-
Total Other Financing Sources (Uses)	20,000	20,000	20,000	-
Net Change in Fund Balances	(281,449)	(406,005)	(148,341)	257,664
Fund Balance, Beginning of Year	441,269	441,269	441,269	-
Fund Balance, End of Year	\$ 159,820	\$ 35,264	\$ 292,928	\$ 257,664

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Schedule
Zone M Median
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 168,900	\$ 115,024	\$ 112,641	\$ (2,383)
Use of money and property	2,100	2,100	1,378	
Miscellaneous	-	-	11	11
Total Revenues	171,000	117,124	114,030	(2,372)
Expenditures:				
Current:				
Public works	199,740	201,188	138,207	62,981
Total Expenditures	199,740	201,188	138,207	62,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,740)	(84,064)	(24,177)	59,887
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	106,126	108,425	108,425	-
Total Other Financing Sources (Uses)	106,126	108,425	108,425	-
Net Change in Fund Balances	77,386	24,361	84,248	59,887
Fund Balance, Beginning of Year	579,417	579,417	579,417	-
Fund Balance, End of Year	\$ 656,803	\$ 603,778	\$ 663,665	\$ 59,887

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Schedule
CFD No. 1
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Other taxes	\$ 1,059,800	\$ 1,059,800	\$ 1,079,809	\$ 20,009
Fees and charges for services	26,000	26,000	25,846	(154)
Use of money and property	24,997	24,997	(451)	(25,448)
Total Revenues	<u>1,110,797</u>	<u>1,110,797</u>	<u>1,105,204</u>	<u>(5,593)</u>
Expenditures:				
Current:				
Community and cultural	1,468,216	1,526,237	1,201,918	324,319
Capital outlay	122,000	-	-	-
Total Expenditures	<u>1,590,216</u>	<u>1,526,237</u>	<u>1,201,918</u>	<u>324,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(479,419)</u>	<u>(415,440)</u>	<u>(96,714)</u>	<u>318,726</u>
Net Change in Fund Balances	<u>(479,419)</u>	<u>(415,440)</u>	<u>(96,714)</u>	<u>318,726</u>
Fund Balance, Beginning of Year	<u>746,935</u>	<u>746,935</u>	<u>746,935</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 267,516</u>	<u>\$ 331,495</u>	<u>\$ 650,221</u>	<u>\$ 318,726</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Schedule
Zone S Sunnymead Boulevard Maintenance
Year Ended June 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 58,000	\$ 58,463	\$ 58,116	\$ (347)
Use of money and property	200	200	198	(2)
Total Revenues	<u>58,200</u>	<u>58,663</u>	<u>58,314</u>	<u>(349)</u>
Expenditures:				
Current:				
Public works	54,449	55,479	47,675	7,804
Total Expenditures	<u>54,449</u>	<u>55,479</u>	<u>47,675</u>	<u>7,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,751</u>	<u>3,184</u>	<u>10,639</u>	<u>7,455</u>
Net Change in Fund Balances	3,751	3,184	10,639	7,455
Fund Balance, Beginning of Year	<u>101,354</u>	<u>101,354</u>	<u>101,354</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 105,105</u>	<u>\$ 104,538</u>	<u>\$ 111,993</u>	<u>\$ 7,455</u>

