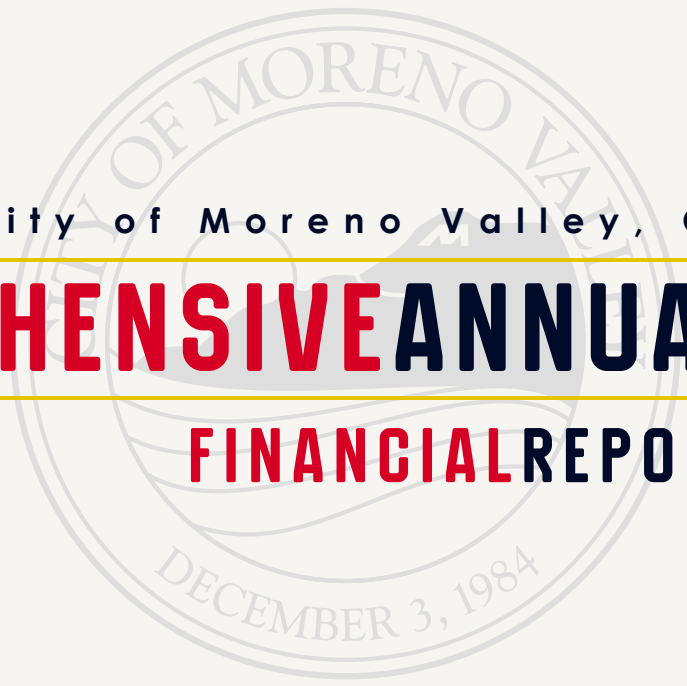
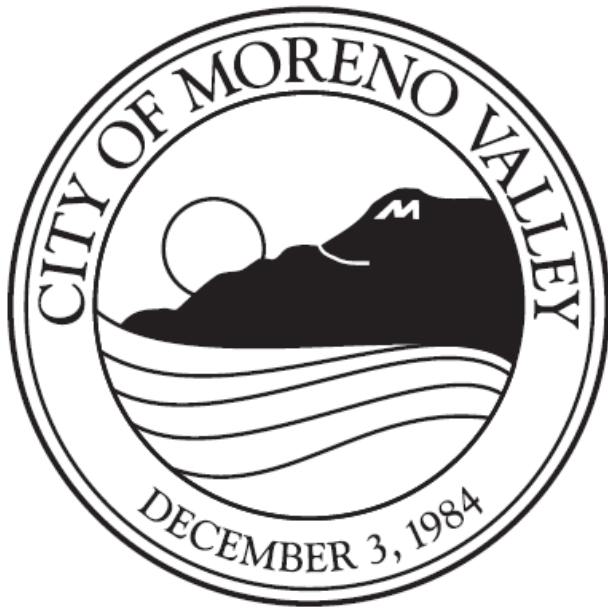


City of Moreno Valley, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2018



**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018**

Table of Contents

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Municipal Officials	v
Organization Chart.....	vi
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
FINANCIAL SECTION	
Report of Independent Auditors	1
Management’s 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 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
Development Impact Fees Special Revenue Fund.....	32
CSD Zones Special Revenue Fund	33
Housing Authority Special Revenue Fund.....	34
Proprietary Funds	
Statement of Net Position.....	36
Statement of Revenues, Expenses and Changes in Net Position	37
Statement of Cash Flows.....	38
Fiduciary Funds	
Statement of Fiduciary Net Position	40
Statement of Changes in Fiduciary Net Position.....	41
Notes to Financial Statements	42
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios.....	94
Schedule of Pension Plan Contributions	95
Schedule of Changes in Net OPEB Liability and Related Ratios.....	96

**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018**

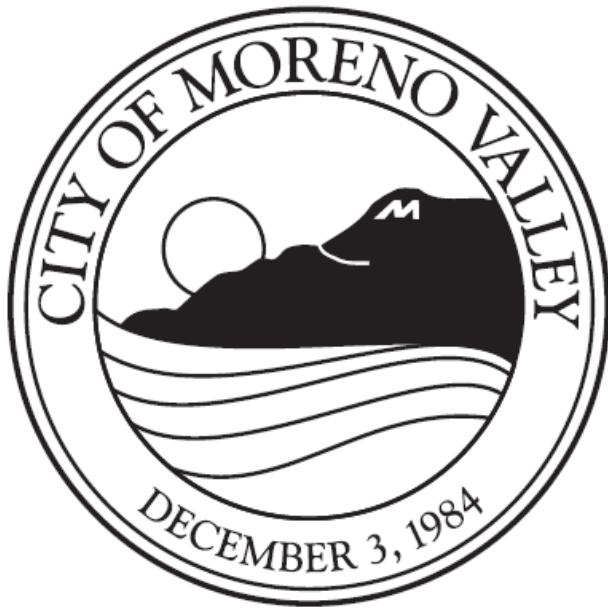
Table of Contents

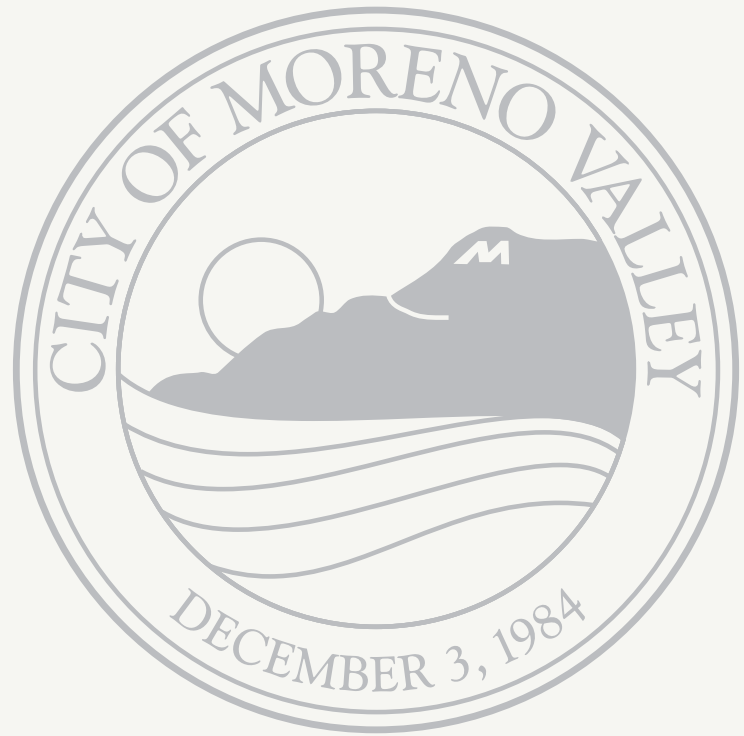
	<u>PAGE</u>
Schedule of Contributions – OPEB	97
Schedule of Investment Returns – OPEB	98
 SUPPLEMENTAL SCHEDULES	
 Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	114
 Budgetary Comparison Schedules – Special Revenue Funds	
State Gasoline Tax	124
Measure A.....	125
Air Quality Management	126
Special Districts Administration	127
Storm Water Maintenance.....	128
Storm Water Management	129
CFD No. 4-M.....	130
Public Education Government Access	131
Civil Penalties	132
Emergency Services Agency Fines.....	133
Energy Efficiency Revolving	134
General Plan Amendments	135
CFD No. 2014-01.....	136
Child Care Grant.....	137
ASES Program Grant	138
Used Oil Recycling	139
Other Grants	140
Capital Projects Grants.....	141
Law Enforcement Grants	142
HOME	143
Neighborhood Stabilization Grant.....	144
Community Development Block Grant.....	145
Emergency Solutions Grant.....	146
Article 3 Transportation.....	147
 Budgetary Comparison Schedules – Capital Projects Funds	
Facility Construction.....	148
Public Works Capital Projects	149
TUMF Capital Projects	150
Parks and Community Services Development and Capital Projects	151
DIF Capital Projects.....	152

**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018**

Table of Contents

	<u>PAGE</u>
Budgetary Comparison Schedules – Debt Service Funds	
TRIP COP 13A.....	153
2013 Refunding of 2005 Lease Revenue Bonds	154
2014 Refunding of 2005 Lease Revenue Bonds.....	155
2011 Private Placement Refunding 97 Lease Revenue Bonds	156
 Budgetary Comparison Schedules – Permanent Funds	
Celebration Park Endowment	157
Equestrian Trail Endowment	158
Rockridge Park Endowment	159
NPDES Endowment	160
Cultural Preservation	161
 Internal Service Funds	
Combining Statement of Net Position – Internal Service Funds	164
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	166
Combining Statement of Cash Flows – Internal Service Funds.....	168
 Agency Funds	
Combining Balance Sheet – All Agency Funds.....	172
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	174
 STATISTICAL SECTION	
Statistical Section Table of Contents.....	177
Net Position by Component.....	178
Change in Net Position.....	179
Fund Balances - Governmental Funds.....	181
Changes in Fund Balances - Governmental Funds	182
Tax Revenues by Source – General Fund.....	183
Key Revenues – General Fund	184
Assessed Value and Estimated Actual Value of Taxable Property	185
Property Tax Rates.....	186
Principal Property Tax Payers	187
Property Tax Levies and Collections.....	188
Direct and Overlapping Debt	189
Legal Debt Margin	190
Ratios of Outstanding Debt by Type	191
Ratio of Bonded Debt	192
Pledged Revenue Coverage	193
Demographic and Economic Statistics.....	194
Principal Employers.....	195
Full-time and Part-time City Employees by Function	196
Capital Asset Statistics	197
Operating Indicators by Function.....	198





Introductory Section



City of Moreno Valley, CA

FISCAL YEAR ENDED JUNE 30, 2018



December 5, 2018

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, 2018.

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 accordance 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 their 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, 2018. 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 financials 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 207,629 continues to be the second largest city in Riverside County.

During the 2017/18 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 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 by the City Council. 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 USA, Karma Automotive 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 employment environment in the City of Moreno Valley has expanded dramatically in recent years. From 2011 to 2016, total private employment in the City nearly doubled, increasing from 17,760 to 34,700 jobs, an increase of 16,940 jobs.

The City conducted a ribbon-cutting for the opening of a state-of-the-art Hyundai of Moreno Valley dealership in June of 2018. 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. In 2017, 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.

The City of Moreno Valley is also continuing to prepare for the future, adopting a comprehensive financial reserve policy to direct the City's reserves for specific purposes. This policy will help maintain the City's financial stability, protect against future economic downturns which bring unpredictable shortfalls in tax revenue, better prepare the City, its residents and its businesses for a catastrophic natural disaster.

Moreno Valley's financial reserves policy formalizes the City's long-standing practice of maintaining reserves, and splits the reserve funds into three categories: Cash Flow, Rainy Day, and Emergency reserves. Maintaining a Cash Flow reserve in unassigned fund balance with a minimum of 17% of the City's general fund expenses will allow the City to provide day-to-day services through normal revenue cycles. Assigning a minimum of 10% of the City's general fund to a Rainy Day (Economic uncertainty) reserve will ensure that the City has the flexibility to continue to deliver quality services during future economic downturns. A minimum of 12% of the City's general fund will be committed to an Emergency (Operating) reserve which can be used in response to a catastrophic earthquake, flood, fire or other disaster. The fund will also provide a financial buffer in the event that the City is forced to wait for receipt of federal disaster relief funds.

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, 2017. This was the twentieth 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 third consecutive award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ended June 30, 2017. 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 Operations, Financial Resources 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,



Marshall Eyerman
Chief Financial Officer / City Treasurer

CITY OF MORENO VALLEY, CALIFORNIA

MUNICIPAL OFFICIALS

June 30, 2018

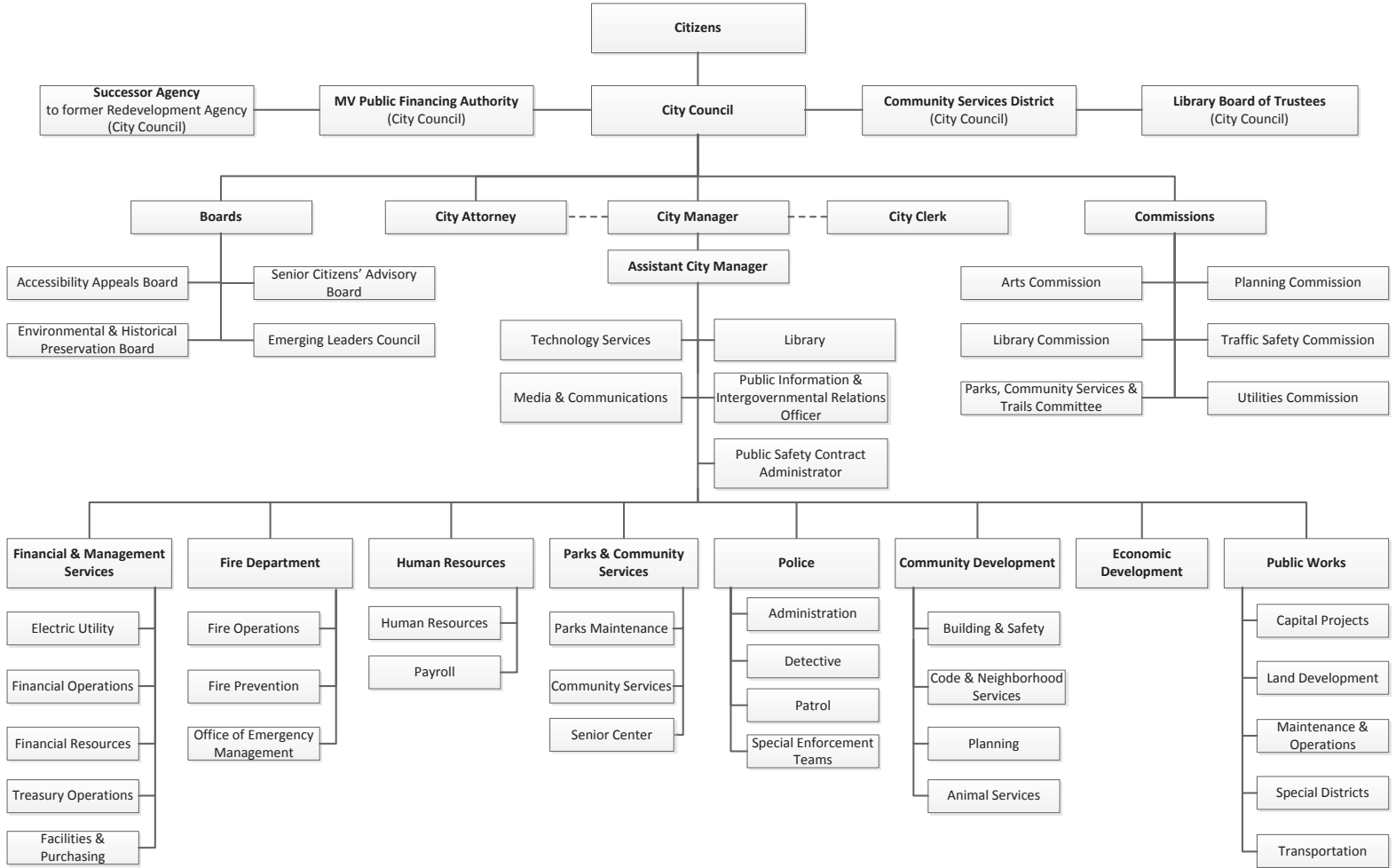
CITY COUNCIL

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

EXECUTIVE OFFICERS

Thomas M. DeSantis, City Manager
Allen Brock, Assistant City Manager
Martin D. Koczanowicz, City Attorney
Pat Jacquez-Nares, City Clerk
Marshall Eyerman, Chief Financial Officer/City Treasurer
Michael L. Wolfe, Public Works Director/City Engineer
Richard Sandzimier, Community Development Director
Mike Lee, Economic Development Director
Kathleen Sanchez, Human Resources Director
Abdul Ahmad, Fire Chief
Patti Solano, Parks & Community Services Director
David Kurylowicz, Police Chief

City of Moreno Valley Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

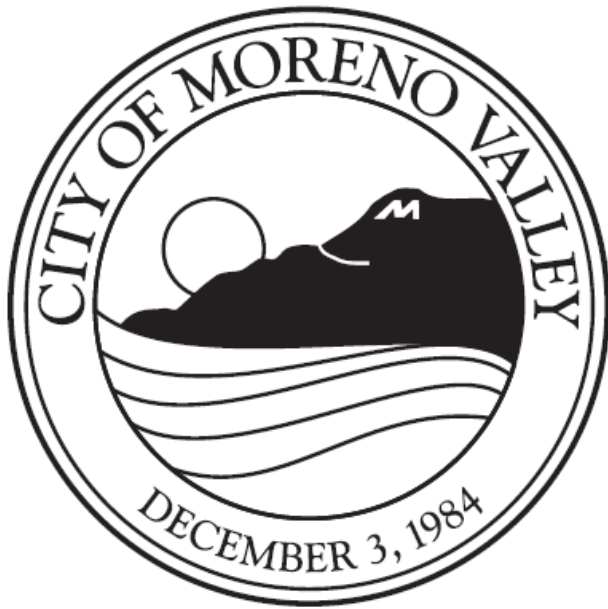
**City of Moreno Valley
California**

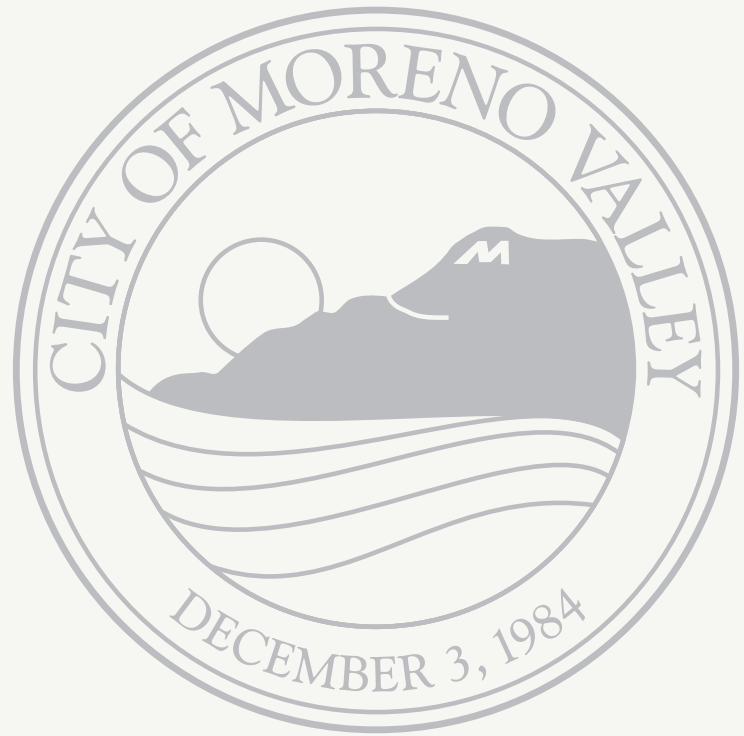
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morvill

Executive Director/CEO





Financial Section



City of Moreno Valley, CA

FISCAL YEAR ENDED JUNE 30, 2018

INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2018, 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.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Development Impact Fees Special Revenue Fund, CSD Zones Special Revenue Fund, and Housing Authority Special Revenue 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 93 through 97 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.

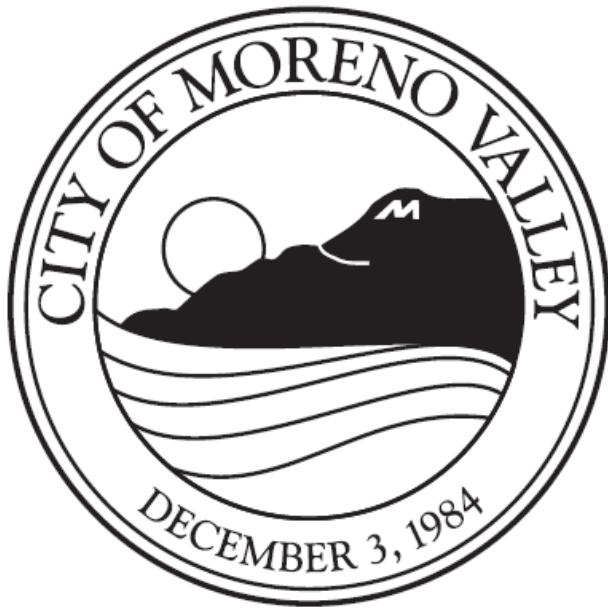


Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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

**Glendale, California
December 5, 2018**



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, 2018. 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 \$1.04 billion (net position) at June 30, 2018.
- In the Government-wide - Statement of Net Position: The City's total net position increased \$9.6 million for fiscal year 2017-2018 mainly due to increase in both current assets and capital assets.
- In the Governmental Fund – Balance Sheet: The General Fund had an end of year fund balance of \$55.7 million. This was a decrease of \$0.4 million or a decrease of 0.7% over the prior year.
- In the Governmental Fund – Balance Sheet: The General Fund had \$19.7 million in unassigned fund balance, a decrease of \$4.7 million in comparison with the prior year. This was primarily due to one-time expenditures, an increase in nonspendable fund balance and an increase in the 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 of resources. 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 unit* - 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 Development Impact Fees, the Community Services District (CSD) Zones, and the Housing Authority Special Revenue Funds. 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, fleet operations,

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 fund financial statements.

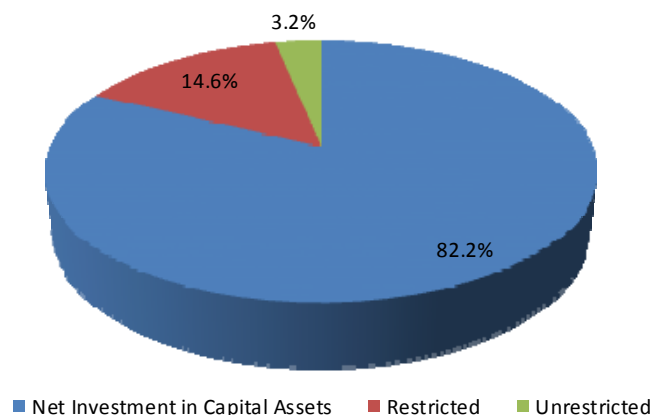
Financial Analysis of the Government-wide Statements

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, 2018. Comparative data from fiscal year ended June 30, 2017 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, 2018 was \$1.04 billion.

City of Moreno Valley’s Net Position



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

	Governmental Activities		Business-type Activities		Totals	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 261,341	\$ 269,745	\$24,535	\$ 18,368	\$ 285,876	\$ 288,113
Capital assets	893,088	888,586	49,293	57,145	942,381	945,731
Total Assets	<u>1,154,429</u>	<u>1,158,331</u>	<u>73,828</u>	<u>75,513</u>	<u>1,228,257</u>	<u>1,233,844</u>
Deferred outflows of resources	15,174	14,926	2,992	6,909	18,166	21,835
Current liabilities	27,488	29,690	6,744	5,140	34,232	34,830
Long-term liabilities	131,316	137,246	39,601	38,698	170,917	175,944
Total Liabilities	<u>158,804</u>	<u>166,936</u>	<u>46,345</u>	<u>43,838</u>	<u>205,149</u>	<u>210,774</u>
Deferred inflows of resources	7,316	1,521	184	(4)	7,500	1,517
Net investment in capital assets	839,573	837,174	20,512	20,959	860,085	858,133
Restricted	137,235	146,937	4,806	5,461	142,041	152,398
Unrestricted	26,675	20,689	4,973	12,168	31,648	32,857
Total Net Position	<u>\$ 1,003,483</u>	<u>\$ 1,004,800</u>	<u>\$30,291</u>	<u>\$ 38,588</u>	<u>\$ 1,033,774</u>	<u>\$ 1,043,388</u>

Total net position of the City of Moreno Valley increased by 1.0% from \$1.03 billion at June 30, 2017 to \$1.04 billion at June 30, 2018. The City's unrestricted fund balance increased \$1.2 million to \$32.8 million. Total assets increased \$5.6 million and total liabilities increased \$5.6 million.

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

Governmental Activities

Total assets increased \$3.9 million primarily due to an increase of \$8.4 million in current and other assets offset by a decrease in capital assets of \$4.5 million.

The current year capital asset additions of \$38.7 million were offset by current year depreciation expenses of \$33.0 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$10.2 million for a net decrease of \$4.5 million.

Current liabilities increased \$2.2 million primarily due to an increase in accounts payable. Total liabilities increased \$8.1 million due to increase in net pension and OPEB liability at June 30, 2018. See Note 8 and Note 9 of Notes to the Financial Statements for more information.

Net investment in capital assets decreased \$2.4 million as a direct result of depreciation expense as assets deplete during the useful life cycle.

Restricted net position increased by \$9.7 million as funds are committed and programmed mostly in the areas of community development, public works and infrastructure.

Business-type Activities

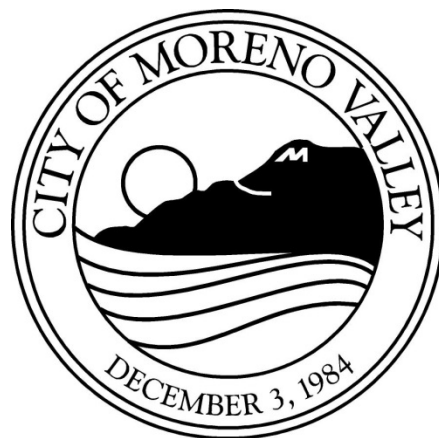
Current and other assets of business-type activities decreased \$6.2 million over last year. This was primarily due to a portion of the Electric Utility's cash and bond proceeds spent on infrastructure investments as of June 30, 2018.

Capital assets increased \$7.8 million due to capital asset additions of \$9.0 million offset by current year depreciation expense of \$1.2 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 decreased \$2.5 million primarily due to decrease in accounts payable and long term debt at June 30, 2018.

Net investment in capital assets increased \$0.4 million as a direct result of the addition of the capital assets mentioned above.

Unrestricted net position increased \$7.2 million during the year primarily due to increase in deferred outflows of resources as well as decrease in total liabilities.



Analysis of the Changes in Net Position

Total government-wide revenues increased \$38.3 million, a 22.9% increase from the prior year, while total expenses increased \$18.6 million, a 10.5% 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, 2018. Comparative data from fiscal year ended June 30, 2017 is also presented.

Changes in Net Position (\$000's)

	Governmental		Business-type		Totals	
	2017	2018	2017	2018	2017	2018
Revenues						
Program Revenues:						
Charges for services	\$ 23,188	\$ 35,065	\$ 29,091	\$ 31,443	\$ 52,279	\$ 66,508
Operating contributions and grants	19,429	21,856	-	-	19,429	21,856
Capital contributions and grants	5,544	1,079	-	-	5,544	1,079
General Revenues:						
Property tax	18,234	19,746	-	-	18,234	19,746
Property tax in lieu	17,430	18,406	-	-	17,430	18,406
Transient occupancy tax	1,853	2,344	-	-	1,853	2,344
Sales tax	18,395	19,192	-	-	18,395	19,192
Franchise tax fees	5,385	5,680	-	-	5,385	5,680
Business license tax	2,292	2,352	-	-	2,292	2,352
Utility users tax	15,613	15,629	-	-	15,613	15,629
Franchise in lieu of taxes	288	620	-	-	288	620
Documentary transfer tax	720	768	-	-	720	768
Other taxes	6,464	6,679	-	-	6,464	6,679
Use of money and property	2,639	6,167	129	47	2,768	6,214
Miscellaneous	769	1,041	209	294	978	1,335
Contributed capital	-	14,513	-	3,099	-	17,612
Transfers	-	300	-	(300)	-	-
Total Revenues	138,243	171,437	29,429	34,583	167,672	206,020
Expenses:						
General government	20,743	17,866	-	-	20,743	17,866
Public safety	57,881	62,932	-	-	57,881	62,932
Community development	9,895	16,128	-	-	9,895	16,128
Community and cultural	22,145	23,159	-	-	22,145	23,159
Public works	39,433	47,834	-	-	39,433	47,834
Interest and fiscal charges	2,408	2,201	-	-	2,408	2,201
Electric	-	-	25,319	26,287	25,319	26,287
Total Expenses	152,505	170,120	25,319	26,287	177,824	196,407
Change in Net Position	(14,262)	1,317	4,110	8,296	(10,152)	9,613
Restatement of Net Position	5,587	-	(283)	-	5,304	-
Net Position Beginning of Year	1,012,158	1,003,483	26,465	30,292	1,038,623	1,033,775
Net Position End of Year	\$ 1,003,483	\$ 1,004,800	\$ 30,292	\$ 38,588	\$ 1,033,774	\$ 1,043,388

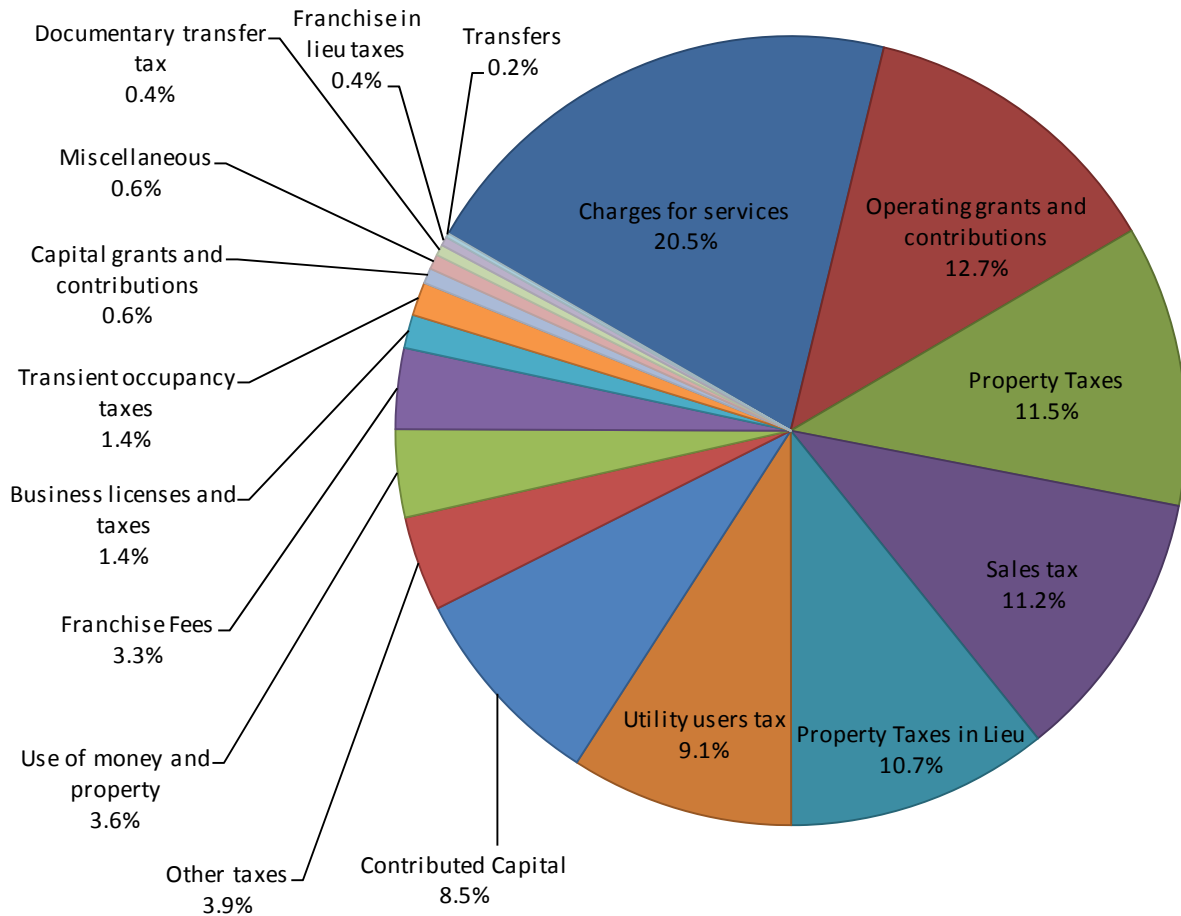
Governmental Activities

The City's governmental revenues increased \$33.2 million, a 24.0% increase from the prior year, and total expenses increased \$17.6 million, an 11.6% increase. The following discusses the changes in more detail.

Revenue

Program revenues increased \$9.8 million primarily as a result of increased collection of charges for services of \$11.9 million and increased operating grants and contributions of \$2.4 million offset by a decrease in capital grants and contributions of \$4.5 million. General revenues increased by \$23.4 million, primarily due to increase in developer contributed capital, property tax and use of money and property.

**Revenues by Source – Governmental Activities
For the year ended June 30, 2018**



Expense

Total governmental expenses increased by \$17.6 million. This increase is primarily due to increased public works expenses of \$8.4 million, increased community development expenses of \$6.2 million and an increase in public safety expenses of \$5.0 million.

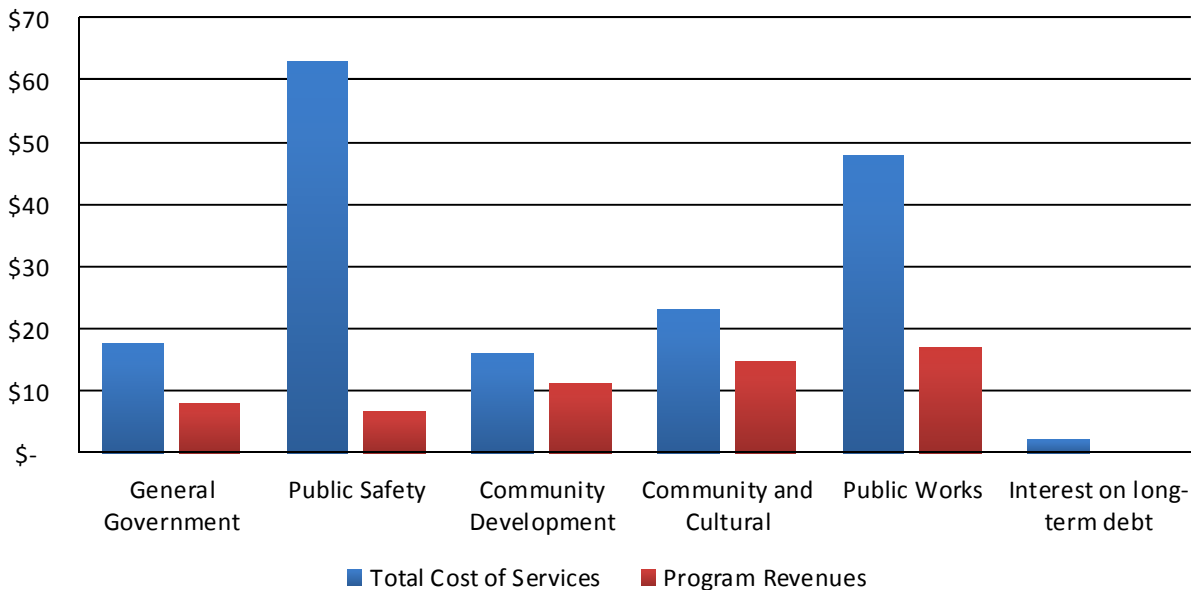
The following table presents the cost of each of the six major program categories, and identifies each program's *net cost* (total cost less revenues generated by the activities). The net cost is the amount paid for by general revenue sources that are generated by all City taxpayers. As illustrated, program revenues recovered \$58.0 million of the cost of providing these services.

**Governmental Activities - Net Cost of Services
For the year ended June 30, 2018**

	Total Cost of Services	Net Cost of Services
General government	\$ 17,866,194	\$ (9,678,661)
Public safety	62,932,166	(56,238,522)
Community development	16,127,907	(4,852,572)
Community and cultural	23,158,730	(8,449,912)
Public works	47,833,852	(30,698,753)
Interest and fiscal charges	2,201,392	(2,201,392)
TOTAL	<u>\$ 170,120,241</u>	<u>\$ (112,119,812)</u>

The City paid for the remaining public benefit portion of these governmental activities with \$113.4 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, 2018
(in millions)**



Business-type Activities

The City's business-type activities include the activities of the Electric Utility. Total revenues for business-type activities increased \$5.1 million from the prior year or 17.5%. Total expenses increased \$1.0 million or 3.82%. The following discusses the changes in more detail.

Revenue

Total revenues increased \$5.1 million from prior year primarily due to an increase in the collection of charges for services of \$2.3 million and contributed capital received in the amount of \$3.1 million.

Expenses

Expenses in the Electric Utility increased \$1.0 million. This increase was primarily due to increases in services and supplies and 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 \$172.4 million, with the General Fund representing \$55.7 million, or 32.3% of the total. The City's General Fund has unassigned fund balance of \$19.7 million.

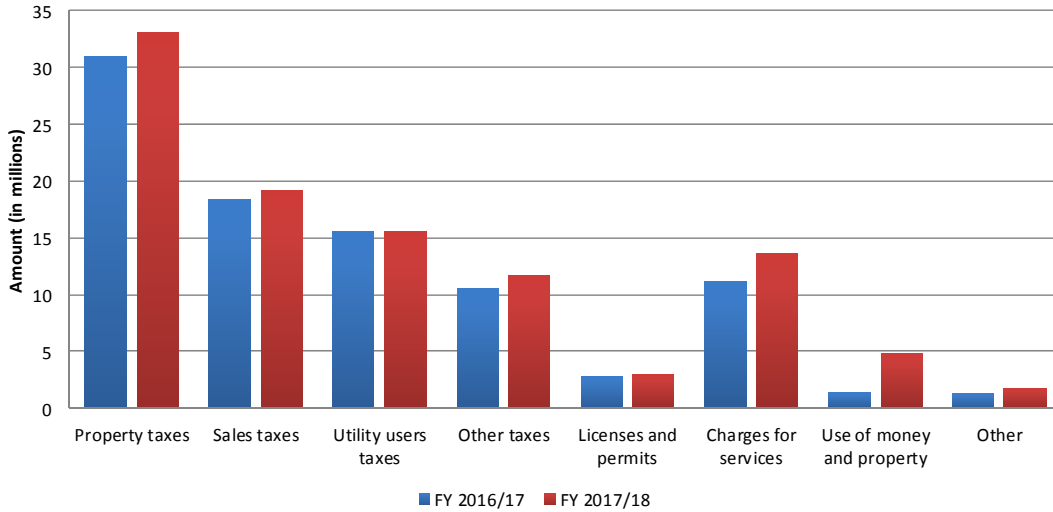
General Fund Financial Results

The General Fund was anticipated to have a net decrease in fund balance of \$3.1 million. Actual results decreased the fund balance by \$0.4 million, \$2.7 million less than anticipated. Actual results realized an expenditure reduction of \$4.0 million primarily related to capital outlay purchases delayed to next year and current expenditure savings.

General Fund tax revenues were \$0.7 million more and fees and charges for services were \$0.9 million more than anticipated; however, a decrease in licenses and permits of \$0.3 million and a decrease of \$1.2 million in use of money and property largely offset those gains primarily due to the GASB 31 fair value adjustment of our investments.

The following graph presents a comparison of each General Fund revenue source for the fiscal years ended June 30, 2017 and 2018.

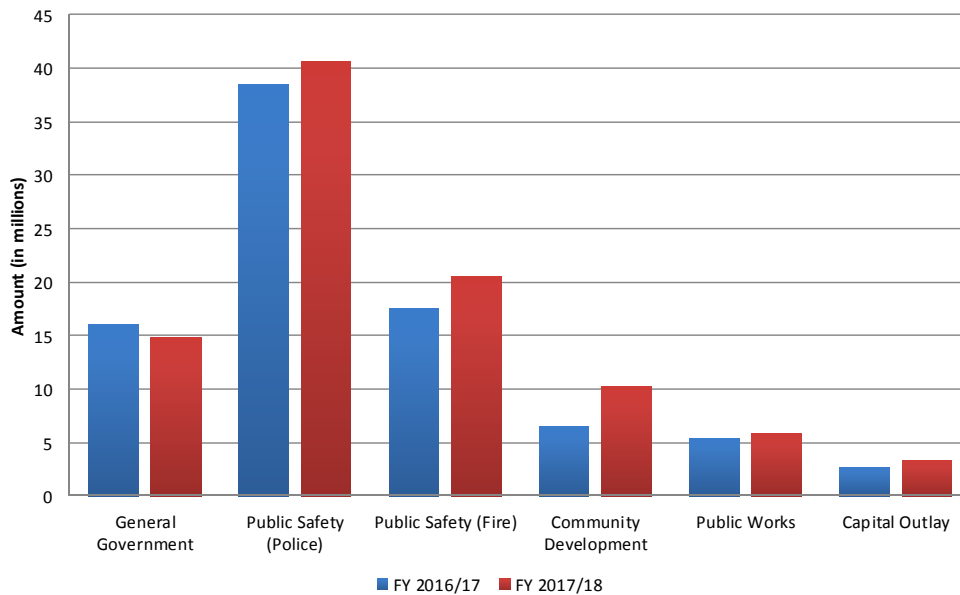
**General Fund – Revenues (Two Year Comparison)
For FY's 16/17 & 17/18**



General Fund actual expenditures were \$4.0 million less than the final budget. The major contributor to this result was in large part due to \$2.5 million of current expenditure savings in combination with the unanticipated delay of capital outlay of \$1.4 million related to projects running multiple years.

The following graph presents a comparison of each General Fund expenditure category for the fiscal years ended June 30, 2017 and 2018.

**General Fund – Expenditures (Two Year Comparison)
For FY's 16/17 & 17/18**



Other Major Fund Financial Results

The fund balance of the Development Impact Fees Special Revenue Fund increased by \$2.6 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 actual fund balance of the Community Service District Zones Special Revenue Fund increased only slightly over FY 2016-17 compared to the \$1.9 million decrease anticipated. 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 expenditures coming in under budget by \$1.6 million along with \$0.5 million of unanticipated property tax revenues.

The fund balance of the Housing Authority Fund increased \$0.2 million over FY 2016-17. This fund accounts for the housing assets as a result of the dissolution of the redevelopment agency of the City. In FY 2017-18 the fund balance increased as a direct result of loan payments for principal and interest collected related to the housing assets that were constructed with affordability covenants.

Capital Asset and Debt Administration

Capital Assets

At the end of FY 2017-18, the City's governmental activities had \$1.4 billion (\$888.6 million net of accumulated 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 \$38.7 million were offset by current year depreciation expense of \$33.0 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$10.2 million for a net decrease of \$4.5 million. This decrease is primarily attributed to the retirement of machinery, equipment, and vehicles along with the recognition of depreciation expense.

At June 30, 2018, the City's business-type activities had \$67.3 million (\$57.1 million net of accumulated depreciation) invested in capital assets, primarily utility infrastructure. The current year capital asset additions of \$9.0 million were offset by current depreciation expense of \$1.2 million for a net increase of \$7.8 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
	2017	2018	2017	2018	2017	2018	
Land	\$ 310,197	\$ 310,197	\$ 1,729	\$ 1,729	\$ 311,926	\$ 311,926	0%
Buildings and Improvements	142,447	146,893	-	-	142,447	146,893	3%
Machinery and Equipment	19,894	20,205	1,017	1,105	20,911	21,310	2%
Vehicles	10,137	12,032	-	-	10,137	12,032	19%
Construction in progress	17,807	18,515	10,521	4,563	28,328	23,078	-19%
Infrastructure	857,541	877,523	44,967	59,925	902,508	937,448	4%
	<u>1,358,023</u>	<u>1,385,365</u>	<u>58,234</u>	<u>67,322</u>	<u>1,416,257</u>	<u>1,452,687</u>	3%
Accumulated Depreciation	(464,935)	(496,779)	(8,941)	(10,177)	(473,876)	(506,956)	7%
Net Capital Assets	<u>\$ 893,088</u>	<u>\$ 888,586</u>	<u>\$49,293</u>	<u>\$57,145</u>	<u>\$ 942,381</u>	<u>\$ 945,731</u>	0%

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

- SR-60 / Nason Street Overcrossing Bridge Landscaping Establishment
- Cycle 6 CDBG Pedestrian Enhancements
- Hubbard Street Storm Drain
- Heacock Street between Iris Avenue and Gentian Avenue
- Cottonwood Basin
- Alessandro Blvd. and Elsworth Street Intersection Improvement Project

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:

- Citywide Safe Routes to School Pedestrian Facility Improvements
- Cycle 7 ADA Pedestrian Access Ramps
- Alessandro Blvd at Chagall Court and Graham Street
- Liberty Lane Improvements

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

- Citywide Pavement Rehabilitation Program- FY 18/19 SB1 Funded Segments
- Cycle 7 ADA Pedestrian Access Ramps
- Moreno Townsite Area Storm Drain and Street Improvements
- San Tiemo Foothill Neighborhood Flood Protection – Lines K-1 and K-4
- Eucalyptus Ave / Gentian Ave Bike Lanes
- Sunnymead Master Drainage Plan - Storm Drain Lines F and F-7

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 \$137.2 million in bonds, certificates of participation, compensated absences, pension and OPEB liability and self-insurance claims and judgments.

Outstanding Debt at Year End For the Year Ended June 30, 2018

	Governmental Activities	Business-type Activities
Certificates of participation	\$ 20,408,643	\$ -
Lease revenue bonds	31,002,924	36,185,829
Compensated absences	6,430,068	279,928
Net pension and OPEB liability	77,277,053	2,232,310
Self-insurance claims and judgements	2,127,000	-
	<u>\$ 137,245,688</u>	<u>\$ 38,698,067</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, 2018, it is important for the City's financial management to report on current issues affecting the City and their economic impact on FY 2017-18 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. Moreno Valley is still experiencing population growth with a population estimate of 207,629 and remains the second largest city in Riverside County and is presently the fourth largest city in the Inland Region. 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 2017-18 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 experience employment growth at 5.04%. 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.

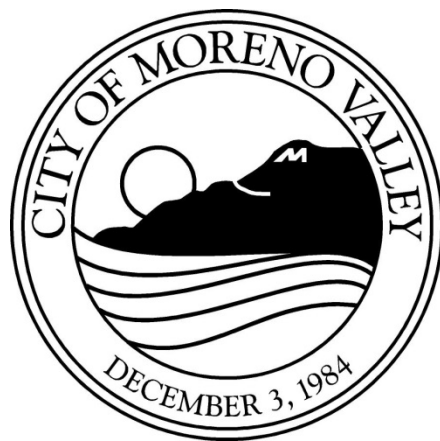
The City's Economic Development Department has been committed to aggressively marketing Moreno Valley as the region's preeminent choice for business interested in locating in the Inland Empire. Ideally

situated in Southern California, Moreno Valley continues to be a leading location for the logistics industry with an array of developable parcels, available facilities and projects entitled by the nation's most recognized development and investment firms.

During the FY 2014-15 credit status review by Standard & Poor's, the City's credit rating was upgraded to A positive and reaffirmed in 2016 with a stable outlook. A key factor in achieving the strong rating 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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and investments (note 3)	\$ 181,931,869	\$ 13,086,879	\$ 195,018,748
Receivables:			
Accounts	2,598,551	3,767,829	6,366,380
Notes and loans (note 4)	46,180,818	-	46,180,818
Note to Successor Agency (note 4)	13,279,341	-	13,279,341
Interest	3,757,681	-	3,757,681
Prepaid costs	225,446	926,390	1,151,836
Due from other governments	15,553,099	-	15,553,099
Inventories	32,456	402,085	434,541
Land held for resale	6,182,170	-	6,182,170
Restricted assets:			
Cash with fiscal agents (note 3)	3,904	184,112	188,016
Capital assets - not being depreciated (note 5)	328,712,614	6,292,486	335,005,100
Capital assets - net of accumulated depreciation (note 5)	559,873,545	50,852,906	610,726,451
Total Assets	1,158,331,494	75,512,687	1,233,844,181
Deferred Outflows of Resources			
Deferred outflows related to pensions (note 8)	14,719,536	525,904	15,245,440
Deferred outflows related to OPEB (note 9)	206,151	6,695	212,846
Deferred outflows - Utility Network	-	6,376,649	6,376,649
Total Deferred Outflows of Resources	14,925,687	6,909,248	21,834,935
Liabilities			
Accounts payable	26,456,056	3,573,569	30,029,625
Accrued liabilities	1,198,438	-	1,198,438
Accrued interest	311,513	245,949	557,462
Unearned revenue	1,697,525	18,282	1,715,807
Deposits payable	-	1,301,916	1,301,916
Due to other governments	26,380	-	26,380
Noncurrent liabilities:			
Long-term debt - due within one year (note 6)	6,940,291	1,351,068	8,291,359
Long-term debt - due in more than one year (note 6)	53,028,344	35,114,689	88,143,033
Net pension liability (notes 6 and 8)	70,428,778	1,981,250	72,410,028
Net OPEB liability (notes 6 and 9)	6,848,275	251,060	7,099,335
Total Liabilities	166,935,600	43,837,783	210,773,383
Deferred Inflows of Resources			
Deferred inflows related to pensions (note 8)	1,028,181	(23,393)	1,004,788
Deferred inflows related to OPEB (note 9)	493,330	19,487	512,817
Total Deferred Inflows of Resources	1,521,511	(3,906)	1,517,605
Net Position			
Net investment in capital assets	837,174,593	20,959,563	858,134,156
Restricted for:			
Community development projects	69,723,387	-	69,723,387
Public safety	595,357	-	595,357
Community and cultural	18,852,822	-	18,852,822
Public works	25,263,715	-	25,263,715
Capital projects	24,998,619	-	24,998,619
Debt service	6,022,962	-	6,022,962
Permanent funds	324,240	-	324,240
Water quality	1,155,659	-	1,155,659
Public purpose programs	-	5,460,607	5,460,607
Unrestricted	20,688,716	12,167,888	32,856,604
Total Net Position	\$ 1,004,800,070	\$ 38,588,058	\$ 1,043,388,128

See notes to Financial Statements

City of Moreno Valley, California

Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 17,866,194	\$ 7,862,247	\$ 325,286	\$ -
Public safety	62,932,166	3,797,064	2,896,580	-
Community development	16,127,907	10,912,039	363,296	-
Community and cultural	23,158,730	5,947,505	8,329,978	431,335
Public works	47,833,852	6,547,035	9,940,429	647,635
Interest and fiscal charges	2,201,392	-	-	-
Total Governmental Activities	170,120,241	35,065,890	21,855,569	1,078,970
Business-Type Activities:				
Electric	26,286,674	31,443,140	-	-
Total Business-Type Activities	26,286,674	31,443,140	-	-
Total Primary Government	\$ 196,406,915	\$ 66,509,030	\$ 21,855,569	\$ 1,078,970

General Revenues:

Taxes:

- Property taxes
- Property taxes in lieu
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business license taxes
- Utility users taxes
- Other taxes
- Franchise in lieu of taxes
- Documentary transfer tax

Use of money and property

Miscellaneous

Contributed capital

Transfers

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See notes to Financial Statements

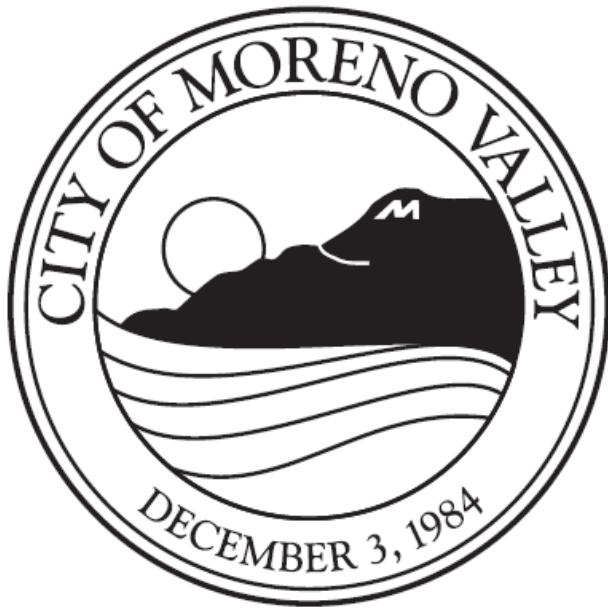
City of Moreno Valley, California

Statement of Activities
For the Fiscal Year Ended June 30, 2018

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total	Functions/Programs
Primary government:			
Governmental Activities:			
\$ (9,678,661)	\$ -	\$ (9,678,661)	General government
(56,238,522)	-	(56,238,522)	Public safety
(4,852,572)	-	(4,852,572)	Community and economic development
(8,449,912)	-	(8,449,912)	Community and cultural
(30,698,753)	-	(30,698,753)	Public works
(2,201,392)	-	(2,201,392)	Interest and fiscal charges
(112,119,812)	-	(112,119,812)	Total Governmental Activities
Business-Type Activities:			
-	5,156,466	5,156,466	Electric
-	5,156,466	5,156,466	Total Business-Type Activities
(112,119,812)	5,156,466	(106,963,346)	Total Primary Government
General Revenues:			
Taxes:			
19,745,795	-	19,745,795	Property taxes
18,406,258	-	18,406,258	Property taxes in lieu
2,344,159	-	2,344,159	Transient occupancy taxes
19,192,515	-	19,192,515	Sales taxes
5,680,137	-	5,680,137	Franchise taxes
2,351,794	-	2,351,794	Business license taxes
15,629,102	-	15,629,102	Utility users taxes
6,678,812	-	6,678,812	Other taxes
620,349	-	620,349	Franchise in lieu of taxes
767,591	-	767,591	Documentary transfer tax
6,166,810	47,572	6,214,382	Use of money and property
1,040,861	293,756	1,334,617	Miscellaneous
14,513,139	3,098,784	17,611,923	Contributed capital
300,000	(300,000)	-	Transfers
113,437,322	3,140,112	116,577,434	Total General Revenues
1,317,510	8,296,578	9,614,088	Change in Net Position
1,003,482,560	30,291,480	1,033,774,040	Net Position - Beginning of Year
\$ 1,004,800,070	\$ 38,588,058	\$ 1,043,388,128	Net Position - End of Year



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.

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.

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 special financing districts within the CSD providing services. Zone A (Parks and Community Services) provides parks and community services throughout the City. Zone C (Arterial Street and Intersection Lighting) provides funding for arterial and intersection street lighting. Zone D (Parkway Landscape Maintenance) and Zone E (Extensive Landscape Maintenance) provide funding for the maintenance of public landscaping in and around specific residential areas and specific major residential/commercial development areas, respectively. 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 public landscape maintenance services for landscaped medians within the City's right-of-way. Zone S (Sunnymead Boulevard Maintenance) provides funding for the maintenance of certain public landscape improvements fronting Sunnymead Boulevard from Frederick Street to Perris Boulevard. Community Facilities District (CFD) No. 1 provides funding for the maintenance of new park facilities constructed after the formation of CFD No. 1 in 2003. Lighting Maintenance District (LMD) No. 2014-01 provides funding for the operation and maintenance of residential subdivision street lighting. Landscape Maintenance District (LMD) No. 2014-02 provides funding for the maintenance of public landscaping in defined zones throughout the City.

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.

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, 2018

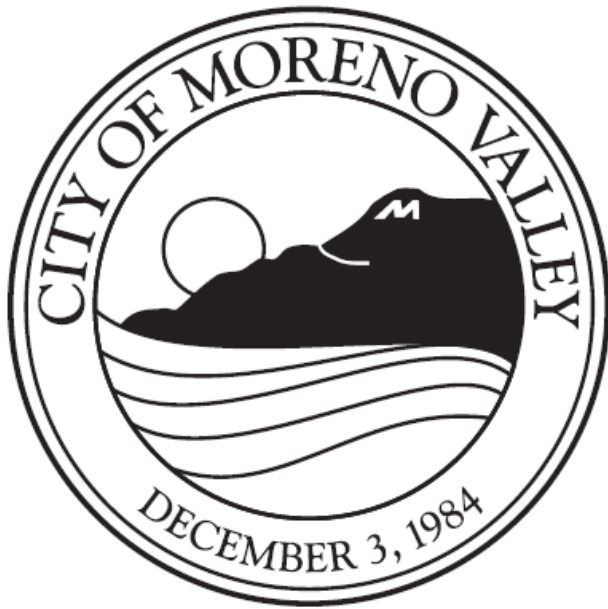
	Special Revenue Funds		
	GENERAL FUND	DEVELOPMENT IMPACT FEES	CSD ZONES
Assets			
Pooled cash and investments (note 3)	\$ 61,538,811	\$ 19,728,157	\$ 19,828,675
Receivables:			
Accounts	2,147,268	-	380,531
Notes and loans (note 4)	-	-	-
Notes to Successor Agency (note 4)	13,279,341	-	-
Interest	957,808	-	-
Due from other governments	4,900,166	-	280,591
Due from other funds (note 7)	1,567,361	-	-
Advances to other funds (note 7)	4,809,000	-	-
Prepaid costs	197,263	-	13,702
Land held for resale	2,860,044	-	-
Restricted assets:			
Cash with fiscal agents (note 3)	-	-	-
Total Assets	\$ 92,257,062	\$ 19,728,157	\$ 20,503,499
Liabilities			
Accounts payable	\$ 22,614,012	\$ -	\$ 1,162,777
Accrued liabilities	1,138,299	-	-
Unearned revenues	1,149,339	-	431,572
Due to other governments	26,380	-	-
Due to other funds (note 7)	-	-	42,626
Advances from other funds (note 7)	-	4,809,000	-
Total Liabilities	24,928,030	4,809,000	1,636,975
Deferred Inflows of Resources			
Unavailable revenues	11,607,078	-	-
Total Deferred Inflow of Resources	11,607,078	-	-
Fund Balances			
Nonspendable			
Notes to Successor Agency	3,578,367	-	-
Advances to other funds	4,809,000	-	-
Permanent fund principal	-	-	-
Prepaid costs	197,263	-	13,702
Land held for resale	2,860,044	-	-
Restricted			
Community development projects	-	-	-
Public safety	-	-	-
Community and cultural	-	-	18,852,822
Public works	-	14,919,157	-
Capital projects	-	-	-
Debt service	-	-	-
Endowment	-	-	-
Water quality	-	-	-
Committed			
Revolving line of credit	2,600,000	-	-
Maintenance of pedestrian bridge	180,763	-	-
Operating reserve	11,063,331	-	-
Library development	-	-	-
Assigned			
Continuing appropriations	1,523,491	-	-
Economic uncertainty reserve	9,219,443	-	-
Unassigned	19,690,252	-	-
Total Fund Balances	55,721,954	14,919,157	18,866,524
Total Liabilities and Fund Balances	\$ 92,257,062	\$ 19,728,157	\$ 20,503,499

See notes to financial statements.

City of Moreno Valley, California

Balance Sheet
Governmental Funds
June 30, 2018

<u>Special Revenue Fund</u>					
<u>HOUSING AUTHORITY</u>		<u>NONMAJOR GOVERNMENTAL FUNDS</u>		<u>TOTAL GOVERNMENTAL FUNDS</u>	
\$ 1,518,566		\$ 38,340,104		\$ 140,954,313	Assets
-		70,683		2,598,482	Pooled cash and investments (note 3)
33,279,646		12,901,172		46,180,818	Receivables:
-		-		13,279,341	Accounts
2,234,448		565,425		3,757,681	Notes and loans (note 4)
-		10,372,342		15,553,099	Notes to Successor Agency (note 4)
-		-		1,567,361	Interest
-		-		4,809,000	Due from other governments
-		-		210,965	Due from other funds (note 7)
3,322,127		-		6,182,171	Advances to other funds (note 7)
-		3,904		3,904	Prepaid costs
<u>\$ 40,354,787</u>		<u>\$ 62,253,630</u>		<u>\$ 235,097,135</u>	Land held for resale
					Restricted assets:
					Cash with fiscal agents (note 3)
					Total Assets
\$ 23,307		\$ 2,390,046		\$ 26,190,142	Liabilities
-		60,139		1,198,438	Accounts payable
-		116,614		1,697,525	Accrued liabilities
-		-		26,380	Unearned revenues
-		1,524,735		1,567,361	Due to other governments
-		-		4,809,000	Due to other funds (note 7)
<u>23,307</u>		<u>4,091,534</u>		<u>35,488,846</u>	Advances from other funds (note 7)
					Total Liabilities
					Deferred Inflows of Resources
2,234,448		13,395,751		27,237,277	Unavailable revenues
<u>2,234,448</u>		<u>13,395,751</u>		<u>27,237,277</u>	Total Deferred Inflow of Resources
					Fund Balances
					Nonspendable
-		-		3,578,367	Notes to Successor Agency
-		-		4,809,000	Advances to other funds
-		288,098		288,098	Permanent fund principal
-		-		210,965	Prepaid costs
-		-		2,860,044	Land held for resale
					Restricted
38,097,032		7,022,536		45,119,568	Community development projects
-		595,357		595,357	Public safety
-		-		18,852,822	Community and cultural
-		10,344,558		25,263,715	Public works
-		13,737,119		13,737,119	Capital projects
-		6,022,962		6,022,962	Debt service
-		36,142		36,142	Endowment
-		1,155,659		1,155,659	Water quality
					Committed
-		-		2,600,000	Revolving line of credit
-		-		180,763	Maintenance of pedestrian bridge
-		-		11,063,331	Operating reserve
-		5,768,000		5,768,000	Library development
					Assigned
-		-		1,523,491	Continuing appropriations
-		-		9,219,443	Economic uncertainty reserve
-		(204,086)		19,486,166	Unassigned
<u>38,097,032</u>		<u>44,766,345</u>		<u>172,371,012</u>	Total Fund Balances
<u>\$ 40,354,787</u>		<u>\$ 62,253,630</u>		<u>\$ 235,097,135</u>	Total Liabilities and Fund Balances



City of Moreno Valley, California

Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

Fund balances of governmental funds		\$ 172,371,012
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)	\$ 1,360,292,163	
Accumulated depreciation (excludes internal service accumulated depreciation)	<u>(484,573,046)</u>	875,719,117
Long-term debt and compensated absences have not been included in the governmental fund activity		
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	\$ (1,527,000)	
2013 Refunding of 2005 Lease Revenue Bonds	(6,581,000)	
2013 Total Road Improvement Certificates of Participation	(18,995,000)	
2014 Refunding of 2005 Lease Revenue Bonds	(22,602,069)	
Unamortized Premium/Discount	(1,706,498)	
Compensated Absences	<u>(6,187,960)</u>	(57,599,527)
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		
		27,237,277
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds		
		(311,513)
Deferred outflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds		
		14,925,686
Long-term liabilities related to pensions and OPEB are not due and payable in the current period and therefore are not reported in the governmental funds		
Net OPEB liability	\$ (6,848,275)	
Net pension liability	<u>(70,428,778)</u>	(77,277,053)
Deferred inflows of resources related to pensions and OPEB are not current obligation and are not reported in the governmental funds		
		(1,521,511)
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		
		<u>51,256,582</u>
Net position of governmental activities		<u><u>\$ 1,004,800,070</u></u>

See notes to financial statements.

City of Moreno Valley, California

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2018

	Special Revenue Funds		
	GENERAL FUND	DEVELOPMENT IMPACT FEES	CSD ZONES
Revenues			
Taxes:			
Property taxes	\$ 14,696,576	\$ -	\$ 5,049,219
Property taxes in lieu	18,406,258	-	-
Utility users taxes	15,629,102	-	-
Sales taxes	19,192,515	-	-
Other taxes	11,764,029	-	6,560,496
Licenses and permits	3,020,868	-	-
Intergovernmental	965,854	-	-
Fees and charges for services	13,673,162	5,897,965	5,809,593
Use of money and property	4,914,487	83,469	812,153
Fines and forfeitures	612,357	-	36,694
Miscellaneous	250,155	-	219,032
Total Revenues	103,125,363	5,981,434	18,487,187
Expenditures			
Current:			
General government	14,885,630	-	-
Public safety	61,170,062	-	-
Community development	10,280,985	-	-
Community and cultural	-	-	12,466,759
Public works	5,874,494	-	5,889,924
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	3,399,276	-	-
Total Expenditures	95,610,447	-	18,356,683
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,514,916	5,981,434	130,504
Other Financing Sources (Uses)			
Transfers in (note 7)	3,712,478	1,058,000	1,517,472
Transfers out (note 7)	(11,637,178)	(4,453,646)	(1,631,818)
Transfers from Successor Agency	-	-	-
Total Other Financing Sources (Uses)	(7,924,700)	(3,395,646)	(114,346)
Net Change in Fund Balances	(409,784)	2,585,788	16,158
Fund Balances			
Fund Balances - Beginning of Year	56,131,738	12,333,369	18,850,366
Fund Balances - End of Year	\$ 55,721,954	\$ 14,919,157	\$ 18,866,524

See Notes to Financial Statements

City of Moreno Valley, California

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

<u>Special Revenue Fund</u>					
<u>HOUSING AUTHORITY</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>			
\$ -	\$ -	\$ 19,745,795			Revenues
-	-	18,406,258			Taxes:
-	-	15,629,102			Property taxes
-	-	19,192,515			Property taxes in lieu
-	118,315	18,442,840			Utility users taxes
-	-	3,020,868			Sales taxes
-	24,415,054	25,380,908			Other taxes
-	2,184,231	27,564,951			Licenses and permits
207,398	149,303	6,166,810			Intergovernmental
-	5,942	654,993			Fees and charges for services
11,150	560,524	1,040,861			Use of money and property
<u>218,548</u>	<u>27,433,369</u>	<u>155,245,901</u>			Fines and forfeitures
					Miscellaneous
					Total Revenues
					Expenditures
					Current:
-	777,900	15,663,530			General government
-	577,590	61,747,652			Public safety
23,946	5,062,635	15,367,566			Community development
-	8,235,494	20,702,253			Community and cultural
-	7,547,175	19,311,593			Public works
-	1,920,000	1,920,000			Debt service:
-	2,399,001	2,399,001			Principal retirement
-	9,835,597	13,234,873			Interest and fiscal charges
<u>23,946</u>	<u>36,355,392</u>	<u>150,346,468</u>			Capital outlay
					Total Expenditures
					Excess (Deficiency) of Revenues Over (Under)
<u>194,602</u>	<u>(8,922,023)</u>	<u>4,899,433</u>			Expenditures
					Other Financing Sources (Uses)
-	15,693,114	21,981,064			Transfers in (note 7)
-	(2,675,279)	(20,397,921)			Transfers out (note 7)
-	150,000	150,000			Transfers from Successor Agency
<u>-</u>	<u>13,167,835</u>	<u>1,733,143</u>			Total Other Financing Sources (Uses)
194,602	4,245,812	6,632,576			Net Change in Fund Balances
					Fund Balances
37,902,430	40,520,533	165,738,436			Fund Balances - Beginning of Year
<u>\$ 38,097,032</u>	<u>\$ 44,766,345</u>	<u>\$ 172,371,012</u>			Fund Balances - End of Year

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
For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds	\$	6,632,576
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Governmental funds report capital outlay as expenditures and do not report donated capital assets. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$	12,678,024
Donated infrastructure		14,513,139
Depreciation expense		<u>(31,772,721)</u>
		(4,581,558)
<p>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.</p>		
Repayment of debt	\$	1,920,000
Amortization of bond premiums		189,648
Amortization of bond discount		<u>(5,398)</u>
		2,104,250
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>		
		13,359
<p>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.</p>		
		80,251
<p>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.</p>		
		(183,346)
<p>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.</p>		
		(2,876,936)
<p>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.</p>		
		<u>128,914</u>
Change in net position of governmental activities	\$	<u><u>1,317,510</u></u>

See notes to financial statements

City of Moreno Valley, California

**Budgetary Comparison Statement
GENERAL FUND
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 13,930,000	\$ 13,930,000	\$ 14,696,576	\$ 766,576
Property taxes in lieu	18,300,000	18,300,000	18,406,258	106,258
Utility users taxes	16,200,000	16,200,000	15,629,102	(570,898)
Sales taxes	18,200,000	18,275,000	19,192,515	917,515
Other taxes	12,133,500	12,262,037	11,764,029	(498,008)
Licenses and permits	2,674,824	3,400,277	3,020,868	(379,409)
Intergovernmental	463,000	930,827	965,854	35,027
Fees and charges for services	11,756,141	12,770,824	13,673,162	902,338
Use of money and property	3,157,862	6,171,858	4,914,487	(1,257,371)
Fines and forfeitures	662,050	662,050	612,357	(49,693)
Miscellaneous	70,197	97,197	250,155	152,958
Total Revenues	97,547,574	103,000,070	103,125,363	125,293
Expenditures				
Current:				
General government				
City council	995,390	1,057,545	924,330	133,215
City manager	5,856,908	5,970,885	5,775,070	195,815
City clerk	575,432	592,202	546,712	45,490
City attorney	881,672	893,000	724,574	168,426
Financial & management services	4,206,563	4,322,045	4,176,232	145,813
Administrative services	1,051,088	1,222,138	1,202,438	19,700
Non-departmental	498,397	1,010,000	1,536,274	(526,274)
Public Safety				
Police	41,906,917	42,117,088	40,614,371	1,502,717
Fire	20,052,133	20,401,999	20,555,691	(153,692)
Public works	5,791,465	6,148,442	5,874,494	273,948
Community development	10,635,367	11,019,601	10,280,985	738,616
Capital outlay	2,641,029	4,807,413	3,399,276	1,408,137
Total Expenditures	95,092,361	99,562,358	95,610,447	3,951,911
Excess (Deficiency) of Revenues Over (Under) expenditures	2,455,213	3,437,712	7,514,916	4,077,204
Other Financing Sources (Uses)				
Transfers in (note 7)	3,259,850	5,124,388	3,712,478	(1,411,910)
Transfers out (note 7)	(5,587,113)	(11,640,488)	(11,637,178)	3,310
Total Other Financing Sources (uses)	(2,327,263)	(6,516,100)	(7,924,700)	(1,408,600)
Net change in fund balances	127,950	(3,078,388)	(409,784)	2,668,604
Fund balances - Beginning of year	56,131,738	56,131,738	56,131,738	-
Fund balances - End of year	\$ 56,259,688	\$ 53,053,350	\$ 55,721,954	\$ 2,668,604

See notes to financial statements.

City of Moreno Valley, California

**Budgetary Comparison Statement
DEVELOPMENT IMPACT FEES
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 685,900	\$ 4,833,405	\$ 5,897,965	\$ 1,064,560
Use of money and property	202,900	202,900	83,469	(119,431)
Total Revenues	888,800	5,036,305	5,981,434	945,129
Excess (Deficiency) of Revenues Over (Under) expenditures	888,800	5,036,305	5,981,434	945,129
Other Financing Sources (Uses)				
Transfers in (note 7)	1,058,000	1,058,000	1,058,000	-
Transfers out (note 7)	(3,743,372)	(4,493,053)	(4,453,646)	39,407
Total Other Financing Sources (uses)	(2,685,372)	(3,435,053)	(3,395,646)	39,407
Net change in fund balances	(1,796,572)	1,601,252	2,585,788	984,536
Fund balances - Beginning of year	12,333,369	12,333,369	12,333,369	-
Fund balances - End of year	\$ 10,536,797	\$ 13,934,621	\$ 14,919,157	\$ 984,536

See notes to financial statements.

City of Moreno Valley, California

**Budgetary Comparison Statement
CSD ZONES
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 4,510,094	\$ 4,510,094	\$ 5,049,219	\$ 539,125
Other taxes	6,548,241	6,548,031	6,560,496	12,465
Fees and charges for services	5,956,700	5,857,452	5,809,593	(47,859)
Use of money and property	812,701	886,951	812,153	(74,798)
Fines and forfeitures	50,000	50,000	36,694	(13,306)
Miscellaneous	13,500	210,500	219,032	8,532
Total Revenues	17,891,236	18,063,028	18,487,187	424,159
Expenditures				
Current:				
Public works	6,272,353	6,472,208	5,889,924	582,284
Community and cultural	13,050,933	13,088,556	12,466,759	621,797
Capital outlay	361,000	390,359	-	390,359
Total Expenditures	19,684,286	19,951,123	18,356,683	1,594,440
Excess (Deficiency) of Revenues Over (Under) expenditures	(1,793,050)	(1,888,095)	130,504	2,018,599
Other Financing Sources (Uses)				
Transfers in (note 7)	2,223,064	1,587,423	1,517,472	(69,951)
Transfers out (note 7)	-	(1,628,332)	(1,631,818)	(3,486)
Total Other Financing Sources (uses)	2,223,064	(40,909)	(114,346)	(73,437)
Net change in fund balances	430,014	(1,929,004)	16,158	1,945,162
Fund balances - Beginning of year	18,850,366	18,850,366	18,850,366	-
Fund balances - End of year	\$ 19,280,380	\$ 16,921,362	\$ 18,866,524	\$ 1,945,162

See notes to financial statements.

City of Moreno Valley, California

**Budgetary Comparison Statement
HOUSING AUTHORITY
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 72,000	\$ 107,000	\$ 207,398	\$ 100,398
Miscellaneous	-	-	11,150	11,150
Total Revenues	72,000	107,000	218,548	111,548
Expenditures				
Current:				
Community development	250,000	250,000	23,946	226,054
Total Expenditures	250,000	250,000	23,946	226,054
Excess (Deficiency) of Revenues Over (Under) expenditures	(178,000)	(143,000)	194,602	337,602
Net change in fund balances	(178,000)	(143,000)	194,602	337,602
Fund balances - Beginning of year	37,902,430	37,902,430	37,902,430	-
Fund balances - End of year	\$ 37,724,430	\$ 37,759,430	\$ 38,097,032	\$ 337,602

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 general liability and workers' compensation 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, 2018

	Enterprise Fund - ELECTRIC	Governmental Activities - INTERNAL SERVICE FUNDS
Assets		
Current Assets:		
Pooled cash and investments (note 3)	\$ 13,086,879	\$ 40,977,556
Receivables:		
Accounts	3,767,829	69
Prepaid costs	926,390	14,481
Inventories	402,085	32,456
Restricted:		
Cash with fiscal agent (note 3)	184,112	-
Total Current Assets	18,367,295	41,024,562
Noncurrent Assets:		
Capital assets - net of accumulated depreciation	57,145,392	12,867,042
Total Noncurrent Assets	57,145,392	12,867,042
Total Assets	75,512,687	53,891,604
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	525,904	-
Deferred outflows of resources related to OPEB	6,695	-
Deferred outflows - Utility Network	6,376,649	-
Total Deferred Outflows of Resources	6,909,248	-
Total Assets and Deferred Outflows of Resources	\$ 82,421,935	\$ 53,891,604
Liabilities		
Current Liabilities:		
Accounts payable	\$ 3,573,569	\$ 265,914
Accrued interest	245,949	-
Unearned revenue	18,282	-
Deposits payable	1,301,916	-
Compensated absences (note 6)	167,957	145,265
Self-insurance payable (note 12)	-	893,000
Bonds, notes and loans payable (note 6)	1,183,111	-
Total Current Liabilities	6,490,784	1,304,179
Noncurrent liabilities:		
Compensated absences (note 6)	111,971	96,843
Self-insurance payable (note 12)	-	1,234,000
Bonds, notes and loans payable (note 6)	35,002,718	-
Net pension liability	1,981,250	-
Net OPEB liability	251,060	-
Total Noncurrent Liabilities	37,346,999	1,330,843
Total Liabilities	43,837,783	2,635,022
Deferred Inflows of resources		
Deferred inflows of resources related to pensions	(23,393)	-
Deferred inflows of resources related to OPEB	19,487	-
Total Deferred Inflows of Resources	(3,906)	-
Net Position		
Net investment in capital assets	20,959,563	12,867,042
Restricted for public purpose programs	5,460,607	-
Unrestricted	12,167,888	38,389,540
Total Net Position	38,588,058	51,256,582
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 82,421,935	\$ 53,891,604

See Notes to Financial Statements.

City of Moreno Valley, California

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2018

	Enterprise Fund - ELECTRIC	Governmental Activities - INTERNAL SERVICE FUNDS
Operating Revenues		
Sales and service charges	\$ 31,031,812	\$ 8,473,350
Miscellaneous	293,756	130,310
Total Operating Revenues	31,325,568	8,603,660
Operating Expenses		
Cost of services	1,059,640	5,486,934
Depreciation expense (note 5)	1,236,411	1,184,962
Electricity purchased	12,714,822	-
Services and supplies	5,265,124	-
Distribution share	4,516,771	-
Self-insurance claims and charges	-	742,020
Total Operating Expenses	24,792,768	7,413,916
Net Operating Income (Loss)	6,532,800	1,189,744
Nonoperating Revenues (Expenses)		
Interest revenue	47,572	-
Interest expense	(1,493,906)	-
Engineering plan check fees	411,328	-
Gain (loss) on disposal of capital assets	-	222,312
Total Nonoperating Revenues (Expenses)	(1,035,006)	222,312
Income (Loss) Before Contributions and Transfers	5,497,794	1,412,056
Transfers and Contributions		
Contributed capital	3,098,784	-
Transfers in (note 7)	-	2,419,336
Transfers out (note 7)	(300,000)	(3,702,478)
Change in Net Position	8,296,578	128,914
Total Net Position - Beginning of Year	30,291,480	51,127,668
Total Net Position - End of Year	\$ 38,588,058	\$ 51,256,582

See Notes to Financial Statements

City of Moreno Valley, California

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Enterprise Fund - ELECTRIC	Governmental Activities - INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 31,692,033	\$ 8,603,697
Payments to suppliers	(28,063,163)	(4,300,136)
Payments to employees	(960,752)	(1,727,380)
Cash paid for claims	-	(1,015,020)
Net cash provided by operating activities	2,668,118	1,561,161
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash transfers in	-	2,419,336
Cash transfers out	(300,000)	(3,702,478)
Net cash used by noncapital financing activities	(300,000)	(1,283,142)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(5,989,879)	(1,264,197)
Proceeds from the sale or disposition of capital assets	-	222,312
Engineering plan check fees	411,328	-
Principal paid on capital debt	(1,158,000)	-
Interest paid on capital debt	(1,493,801)	-
Net cash used by capital and related financing activities	(8,230,352)	(1,041,885)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	47,572	-
Net cash provided by investing activities	47,572	-
Net increase (decrease) in cash and cash equivalents	(5,814,662)	(763,866)
Balances - beginning of year	19,085,653	41,741,422
Balances - end of the year	\$ 13,270,991	\$ 40,977,556
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income	\$ 6,532,800	\$ 1,189,744
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,236,411	1,184,962
(Increase) decrease in accounts receivables	367,040	35
(Increase) decrease in prepaid costs	(2,605)	(8,896)
(Increase) decrease in deferred outflows related to pension	42,908	-
(Increase) decrease in deferred outflows related to OPEB	(6,698)	-
(Increase) decrease in deferred outflows - utility network	(3,952,907)	-
(Increase) decrease in inventories	(11,496)	(3,479)
Increase (decrease) in accounts payable	(2,040,636)	(491,124)
Increase (decrease) in unearned revenue	(576)	-
Increase (decrease) in deposit payable	441,198	-
Increase (decrease) in self-insurance payable	-	(273,000)
Increase (decrease) in net pension liability	266,851	-
Increase (decrease) in OPEB liability	6,686	-
Increase (decrease) in deferred inflows related to pension	(182,811)	-
Increase (decrease) in deferred inflows related to OPEB	(5,377)	-
Increase (decrease) in compensated absences	(22,670)	(37,081)
Net cash provided by operating activities	\$ 2,668,118	\$ 1,561,161
Noncash capital and related financing activities:		
Contributed capital - donated infrastructure	\$ 3,098,784	-

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, 2018

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund</u>
		<u>Successor Agency of the Former RDA</u>
Assets		
Cash (note 3)	\$ 8,092,623	\$ 2,557,093
Accounts receivable	300	-
Due from other governments	15,156	-
Cash with fiscal agents (note 3)	4,955,274	390,545
Total Assets	<u>\$ 13,063,353</u>	<u>2,947,638</u>
Liabilities		
Accounts payable	1,048,118	-
Deposits payable	6,514,971	-
Payable to trustee	5,500,264	-
Short-term debt - due within one year	-	930,010
Long-term debt - due in more than one year	-	53,901,544
Total Liabilities	<u>\$ 13,063,353</u>	<u>54,831,554</u>
Net Position		
Held in trust for other purposes		<u>(51,883,916)</u>
Total Net Position		<u>\$ (51,883,916)</u>

See notes to financial statements.

City of Moreno Valley, California

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018**

	Private-Purpose Trust Fund
	Successor Agency of the Former RDA
Additions	
Taxes	\$ 5,385,106
Use of money and property	1,876
Total Additions	5,386,982
Deductions	
Administrative expenses	251,000
Contractual services	368,808
Refunding bonds issuance cost	549,739
Interest expenses	1,511,676
Transfers to City	150,000
Transfer to Agency Funds	1,451,868
Total Deductions	4,283,091
Change in net position	1,103,891
Net Position - beginning of the year	(52,987,807)
Net Position - end of the year	\$ (51,883,916)

See notes to financial statements.

City of Moreno Valley, California

Notes to Financial Statements Year Ended June 30, 2018

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 and 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, 2018 (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.

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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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

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.

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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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

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 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.

Additionally the government reports the following fund types:

Internal Service Funds account for financial transactions related to repair, replacement and maintenance of City-owned vehicles and equipment, the City's self-insurance programs, compensated absences, 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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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

Amounts reported as program revenues include: 1) charges to customers or applicant for goods, services or privileges provided, 2) operating grants and contributions, an 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.

d. Assets, Deferred Outflows, 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.

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2018 (Continued)

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

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.

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 acquisition 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, 2018.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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:

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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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

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, 2018 (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, 2018 (Continued)**

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

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2018, the City did not adopt any new Statements of the Governmental Accounting Standards Board (GASB).

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 fund budget. Appropriations that increase the fund budget require City Council approval.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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			
Non-departmental	\$ 1,010,000	\$ 1,536,274	\$ 526,274
Fire	20,401,999	20,555,691	153,692
Public Education Government Access			
General government	723,168	736,453	13,285
Civil Penalties			
General government	31,466	38,127	6,661
Emergency Services Agency Fines			
Capital outlay	-	15,154	15,154
Child Care Grant			
Community and cultural	800,141	802,003	1,862
Capital outlay	-	24,910	24,910
ASES Program Grant			
Community and cultural	7,396,333	7,399,204	2,871
Used Oil Recycling			
Public works	55,462	65,356	9,894
2014 Refunding of 2005 LRB			
General government	3,000	3,320	320
Equestrian Trail Endowment			
Community and cultural	200	537	337

c. Fund Deficits

The following fund contained a deficit fund balance as of June 30, 2018:

Nonmajor Governmental Funds	
Capital Fund Projects:	
TUMF Capital Projects	\$ 204,086

This deficit fund balance is 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, 2018 (Continued)

Note 3 Cash and Investments

As of June 30, 2018, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 181,935,773
Business-Type Activities	13,270,991
Fiduciary Funds	<u>15,995,535</u>
Total Cash and Investments	<u>\$ 211,202,299</u>

Cash and investments as of June 30, 2018, consist of the following:

Cash and Cash Equivalents	
Petty Cash and Cash Boxes	\$ 10,630
Demand Deposits	2,170,807
Investments	203,487,027
Cash and Investments with Fiscal Agents	<u>5,533,835</u>
Total Cash and Investments	<u>\$ 211,202,299</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, 2018 (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 the 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, 2018 (Continued)**

Note 3 Cash and Investments (Continued)

GASB Statements No. 31 and 72:

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*. 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. GASB Statement No. 72 clarified the definition of fair value, established general principles for measuring fair value and enhanced disclosures about fair value measurements.

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, 2018, 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, 2018, 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, 2018, 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 \$2,170,807 at June 30, 2018. 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, 2018 (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, 2018, 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	\$ 61,640,659	\$ -	\$ -	\$ -	\$ 61,640,659
Money Market Fund	685,382	-	-	-	685,382
Commercial Paper	-	75,214	3,399,266	1,524,935	4,999,415
Medium Term Notes	5,411,972	9,274,733	20,425,867	9,063,974	44,176,546
Supranationals	1,909,408	-	1,974,109	2,453,769	6,337,286
US Treasury Notes	2,418,120	3,633,291	12,946,603	8,399,450	27,397,464
Federal Farm Credit Bank	-	-	8,875,716	-	8,875,716
Federal Home Loan Bank	1,995,920	-	9,026,509	1,052,612	12,075,041
Federal Home Loan Mortgage Corp	-	3,467,880	6,525,248	4,341,597	14,334,725
Federal National Mortgage Association	2,997,650	-	10,655,896	9,311,247	22,964,793
Held By Bond Trustee:					-
Money Market Funds	5,026,104	-	-	-	5,026,104
US Treasury Notes	507,731	-	-	-	507,731
Totals	\$ 82,592,946	\$ 16,451,118	\$ 73,829,214	\$ 36,147,584	\$ 209,020,862

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 California	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, 2018 (Continued)**

Note 3 Cash and Investments (Continued)

As of June 30, 2018, the City is in compliance with the investment policy restriction.

In accordance with GASB Statement No. 40, if the City has invested more the 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 Bank	5.78%
Federal Home Loan Mortgage Corp	6.86%
Federal National Mortgage Association	10.99%

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, 2018 (Continued)**

Note 3 Cash and Investments (Continued)

Fair Value Measurement:

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

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Fair Value Measurement Using Significant Other Observable Inputs (Level 2)</u>
Money Market Fund	\$ 685,382	\$ 685,382
Commercial Paper	4,999,415	4,999,415
Medium Term Notes	44,176,546	44,176,546
Supranationals	6,337,286	6,337,286
US Treasury Notes	27,397,464	27,397,464
Federal Farm Credit Bank	8,875,716	8,875,716
Federal Home Loan Bank	12,075,041	12,075,041
Federal Home Loan Mortgage Corp	14,334,725	14,334,725
Federal National Mortgage Association	22,964,793	22,964,793
Held by Trustee:		
Money Market Funds	5,026,104	5,026,104
US Treasury Notes	507,731	507,731
Total	<u>147,380,203</u>	<u>\$ 147,380,203</u>
Uncategorized:		
Local Agency Investment Fund	<u>61,640,659</u>	
Total Uncategorized	<u>61,640,659</u>	
Total Investments measured at Fair Value	<u>\$ 209,020,862</u>	

The City and the third-party trustees that hold the City's assets utilize the Market Approach in valuing the investment portfolio through the use of a pricing service that utilized matrix pricing. The market approach utilizes prices and other relevant data from market transactions for similar assets.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 4 Notes and Loans

a. Notes and Loans Receivable

Notes and loans receivables of \$46,180,818 consist primarily of revolving home improvement loans and are due beyond one year.

A summary of amounts owed at June 30, 2018, follows:

	Housing Authority	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	2,716,943	4,531,673
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	1,628,643	7,928,643
Others	456,220	5,818,586	6,274,806
Totals	<u>\$ 33,279,646</u>	<u>\$ 12,901,172</u>	<u>\$ 46,180,818</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, 2018, the balance of \$13,279,341 consists of the following:

The Towngate Regional Mall notes (Sears Note) totaling \$10,406,856 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, 2018, accrued interest amounts to \$2,872,485.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 5 Capital Assets

The following is a schedule of changes in governmental activities capital assets for the year ended June 30, 2018.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Non-Depreciable Assets:				
Land	\$ 310,197,236	\$ -	\$ -	\$ 310,197,236
Construction in progress	17,806,672	10,930,457	(10,221,751)	18,515,378
Total Non-Depreciable Assets	<u>328,003,908</u>	<u>10,930,457</u>	<u>(10,221,751)</u>	<u>328,712,614</u>
Depreciable Assets:				
Buildings and Improvements	142,447,389	4,445,724	-	146,893,113
Furniture and Equipment	19,893,887	528,180	(216,827)	20,205,240
Vehicles	10,137,324	2,803,318	(909,113)	12,031,529
Infrastructure	857,541,306	19,981,738	-	877,523,044
Total Depreciable Assets	<u>1,030,019,906</u>	<u>27,758,960</u>	<u>(1,125,940)</u>	<u>1,056,652,926</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(63,440,936)	(3,838,494)	-	(67,279,430)
Furniture and Equipment	(11,786,752)	(1,865,113)	216,827	(13,435,038)
Vehicles	(7,005,079)	(815,386)	896,806	(6,923,659)
Infrastructure	<u>(382,702,564)</u>	<u>(26,438,690)</u>	-	<u>(409,141,254)</u>
Total Accumulated Depreciation	<u>(464,935,331)</u>	<u>(32,957,683)</u>	<u>1,113,633</u>	<u>(496,779,381)</u>
Total Depreciable Assets, Net	<u>565,084,575</u>	<u>(5,198,723)</u>	<u>(12,307)</u>	<u>559,873,545</u>
Total Net Capital Assets	<u>\$ 893,088,483</u>	<u>\$ 5,731,734</u>	<u>\$ (10,234,058)</u>	<u>\$ 888,586,159</u>

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

Governmental Activities:	
General Government	\$ 1,370,653
Public Safety	1,135,568
Community Development	149,266
Community and Cultural	1,972,374
Public Works	27,144,860
Internal Service Funds	1,184,962
Total	<u>\$ 32,957,683</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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, 2018:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Non-Depreciable Assets:				
Land	\$ 1,729,408	\$ -	\$ -	\$ 1,729,408
Construction in progress	<u>10,520,844</u>	<u>6,026,824</u>	<u>(11,984,590)</u>	<u>4,563,078</u>
Total Non-Depreciable Assets	<u>12,250,252</u>	<u>6,026,824</u>	<u>(11,984,590)</u>	<u>6,292,486</u>
Depreciable Assets:				
Furniture and Equipment	1,016,758	88,446	-	1,105,204
Infrastructure	<u>44,967,109</u>	<u>14,957,983</u>	<u>-</u>	<u>59,925,092</u>
Total Depreciable Assets	<u>45,983,867</u>	<u>15,046,429</u>	<u>-</u>	<u>61,030,296</u>
Less Accumulated Depreciation:				
Furniture and Equipment	(367,559)	(56,599)	-	(424,158)
Infrastructure	<u>(8,573,420)</u>	<u>(1,179,812)</u>	<u>-</u>	<u>(9,753,232)</u>
Total Accumulated Depreciation	<u>(8,940,979)</u>	<u>(1,236,411)</u>	<u>-</u>	<u>(10,177,390)</u>
Total Depreciable Assets, Net	<u>37,042,888</u>	<u>13,810,018</u>	<u>-</u>	<u>50,852,906</u>
Total Net Capital Assets	<u>\$ 49,293,140</u>	<u>\$ 19,836,842</u>	<u>\$ (11,984,590)</u>	<u>\$ 57,145,392</u>

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

Electric Utility	<u>\$ 1,236,411</u>
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City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Moreno Valley Public Facilities Financing Authority:					
2011 Private Placement Refunding, Series 1997					
Variable Rate Certificates of Participation	\$ 1,800,000	\$ -	\$ (273,000)	\$ 1,527,000	\$ 282,000
2013 Refunding of 2005 Lease Revenue Bonds	7,713,000	-	(1,132,000)	6,581,000	1,183,000
Unamortized Premium	702,077	-	(117,013)	585,064	117,013
2014 Refunding of 2005 Lease Revenue Bonds	22,602,069	-	-	22,602,069	-
Unamortized Premium	1,307,426	-	(72,635)	1,234,791	72,635
City:					
2013 Total Road Improvement Program COP's	19,510,000	-	(515,000)	18,995,000	540,000
Unamortized Discount	(118,755)	-	5,398	(113,357)	(5,398)
Net Pension Liability	62,211,508	13,779,800	(5,562,530)	70,428,778	-
Net OPEB Liability	6,642,408	1,104,556	(898,689)	6,848,275	-
Accrued Self-Insurance Claims and Judgments	2,400,000	6,152	(279,152)	2,127,000	893,000
Compensated Absences:				-	
Governmental Funds	6,268,211	3,070,260	(3,150,511)	6,187,960	3,712,776
Internal Service Funds	279,189	132,087	(169,168)	242,108	145,265
Totals	<u>\$ 131,317,133</u>	<u>\$ 18,092,855</u>	<u>\$ (12,164,300)</u>	<u>\$ 137,245,688</u>	<u>\$ 6,940,291</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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 of 3.98%. 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 outstanding at June 30, 2018, are as follows:

Year Ending June 30,	2011 Private Placement Refunding 1997 Lease Revenue Bonds	
	Principal	Interest
2019	\$ 282,000	\$ 55,163
2020	291,000	43,760
2021	305,000	31,900
2022	318,000	19,502
2023	331,000	6,587
Totals	<u>\$ 1,527,000</u>	<u>\$ 156,912</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 6 Long-term Debt (Continued)

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, 2022 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.

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30,	2013 Refunding Lease Revenue Bonds	
	Principal	Interest
2019	\$ 1,183,000	\$ 298,898
2020	1,256,000	238,026
2021	1,312,000	173,921
2022	1,377,000	106,805
2023	1,453,000	36,233
Totals	\$ 6,581,000	\$ 853,883

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 6 Long-term Debt (Continued)

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 outstanding at June 30, 2018, are as follows:

Year Ending June 30,	2013 Total Road Improvement Program Certificates of Participation	
	Principal	Interest
2019	\$ 540,000	\$ 941,063
2020	570,000	914,063
2021	600,000	885,563
2022	630,000	855,563
2023	660,000	824,063
2024-2028	3,740,000	3,675,481
2029-2033	4,745,000	2,674,488
2034-2038	6,095,000	1,331,219
2039	1,415,000	72,519
Totals	\$ 18,995,000	\$ 12,174,022

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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 outstanding at June 30, 2018, are as follows:

Year Ending June 30,	2014 Refunding Lease Revenue Bonds	
	Principal	Interest
2019	\$ -	\$ 1,009,332
2020	-	1,009,332
2021	-	1,009,332
2022	-	1,009,332
2023	-	1,009,332
2024-2028	7,143,381	4,188,182
2029-2033	9,066,771	2,251,306
2034-2036	6,391,917	390,493
Totals	<u>\$ 22,602,069</u>	<u>\$ 11,876,641</u>

Compensated Absences

At June 30, 2018, the amount of compensated absences liability was \$6,430,068. This amount consists of \$6,187,960 for governmental funds, principally paid by the General Fund, and \$242,108 for internal service funds.

Pension and OPEB Liability

Pension and OPEB obligations will be met from unrestricted revenues of the General Fund.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Refunding Lease Revenue Bonds, 2013	\$ 917,000	\$ -	\$ (133,000)	784,000	\$ 142,000
Plus Unamortized Premium	75,640	-	(12,606)	63,034	12,606
Refunding Lease Revenue Bonds, 2014	2,662,931	-	-	2,662,931	-
Plus Unamortized Premium	148,122	-	(7,796)	140,326	7,796
Lease Revenue Bonds, 2015	10,255,000	-	(200,000)	10,055,000	205,000
Less Unamortized Discount	(38,831)	-	1,438	(37,393)	(1,438)
Refunding Lease Revenue Bonds, 2016	23,800,000	-	(825,000)	22,975,000	840,000
Less Unamortized Discount	(479,922)	-	22,853	(457,069)	(22,853)
Compensated Absences	302,597	90,970	(113,639)	279,928	167,957
Net Pension Liability	1,714,399	447,491	(180,640)	1,981,250	-
Net OPEB Liability	244,374	35,874	(29,188)	251,060	-
Totals	\$ 39,601,310	\$ 574,335	\$ (1,477,578)	\$ 38,698,067	\$ 1,351,068

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 6 Long-term Debt (Continued)

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, 2022 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.

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds outstanding at June 30, 2018, are as follows

Year Ending June 30,	Refunding Lease Revenue Bonds, 2013	
	Principal	Interest
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	\$ 784,000	\$ 103,492

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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 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.

The annual debt service requirements for the 2014 Refunding Lease Revenue Bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Refunding Lease Revenue Bonds, 2014	
	Principal	Interest
2019	\$ -	\$ 118,918
2020	-	118,918
2021	-	118,918
2022	-	118,918
2023	-	118,918
2024-2028	841,619	493,443
2029-2033	1,068,229	265,244
2034-2036	753,083	46,007
Totals	\$ 2,662,931	\$ 1,399,284

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 6 Long-term Debt (Continued)

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 1.25% 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 outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Lease Revenue Bonds, 2015	
	Principal	Interest
2019	\$ 205,000	\$ 453,388
2020	210,000	448,325
2021	215,000	442,344
2022	220,000	435,681
2023	225,000	428,447
2024-2028	1,255,000	2,007,247
2029-2033	1,540,000	1,715,466
2034-2038	1,935,000	1,309,394
2039-2043	2,460,000	766,750
2044-2046	1,790,000	137,000
Totals	\$ 10,055,000	\$ 8,144,042

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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 outstanding at June 30, 2018, are as follows:

Year Ending June 30,	Refunding Lease Revenue Bonds, 2016	
	Principal	Interest
2019	\$ 840,000	\$ 861,275
2020	850,000	844,475
2021	875,000	825,350
2022	895,000	803,475
2023	920,000	778,863
2024-2028	5,040,000	3,444,781
2029-2033	6,075,000	2,409,306
2034-2038	7,480,000	1,009,531
Totals	<u>\$ 22,975,000</u>	<u>\$ 10,977,056</u>

Compensated Absences

At June 30, 2018, the amount of compensated absences liability totaled \$279,928. Based on the current trend of usage, \$167,957 is expected to be paid within one year.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 6 Long-term Debt (Continued)

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, 2018 was \$5,445,000.

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, 2018 (Continued)**

Note 6 Long-term Debt (Continued)

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, 2018 was \$1,855,000.

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, 2018 was \$3,715,000.

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 September 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, 2018 was \$3,265,000.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 7 Interfund Receivables, Payables and Transfers

	Due To Other Funds		
	CSD Zones	Nonmajor Governmental Funds	Total
<u>Due From Other Funds</u>			
General Fund	\$ 42,626	\$ 1,524,735	\$ 1,567,361

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. Interest earnings related to investments are due to the General Fund in compliance with Administrative Policy 3.06, Investment Policy. At June 30, 2018 the CSD Zones Fund included \$42,626 of interest earnings that is due to the General Fund.

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

Nonmajor Governmental Funds:	
Article 3 Transportation	\$ 26,309
Law Enforcement Grants	233,144
Community Development Block Grant	498,691
Storm Water Maintenance	56,618
ASES Program Grant	486,022
Child Care Grant	3,435
TUMF Capital Projects	220,516
Total	<u>\$ 1,524,735</u>

b. Advances To/From Other Funds

	<u>Advances from Other Funds</u>
	Development
<u>Advances to Other Funds</u>	<u>Impact Fees</u>
General Fund	<u>\$ 4,809,000</u>

The General Fund loaned \$4,809,000 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, 2019.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 7 Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers

Transfers Out	Transfers In					Total
	General Fund	Development Impact Fees	CSD Zones	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 1,503,113	\$ 8,034,729	\$ 2,099,336	\$ 11,637,178
Development Impact Fees	10,000	-	-	4,443,646	-	4,453,646
CSD Zones	-	-	-	1,631,818	-	1,631,818
Nonmajor Governmental Funds	-	1,058,000	14,359	1,582,920	20,000	2,675,279
Internal Service Funds	3,702,478	-	-	-	-	3,702,478
Electric Utility	-	-	-	-	300,000	300,000
Totals	\$ 3,712,478	\$ 1,058,000	\$ 1,517,472	\$ 15,693,113	\$ 2,419,336	\$ 24,400,399

The General Fund transferred a total of \$11,637,178 to several funds to purchase land, 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 \$4,443,646 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 \$3,702,478 to the General Fund primarily as a result of reserve funds being used to purchase vehicles and equipment as part of fleet operations and replacement program.

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 publicly 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 2 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 8 Employee Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2018, 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%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	29.892%	29.892%	29.892%

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Active Employees	306
Retired Employees	332
Inactive Employees	244

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 is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 8 Employee Pension Plan (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry Age Normal Cost Method
 Actuarial assumptions:	
Discount rate	7.15%
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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 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 7.15% 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% 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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 8 Employee Pension Plan (Continued)

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 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)
Public Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
Total	100%		

- (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, 2018 (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 Fiduciary Net Position	Net Pension Liability	Governmental Activities Net Pension Liability (Asset)	Enterprise Net Pension Liability (Asset)
Balance at June 30, 2017	\$ 181,138,874	\$ 117,212,967	\$ 63,925,907	\$ 62,211,508	\$ 1,714,399
Changes in the year:					
Service Cost	4,154,188	-	4,154,188	4,023,526	130,662
Interest on the Total Pension Liability	13,608,182	-	13,608,182	13,180,164	428,018
Changes of Assumptions	11,559,898	-	11,559,898	11,196,305	363,593
Differences between Expected and Actual Experience	(566,196)	-	(566,196)	(548,387)	(17,809)
Net Plan to Plan Resource Movement	-	(7,368)	7,368	7,136	232
Contributions - Employer	-	5,743,170	(5,743,170)	(5,562,530)	(180,640)
Contributions - Employees	-	1,676,844	(1,676,844)	(1,624,102)	(52,742)
Net Investment Income	-	13,032,362	(13,032,362)	(12,622,456)	(409,906)
Benefit Payments, including Refunds of Employee Contributions	(7,770,872)	(7,770,872)	-	-	-
Administrative Expense	-	(173,057)	173,057	167,614	5,443
Net Changes	20,985,200	12,501,079	8,484,121	8,217,270	266,851
Balance at June 30, 2018	\$ 202,124,074	\$ 129,714,046	\$ 72,410,028	\$ 70,428,778	\$ 1,981,250

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 Miscellaneous 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:

	1% Decrease to 6.15%	Current Discount Rate 7.15%	1% Increase to 8.15%
Net Pension Liability	\$ 100,636,724	\$ 72,410,028	\$ 49,165,420

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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, 2018, the City recognized pension expense of \$9,885,586, principally paid by General Fund, Community Services District, and the Electric Utility. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,521,396	\$ -
Changes of assumptions	7,113,783	-
Differences between expected and actual experiences	-	(1,004,788)
Net difference between projected and actual earnings on pension plan investments	1,610,261	-
	<u>\$ 15,245,440</u>	<u>\$ (1,004,788)</u>

\$6,521,396 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2018	\$ 3,530,726
2019	4,439,631
2020	696,450
2021	(947,551)
2022	-
Thereafter	-

As of June 30, 2018, the City did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2018 (Continued)

Note 9 Other Post Employment Benefits (OPEB)

a. 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 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 \$133 per month for 2018 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, 2018 (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, 2018, the City's ADC contribution rate was 3.10% 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.

b. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016.

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 December 31, 2016 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	7.00% in the first year, trending down to 3.94% over 58 years.

*Mortality Rates were based on CalPERS Tables

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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

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:

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, 2017	\$ 16,912,341	\$ 10,025,559	\$ 6,886,782
Changes for the year:			
Service Cost	409,532	-	409,532
Interest on the Total OPEB Liability	1,149,342	-	1,149,342
Contribution - Employer	-	642,216	(642,216)
Implicit subsidy - Employer	-	285,661	(285,661)
Net Investment Income	-	423,688	(423,688)
Benefit Payments	(700,673)	(700,673)	-
Implicit Rate Subsidy Fulfilled	(285,661)	(285,661)	-
Administrative Expenses	-	(5,244)	5,244
Net Changes	572,540	359,987	212,553
Balance at June 30, 2018	\$ 17,484,881	\$ 10,385,546	\$ 7,099,335

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability	\$ 8,868,356	\$ 7,099,335	\$ 5,496,332

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:

	1% Decrease 6.00% decreasing to 2.94%	Healthcare Cost Trend Rate 7.00% decreasing to 3.94%	1% Increase 8.00% decreasing to 4.94%
Net OPEB liability	\$ 6,904,122	\$ 7,099,335	\$ 7,194,669

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$756,645. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on OPEB plan investments	<u>\$ 212,846</u>	<u>\$ (512,817)</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	
2019	\$ (117,728)
2020	(117,728)
2021	(117,728)
2022	53,213

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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.

b. Construction Commitments

The following material construction commitments existed at June 30, 2018:

Project Name	Contract Amount	Expenditures to date as of 6/30/2018	Remaining Commitments
<u>Governmental Activities</u>			
Cycle 1 ATP Citywide Cycle 1 ATP Citywide SRTS Pedestrian Facility Improvements	\$ 1,385,896	\$ -	\$ 1,385,896
Citywide Pavement Rehabilitation Program	2,705,744	-	2,705,744
Alessandro Blvd at Chagall Ct and at Graham St	490,404	127,633	362,771
Residential Traffic Management Program - Speed Humps	67,000	62,600	4,400
SR- 60/ Theodore Interchange Improvements	3,315,222	1,259,681	2,055,541
Other projects	8,444,442	7,370,313	1,074,129
<u>Electric Utility</u>			
Kitching Substation	\$ 18,294,841	\$ 18,225,909	\$ 68,932
Solar Carport	2,771,369	2,765,484	5,885

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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 10 Commitments and Contingencies (Continued)

e. Tax Abatements

As of June 30, 2018 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.

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, 2018 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 original 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.

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

* 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, 2018 (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 \$1,460,000 and \$667,000 for the workers' compensation claims and general liability claims, respectively, for a total of \$2,127,000. Of these amounts, the current year's adjustment is a decrease of \$273,000.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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:

	<u>General Liability</u>	<u>Workers Compensation</u>	<u>Total</u>
Amounts of accrued claims at June 30, 2016	\$ 607,660	\$ 1,353,000	\$ 1,960,660
Incurred claims, representing the total of 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	954,000	1,446,000	2,400,000
Incurred claims, representing the total of 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.	(233,291)	239,443	6,152
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(53,709)</u>	<u>(225,443)</u>	<u>(279,152)</u>
Amount of accrued claims at June 30, 2018	<u>\$ 667,000</u>	<u>\$ 1,460,000</u>	<u>\$ 2,127,000</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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.

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	\$ 2,557,093
Cash and Investments with Fiscal Agent	390,545
	<u>\$ 2,947,638</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, 2018 (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, 2018, follows:

	Balance July 1, 2017	Additions	Repayments	Balance June 30, 2018	Due Within One Year
Fiduciary Activities					
City loans - Principal	\$ 11,001,996	\$ -	\$ (595,140)	\$ 10,406,856	\$ 595,140
City loans - Interest	3,040,345	-	(167,860)	2,872,485	167,860
2007 TABs, Series A	41,105,000	-	(41,105,000)	-	-
2017 Ref of the 2007 TABs, Series A	-	38,045,000	-	38,045,000	-
Unamortized premium	-	3,674,223	(167,010)	3,507,213	167,010
Totals	<u>\$ 55,147,341</u>	<u>\$ 41,719,223</u>	<u>\$ (42,035,010)</u>	<u>\$ 54,831,554</u>	<u>\$ 930,010</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, 2018, the outstanding principal and accrued interest balances are \$10,406,856 and \$2,872,485, respectively.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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

2017 Tax Allocation Bonds Series A

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 resulted in an economic gain of \$8 million and a net savings in debt service costs of \$9.2 million.

The annual debt service requirements for the 2017 Tax Allocation Bonds Series A outstanding at June 30, 2018, are as follows:

Year Ending June 30,	2017 Tax Allocation Bonds Series A	
	Principal	Interest
2019	\$ -	\$ 1,506,881
2020	-	1,506,881
2021	-	1,506,881
2022	-	1,506,881
2023	-	1,506,881
2024-2028	5,585,000	7,187,906
2029-2033	12,745,000	4,699,781
2034-2038	16,175,000	1,829,391
2039	3,540,000	55,313
Totals	\$ 38,045,000	\$ 21,306,796

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2018 (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 \$59,351,796 with annual debt service requirements as indicated in the previous chart. 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 \$5,385,106 and the debt service obligation on the bonds was \$2,240,209.

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 11.

b. Commitments and Contingencies

Litigation

At June 30, 2018, 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, 2018 (Continued)**

Note 13 Subsequent Events

The City has evaluated events subsequent to June 30, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 5, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred, other than what is noted below, that requires recognition or additional disclosure in the financial statements.

In July 2018, the City and Moreno Valley Utility (MVU) entered into an Equipment Lease/Purchase Agreement (ELPA) with Banc of America Leasing & Capital (BALCAP) for the purchase and retrofit of streetlights. The project is comprised of two phases. The first phase finances the purchase of approximately 9,411 streetlights from Southern California Edison (SCE) while the second phase will finance the retrofit of these streetlights along with approximately 2,000 streetlights already owned by MVU with LED fixtures. BALCAP provided financing totaling \$8,110,892 with an interest rate of 5.42%, annual debt service to be \$429,000 per year starting in FY 2019/20 with the final payment occurring in FY 2033/34. Transition of the streetlights from SCE ownership to the City is expected to be completed by January 2019 and the retrofit to LED fixtures is scheduled to be completed by December 2019.

City of Moreno Valley

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

	Reporting Period			
	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 4,630,703	\$ 4,122,713	\$ 3,836,160	\$ 4,154,188
Interest on total pension liability	11,785,648	12,457,642	12,991,903	13,608,182
Changes in assumptions	—	(3,142,601)	—	11,559,898
Differences between expected and actual experience	—	(1,159,680)	(2,531,675)	(566,196)
Benefit payments, including refunds of employee contributions	(5,670,706)	(6,643,394)	(7,199,811)	(7,770,872)
Net change in total pension liability	<u>10,745,645</u>	<u>5,634,680</u>	<u>7,096,577</u>	<u>20,985,200</u>
Total pension liability - beginning of year	<u>157,661,972</u>	<u>168,407,617</u>	<u>174,042,297</u>	<u>181,138,874</u>
Total pension liability - end of year (a)	<u>\$ 168,407,617</u>	<u>\$ 174,042,297</u>	<u>\$ 181,138,874</u>	<u>\$ 202,124,074</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,620,745	\$ 4,923,787	\$ 5,086,125	\$ 5,743,170
Contributions - employee	1,934,518	1,688,857	1,705,426	1,676,844
Net investment income	16,911,034	2,629,698	639,392	13,032,362
Benefit payments	(5,670,706)	(6,643,394)	(7,199,811)	(7,770,872)
Net Plan to Plan Resource Movement	—	—	—	(7,368)
Administrative expenses	—	(132,025)	(71,338)	(173,057)
Net change in plan fiduciary net position	<u>17,795,591</u>	<u>2,466,923</u>	<u>159,794</u>	<u>12,501,079</u>
Plan fiduciary net position - beginning of year	<u>96,790,659</u>	<u>114,586,250</u>	<u>117,053,173</u>	<u>117,212,967</u>
Plan fiduciary net position - end of year (b)	<u>\$ 114,586,250</u>	<u>\$ 117,053,173</u>	<u>\$ 117,212,967</u>	<u>\$ 129,714,046</u>
Net pension liability - end of year (a)-(b)	<u>\$ 53,821,367</u>	<u>\$ 56,989,124</u>	<u>\$ 63,925,907</u>	<u>\$ 72,410,028</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>	<u>64.18%</u>
Covered - employee payroll	<u>\$ 23,278,052</u>	<u>\$ 22,079,654</u>	<u>\$ 20,814,759</u>	<u>\$ 20,793,815</u>
Net pension liability as percentage of covered-employee payroll	<u>231.21%</u>	<u>258.11%</u>	<u>307.12%</u>	<u>348.23%</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, 2016 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. 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 four years are shown.

City of Moreno Valley

**Schedule of Pension Plan Contributions
Last Ten Years***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actually determined contributions	\$ 4,616,283	\$ 4,919,325	\$ 5,081,663	\$ 5,738,708
Contributions in relation to the actuarially determined contributions	(4,620,745)	(4,923,787)	(5,086,125)	(5,743,170)
Contribution deficiency / (excess)	<u>\$ (4,462)</u>	<u>\$ (4,462)</u>	<u>\$ (4,462)</u>	<u>\$ (4,462)</u>
Covered-employee payroll	<u>\$ 20,534,386</u>	<u>\$ 20,337,228</u>	<u>\$ 21,180,324</u>	<u>\$ 21,546,792</u>
Contributions as a percentage of covered-employee payroll	<u>19.85%</u>	<u>22.30%</u>	<u>24.44%</u>	<u>27.62%</u>

Notes to Schedule:

Valuation date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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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, 2014 Funding Valuation Report.
Asset valuation method	Market Value of Assets. For details, see June 30, 2014 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 and Administrative Expenses; including inflation.
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

City of Moreno Valley

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

	Fiscal Year Ended	
	June 30, 2017	June 30, 2018
Total OPEB Liability		
Service cost	\$ 397,604	\$ 409,532
Interest on total OPEB liability	1,103,301	1,149,342
Differences between expected and actual experience		
Benefit payments, including refunds of employee contributions	(977,892)	(700,673)
Implicit rate subsidy fulfilled	-	(285,661)
Net change in total OPEB liability	<u>523,013</u>	<u>572,540</u>
Total OPEB liability - beginning of year	<u>16,389,328</u>	<u>16,912,341</u>
Total OPEB liability - end of year (a)	<u>\$ 16,912,341</u>	<u>\$ 17,484,881</u>
 Plan Fiduciary Net Position		
Net investment income	\$ 1,450,417	\$ 423,688
Contributions - employer	1,116,747	642,216
Employer - implicit subsidy	-	285,661
Benefit payments, including refunds of employee contributions	(977,892)	(700,673)
Implicit rate subsidy fulfilled	-	(285,661)
Administrative expenses	(4,601)	(5,244)
Net change in plan fiduciary net position	<u>1,584,671</u>	<u>359,987</u>
Plan fiduciary net position - beginning of year	<u>8,440,888</u>	<u>10,025,559</u>
Plan fiduciary net position - end of year (b)	<u>\$ 10,025,559</u>	<u>\$ 10,385,546</u>
 Net OPEB liability - end of year (a)-(b)	<u>\$ 6,886,782</u>	<u>\$ 7,099,335</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	<u>59.28%</u>	<u>59.40%</u>
 Covered - employee payroll	<u>\$ 20,650,038</u>	<u>\$ 21,269,539</u>
 Net OPEB liability as percentage of covered-employee payroll	<u>33.35%</u>	<u>33.38%</u>

* Fiscal year 2017 was the first year of implementation, therefore only two years are shown.

City of Moreno Valley

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

	<u>2017</u>	<u>2018</u>
Actually determined contributions	\$ 642,132	\$ 659,902
Contributions in relation to the actuarially determined contributions	(838,855)	(642,216)
Contribution deficiency / (excess)	<u>\$ (196,723)</u>	<u>\$ 17,686</u>
Covered-employee payroll	<u>\$ 21,180,324</u>	<u>\$ 21,546,792</u>
Contributions as a percentage of covered-employee payroll	<u>3.96%</u>	<u>2.98%</u>

Notes to Schedule:

Valuation date	6/30/2017	6/30/2018
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Actuarial cost method	Entry age normal cost, level percent of pay
Amortization method	Closed period
Amortization period	19 years
Asset valuation method	Market value 3/31/2018, projected to 6/30/2018
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 two years are shown.

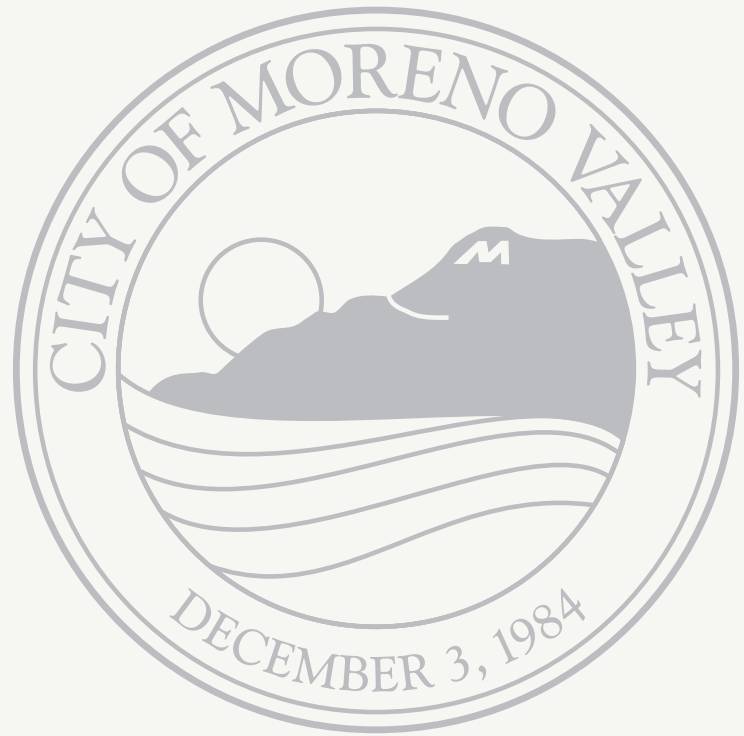
City of Moreno Valley

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

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2018
Annual money-weighted rate of return, net of investment expense	9.77%	10.24%

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

* Fiscal year 2017 was the first year of implementation, therefore only two years are shown.



Supplemental Schedules



City of Moreno Valley, CA

FISCAL YEAR ENDED JUNE 30, 2018

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

State Gasoline 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.

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.

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.

Special Districts Administration Fund

This fund is used to account for the coordination and administration of all special financing districts formed to finance the construction of public infrastructure improvements and/or fund the operation and maintenance of public improvements and administered by the City or CSD.

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 providing for routine street sweeping, cleaning of all catch basins, connector pipes and culverts on an annual basis, and by providing emergency services, as needed.

Storm Water Management Fund

This fund is used to account for the city-wide storm water and non-storm water pollution prevention work conducted to comply with regulations set forth by the Federal Clean Water Act and State Water Resources Control Board.

CFD No. 4-M (Centerpointe) Fund

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

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

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.

General Plan Amendments Fund

This fund is used to account for revenues and expenditures related to support future General Plan Amendments.

CFD No. 2014-01 (Maintenance Services) Fund

This fund is used to account for the maintenance and administrative services related to public landscape maintenance and street lighting for developments that have annexed into the district.

Child Care Grant Fund

This fund is used to account for the Child Care grant program which provides valuable, subsidized, after-school day care services for qualifying City residents year-round. Nutritious meals and snacks are served to the children, and partially reimbursed to the City through participation in the Child and Adult Care Food Program (CACFP).

ASES Program Grant Fund

This fund is used to account for state-funded After School Education & Safety (ASES) program grants which provide expanded learning opportunities in an after-school setting, at no cost. Services are provided to participants from kindergarten through eighth grade. Children are also served a nutritious snack daily.

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 support for convenient used oil collection sites.

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 animal services programs.

Capital Projects Grants Fund

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

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).

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

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.

Neighborhood Stabilization Program Fund

This fund is used to account for the grant allocation received by the City from the U.S. Department of Housing and Urban Development 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.

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.

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.

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.

CAPITAL PROJECTS FUNDS:

Facility Construction Fund

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

Public Works Capital Projects Fund

This fund is used to account for capital projects with co-op and reimbursement agreements with Riverside County Flood Control (RCFC) and Eastern Municipal Water District (EMWD).

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.

Traffic Signal Mitigation Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS (CONTINUED):

Parks and Community Services Development and Capital 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.

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.

DEBT SERVICE FUNDS:

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 of 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 of 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.

2011 Private Placement Refunding 97 Lease Revenue 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.

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 to sponsor a community event/activity 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 property owners to facilitate compliance with regulations set forth by the Federal Clean Water Act and State Water Resources Control Board. The principal endowment was provided by a property owner. The interest earned will be used for the benefit of the National Pollutant Discharge Elimination System (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, 2018

Special Revenue Funds

	STATE GASOLINE TAX	MEASURE A	AIR QUALITY MANAGEMENT	SPECIAL DISTRICTS ADMINISTRATION
Assets				
Pooled cash and investments	\$ 1,498,640	\$ 3,214,347	\$ 231,264	\$ 1,693,555
Receivables:				
Accounts	-	-	68,068	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	438,204	1,014,318	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 1,936,844	\$ 4,228,665	\$ 299,332	\$ 1,693,555
Liabilities				
Accounts payable	\$ 10,536	\$ 207,029	\$ 15,000	\$ 35
Accrued liabilities	-	47,274	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	10,536	254,303	15,000	35
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	1,926,308	3,974,362	284,332	1,693,520
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,926,308	3,974,362	284,332	1,693,520
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,936,844	\$ 4,228,665	\$ 299,332	\$ 1,693,555

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Special Revenue Funds

STORM WATER MAINTENANCE	STORM WATER MANAGEMENT	CFD No. 4-M	PUBLIC EDUCATION GOVERNMENT ACCESS	
\$ -	\$ 1,202,969	\$ 76,481	\$ 1,034,682	Assets
1,122	334	-	1,159	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
241,096	11,967	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 242,218</u>	<u>\$ 1,215,270</u>	<u>\$ 76,481</u>	<u>\$ 1,035,841</u>	Total Assets
\$ 5,993	\$ 59,611	\$ 3,775	\$ -	Liabilities
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
56,618	-	-	-	Unearned revenues
<u>62,611</u>	<u>59,611</u>	<u>3,775</u>	<u>-</u>	Due to other funds
				Total Liabilities
-	-	-	-	Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
-	-	-	-	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances
-	-	-	-	Nonspendable:
-	-	-	-	Permanent fund principal
-	-	-	1,035,841	Restricted:
179,607	-	72,706	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	1,155,659	-	-	Water quality
-	-	-	-	Committed:
-	-	-	-	Library development
-	-	-	-	Unassigned
<u>179,607</u>	<u>1,155,659</u>	<u>72,706</u>	<u>1,035,841</u>	Total Fund Balances
<u>\$ 242,218</u>	<u>\$ 1,215,270</u>	<u>\$ 76,481</u>	<u>\$ 1,035,841</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Special Revenue Funds

	<u>CIVIL PENALTIES</u>	<u>EMERGENCY SERVICES AGENCY FINES</u>	<u>ENERGY EFFICIENCY REVOLVING</u>	<u>GENERAL PLAN AMENDMENTS</u>
Assets				
Pooled cash and investments	\$ 86,282	\$ 595,357	\$ 149,434	\$ 1,750,000
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 86,282	\$ 595,357	\$ 149,434	\$ 1,750,000
Liabilities				
Accounts payable	\$ 2,006	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	2,006	-	-	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	84,276	-	-	-
Public safety	-	595,357	-	-
Public works	-	-	149,434	1,750,000
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	84,276	595,357	149,434	1,750,000
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 86,282	\$ 595,357	\$ 149,434	\$ 1,750,000

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Special Revenue Funds

CFD No. 2014-01	CHILD CARE GRANT	ASES PROGRAM GRANT	USED OIL RECYCLING GRANT	
\$ 314,779	\$ -	\$ -	\$ 46,716	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
872	47,991	554,725	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 315,651</u>	<u>\$ 47,991</u>	<u>\$ 554,725</u>	<u>\$ 46,716</u>	Total Assets
\$ 1,362	\$ 31,691	\$ 24,323	\$ -	Liabilities
-	12,865	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	46,716	Unearned revenues
-	3,435	486,022	-	Due to other funds
<u>1,362</u>	<u>47,991</u>	<u>510,345</u>	<u>46,716</u>	Total Liabilities
-	-	-	-	Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
-	-	-	-	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances
-	-	-	-	Nonspendable:
-	-	-	-	Permanent fund principal
-	-	44,380	-	Restricted:
-	-	-	-	Community development projects
314,289	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Committed:
-	-	-	-	Library development
-	-	-	-	Unassigned
<u>314,289</u>	<u>-</u>	<u>44,380</u>	<u>-</u>	Total Fund Balances
<u>\$ 315,651</u>	<u>\$ 47,991</u>	<u>\$ 554,725</u>	<u>\$ 46,716</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Special Revenue Funds

	OTHER GRANTS	CAPITAL PROJECTS GRANTS	LAW ENFORCEMENT GRANTS	HOME
Assets				
Pooled cash and investments	\$ 115,222	\$ 510,794	\$ -	\$ 296,188
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	6,654,512
Interest	-	-	-	565,425
Due from other governments	75,224	663,674	241,329	334,481
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 190,446	\$ 1,174,468	\$ 241,329	\$ 7,850,606
Liabilities				
Accounts payable	\$ 120,548	\$ 408,129	\$ 8,185	\$ 428,845
Accrued liabilities	-	-	-	-
Unearned revenues	69,898	-	-	-
Due to other funds	-	-	233,144	-
Total Liabilities	190,446	408,129	241,329	428,845
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	1,655,591
Total Deferred Inflows of Resources	-	-	-	1,655,591
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	-	-	-	5,766,170
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	766,339	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	766,339	-	5,766,170
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 190,446	\$ 1,174,468	\$ 241,329	\$ 7,850,606

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Special Revenue Funds

NEIGHBORHOOD STABILIZATION PROGRAM	COMMUNITY DEVELOPMENT BLOCK GRANT	EMERGENCY SOLUTIONS GRANT	ARTICLE 3 TRANSPORTATION	
\$ 91,869	\$ -	\$ -	\$ -	Assets
-	-	-	-	Pooled cash and investments
6,246,660	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	732,105	146,550	26,309	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 6,338,529</u>	<u>\$ 732,105</u>	<u>\$ 146,550</u>	<u>\$ 26,309</u>	Total Assets
\$ -	\$ 233,414	\$ 146,550	\$ -	Liabilities
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	498,691	-	26,309	Due to other funds
<u>-</u>	<u>732,105</u>	<u>146,550</u>	<u>26,309</u>	Total Liabilities
6,246,660	-	-	-	Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
<u>6,246,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances
-	-	-	-	Nonspendable:
-	-	-	-	Permanent fund principal
91,869	-	-	-	Restricted:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Committed:
-	-	-	-	Library development
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Unassigned
<u>91,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Fund Balances
<u>\$ 6,338,529</u>	<u>\$ 732,105</u>	<u>\$ 146,550</u>	<u>\$ 26,309</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Capital Project Funds

	FACILITY CONSTRUCTION	PUBLIC WORKS CAPITAL PROJECTS	TUMF CAPITAL PROJECTS	TRAFFIC SIGNAL MITIGATION
Assets				
Pooled cash and investments	\$ 10,636,193	\$ 1,442,790	\$ -	\$ 156,191
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	5,493,500	333,567	16,430	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 16,129,693	\$ 1,776,357	\$ 16,430	\$ 156,191
Liabilities				
Accounts payable	\$ 9,532	\$ 167,034	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	220,516	-
Total Liabilities	9,532	167,034	220,516	-
Deferred Inflows of Resources				
Unavailable revenues	5,493,500	-	-	-
Total Deferred Inflows of Resources	5,493,500	-	-	-
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	4,858,661	1,609,323	-	156,191
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	5,768,000	-	-	-
Unassigned	-	-	(204,086)	-
Total Fund Balances	10,626,661	1,609,323	(204,086)	156,191
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 16,129,693	\$ 1,776,357	\$ 16,430	\$ 156,191

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Capital Project Funds		Debt Service Funds		
PARKS & COMMUNITY SERVICES DEVELOPMENT & CAPITAL PROJECTS	DIF CAPITAL PROJECTS	TRIP COP 13A	2013 REFUNDING OF 2005 LEASE REVENUE BONDS	
\$ 4,179,885	\$ 2,673,168	\$ -	\$ -	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	3,497	242	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 4,179,885</u>	<u>\$ 2,673,168</u>	<u>\$ 3,497</u>	<u>\$ 242</u>	Total Assets
\$ 494,014	\$ 12,434	\$ -	\$ -	Liabilities
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other funds
<u>494,014</u>	<u>12,434</u>	<u>-</u>	<u>-</u>	Total Liabilities
-	-	-	-	Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
-	-	-	-	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances
-	-	-	-	Nonspendable:
-	-	-	-	Permanent fund principal
-	-	-	-	Restricted:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
3,685,871	2,660,734	-	-	Capital projects
-	-	3,497	242	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Committed:
-	-	-	-	Library development
-	-	-	-	Unassigned
<u>3,685,871</u>	<u>2,660,734</u>	<u>3,497</u>	<u>242</u>	Total Fund Balances
<u>\$ 4,179,885</u>	<u>\$ 2,673,168</u>	<u>\$ 3,497</u>	<u>\$ 242</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Debt Service Funds		Permanent Funds	
	2014 REFUNDING OF 2005 LEASE REVENUE BONDS	2011 PRIVATE PLACEMENT REFUNDING 97 LEASE REVENUE BONDS	CELEBRATION PARK ENDOWMENT	EQUESTRIAN TRAIL ENDOWMENT
Assets				
Pooled cash and investments	\$ 6,019,058	\$ -	\$ 49,262	\$ 10,709
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	165	-	-	-
Total Assets	<u>\$ 6,019,223</u>	<u>\$ -</u>	<u>\$ 49,262</u>	<u>\$ 10,709</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</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:				
Permanent fund principal	-	-	49,050	10,000
Restricted:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Debt service	6,019,223	-	-	-
Endowment	-	-	212	709
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>6,019,223</u>	<u>-</u>	<u>49,262</u>	<u>10,709</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 6,019,223</u>	<u>\$ -</u>	<u>\$ 49,262</u>	<u>\$ 10,709</u>

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

Permanent Funds

ROCKRIDGE PARK ENDOWMENT	NPDES ENDOWMENT	CULTURAL PRESERVATION	Total Nonmajor Governmental Funds	
\$ 110,322	\$ 32,519	\$ 121,428	\$ 38,340,104	Assets
-	-	-	70,683	Pooled cash and investments
-	-	-	12,901,172	Receivables:
-	-	-	565,425	Accounts
-	-	-	10,372,342	Notes and loans
-	-	-	3,904	Interest
-	-	-		Due from other governments
-	-	-		Restricted assets:
-	-	-		Cash with fiscal agents
<u>\$ 110,322</u>	<u>\$ 32,519</u>	<u>\$ 121,428</u>	<u>\$ 62,253,630</u>	Total Assets
\$ -	\$ -	\$ -	\$ 2,390,046	Liabilities
-	-	-	60,139	Accounts payable
-	-	-	116,614	Accrued liabilities
-	-	-	1,524,735	Unearned revenues
-	-	-	4,091,534	Due to other funds
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,091,534</u>	Total Liabilities
-	-	-	13,395,751	Deferred Inflows of Resources
-	-	-	13,395,751	Unavailable revenues
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,395,751</u>	Total Deferred Inflows of Resources
100,000	14,506	114,542	288,098	Fund Balances
-	-	-	7,022,536	Nonspendable:
-	-	-	595,357	Permanent fund principal
-	-	-	10,344,558	Restricted:
-	-	-	13,737,119	Community development projects
-	-	-	6,022,962	Public safety
10,322	18,013	6,886	36,142	Public works
-	-	-	1,155,659	Capital projects
-	-	-	5,768,000	Debt service
-	-	-	(204,086)	Endowment
<u>110,322</u>	<u>32,519</u>	<u>121,428</u>	<u>44,766,345</u>	Water quality
<u>\$ 110,322</u>	<u>\$ 32,519</u>	<u>\$ 121,428</u>	<u>\$ 62,253,630</u>	Committed:
				Library development
				Unassigned
				Total Fund Balances
				Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds

	<u>STATE GASOLINE TAX</u>	<u>MEASURE A</u>	<u>AIR QUALITY MANAGEMENT</u>	<u>SPECIAL DISTRICTS ADMINISTRATION</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,548,941	4,475,450	263,374	-
Fees and charges for services	-	132,921	-	792,658
Use of money and property	-	60,680	2,878	15,924
Fines and forfeitures	-	-	-	-
Miscellaneous	220	12,400	-	-
Total revenues	<u>5,549,161</u>	<u>4,681,451</u>	<u>266,252</u>	<u>808,582</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	3,732,853	1,964,659	206,042	557,050
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	1,287,073	-	-
Total expenditures	<u>3,732,853</u>	<u>3,251,732</u>	<u>206,042</u>	<u>557,050</u>
Excess (deficiency) of revenues over expenditures	<u>1,816,308</u>	<u>1,429,719</u>	<u>60,210</u>	<u>251,532</u>
Other Financing Sources (Uses)				
Transfers in	160,000	-	-	-
Transfers in from Successor Agency	-	-	-	-
Transfers out	(50,000)	(2,590,697)	-	-
Total other financing sources (uses)	<u>110,000</u>	<u>(2,590,697)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,926,308	(1,160,978)	60,210	251,532
Fund Balances				
Fund balances - beginning of year	-	5,135,340	224,122	1,441,988
Fund balances - end of year	<u>\$ 1,926,308</u>	<u>\$ 3,974,362</u>	<u>\$ 284,332</u>	<u>\$ 1,693,520</u>

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds

STORM WATER MAINTENANCE	STORM WATER MANAGEMENT	CFD No. 4-M	PUBLIC EDUCATION GOVERNMENT ACCESS	
				Revenues
				Taxes:
\$ -	\$ -	\$ -	\$ -	- Other taxes
-	-	-	-	- Intergovernmental
453,006	658,183	25,363	-	- Fees and charges for services
-	-	237	-	- Use of money and property
-	-	-	-	- Fines and forfeitures
-	-	-	541,691	Miscellaneous
453,006	658,183	25,600	541,691	Total revenues
				Expenditures
				Current:
-	-	-	736,453	- General government
-	-	-	-	- Public safety
-	-	-	-	- Community development
-	-	-	-	- Community and cultural
453,006	451,996	29,929	-	- Public works
-	-	-	-	Debt service:
-	-	-	-	- Principal retirement
-	-	-	-	- Interest and fiscal charges
-	-	-	-	Capital outlay
453,006	451,996	29,929	736,453	Total expenditures
-	206,187	(4,329)	(194,762)	Excess (deficiency) of revenues over expenditures
				Other Financing Sources (Uses)
50,000	223	-	-	- Transfers in
-	-	-	-	- Transfers in from Successor Agency
-	-	-	-	- Transfers out
50,000	223	-	-	Total other financing sources (uses)
50,000	206,410	(4,329)	(194,762)	Net change in fund balances
				Fund Balances
129,607	949,249	77,035	1,230,603	Fund balances - beginning of year
\$ 179,607	\$ 1,155,659	\$ 72,706	\$ 1,035,841	Fund balances - end of year

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds

	<u>CIVIL PENALTIES</u>	<u>EMERGENCY SERVICES AGENCY FINES</u>	<u>ENERGY EFFICIENCY REVOLVING</u>	<u>GENERAL PLAN AMENDMENTS</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	102,031	-	-
Fees and charges for services	-	-	-	-
Use of money and property	-	3,255	-	-
Fines and forfeitures	5,942	-	-	-
Miscellaneous	-	-	5,083	-
Total revenues	<u>5,942</u>	<u>105,286</u>	<u>5,083</u>	<u>-</u>
Expenditures				
Current:				
General government	38,127	-	-	-
Public safety	-	4,036	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	15,154	-	-
Total expenditures	<u>38,127</u>	<u>19,190</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(32,185)</u>	<u>86,096</u>	<u>5,083</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,750,000
Transfers in from Successor Agency	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750,000</u>
Net change in fund balances	(32,185)	86,096	5,083	1,750,000
Fund Balances				
Fund balances - beginning of year	116,461	509,261	144,351	-
Fund balances - end of year	<u>\$ 84,276</u>	<u>\$ 595,357</u>	<u>\$ 149,434</u>	<u>\$ 1,750,000</u>

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds

CFD No. 2014-01	CHILD CARE GRANT	ASES PROGRAM GRANT	USED OIL RECYCLING GRANT	
				Revenues
				Taxes:
\$ 118,315	\$ -	\$ -	\$ -	Other taxes
-	814,537	7,396,335	65,356	Intergovernmental
58,900	8,315	-	-	Fees and charges for services
3,424	-	-	-	Use of money and property
-	-	-	-	Fines and forfeitures
-	575	-	-	Miscellaneous
180,639	823,427	7,396,335	65,356	Total revenues
				Expenditures
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	802,003	7,399,204	-	Community and cultural
26,775	-	-	65,356	Public works
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	24,910	-	-	Capital outlay
26,775	826,913	7,399,204	65,356	Total expenditures
153,864	(3,486)	(2,869)	-	Excess (deficiency) of revenues over expenditures
				Other Financing Sources (Uses)
-	3,486	-	-	Transfers in
-	-	-	-	Transfers in from Successor Agency
-	-	-	-	Transfers out
-	3,486	-	-	Total other financing sources (uses)
153,864	-	(2,869)	-	Net change in fund balances
				Fund Balances
160,425	-	47,249	-	Fund balances - beginning of year
\$ 314,289	\$ -	\$ 44,380	\$ -	Fund balances - end of year

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds

	<u>OTHER GRANTS</u>	<u>CAPITAL PROJECTS GRANTS</u>	<u>LAW ENFORCEMENT GRANTS</u>	<u>HOME</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	710,081	1,022,989	470,221	668,195
Fees and charges for services	-	-	-	-
Use of money and property	-	-	-	60,206
Fines and forfeitures	-	-	-	-
Miscellaneous	-	357	-	-
Total revenues	<u>710,081</u>	<u>1,023,346</u>	<u>470,221</u>	<u>728,401</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	74,417	-	441,003	-
Community development	78,896	-	29,218	936,554
Community and cultural	33,750	-	-	-
Public works	51,683	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	451,335	1,054,468	-	-
Total expenditures	<u>690,081</u>	<u>1,054,468</u>	<u>470,221</u>	<u>936,554</u>
Excess (deficiency) of revenues over expenditures	20,000	(31,122)	-	(208,153)
Other Financing Sources (Uses)				
Transfers in	-	45,501	-	-
Transfers in from Successor Agency	-	-	-	-
Transfers out	(20,000)	-	-	-
Total other financing sources (uses)	<u>(20,000)</u>	<u>45,501</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	14,379	-	(208,153)
Fund Balances				
Fund balances - beginning of year	-	751,960	-	5,974,323
Fund balances - end of year	<u>\$ -</u>	<u>\$ 766,339</u>	<u>\$ -</u>	<u>\$ 5,766,170</u>

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds

NEIGHBORHOOD STABILIZATION PROGRAM	COMMUNITY DEVELOPMENT BLOCK GRANT	EMERGENCY SOLUTIONS GRANT	ARTICLE 3 TRANSPORTATION	
				Revenues
				Taxes:
\$ -	\$ -	\$ -	\$ -	Other taxes
91,869	1,677,333	256,291	26,309	Intergovernmental
-	-	-	-	Fees and charges for services
-	-	-	-	Use of money and property
-	-	-	-	Fines and forfeitures
-	-	-	-	Miscellaneous
<u>91,869</u>	<u>1,677,333</u>	<u>256,291</u>	<u>26,309</u>	Total revenues
				Expenditures
				Current:
-	-	-	-	General government
-	58,134	-	-	Public safety
2,860,044	901,632	256,291	-	Community development
-	-	-	-	Community and cultural
-	-	-	-	Public works
				Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	747,396	-	26,309	Capital outlay
<u>2,860,044</u>	<u>1,707,162</u>	<u>256,291</u>	<u>26,309</u>	Total expenditures
(2,768,175)	(29,829)	-	-	Excess (deficiency) of revenues over expenditures
				Other Financing Sources (Uses)
2,860,044	32,995	-	-	Transfers in
-	-	-	-	Transfers in from Successor Agency
-	-	-	-	Transfers out
<u>2,860,044</u>	<u>32,995</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
91,869	3,166	-	-	Net change in fund balances
				Fund Balances
-	(3,166)	-	-	Fund balances - beginning of year
<u>\$ 91,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Fund balances - end of year

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Capital Projects Fund

	<u>FACILITY CONSTRUCTION</u>	<u>PUBLIC WORKS CAPITAL PROJECTS</u>	<u>TUMF CAPITAL PROJECTS</u>	<u>TRAFFIC SIGNAL MITIGATION</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	214,660	611,082	-
Fees and charges for services	-	54,885	-	-
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	198	-	-
Total revenues	<u>-</u>	<u>269,743</u>	<u>611,082</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	594,755	1,531,149	611,082	-
Total expenditures	<u>594,755</u>	<u>1,531,149</u>	<u>611,082</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(594,755)</u>	<u>(1,261,406)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	755,000	1,481,000	-	-
Transfers in from Successor Agency	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>755,000</u>	<u>1,481,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	160,245	219,594	-	-
Fund Balances				
Fund balances - beginning of year	10,466,416	1,389,729	(204,086)	156,191
Fund balances - end of year	<u>\$ 10,626,661</u>	<u>\$ 1,609,323</u>	<u>\$ (204,086)</u>	<u>\$ 156,191</u>

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Capital Projects Fund		Debt Service Funds		
PARKS & COMMUNITY SERVICES DEVELOPMENT & CAPITAL PROJECTS	DIF CAPITAL PROJECTS	TRIP COP 13A	2013 REFUNDING OF 2005 LEASE REVENUE BONDS	
\$ -	\$ -	\$ -	\$ -	Revenues
-	-	-	-	Taxes:
-	-	-	-	Other taxes
-	-	-	-	Intergovernmental
-	-	958	274	Fees and charges for services
-	-	-	-	Use of money and property
-	-	-	-	Fines and forfeitures
-	-	-	-	Miscellaneous
<u>-</u>	<u>-</u>	<u>958</u>	<u>274</u>	Total revenues
-	-	-	-	Expenditures
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	5,876	1,950	Public works
-	-	515,000	1,132,000	Debt service:
-	-	966,813	356,649	Principal retirement
3,160,195	331,771	-	-	Interest and fiscal charges
<u>3,160,195</u>	<u>331,771</u>	<u>1,487,689</u>	<u>1,490,599</u>	Capital outlay
-	-	-	-	Total expenditures
<u>(3,160,195)</u>	<u>(331,771)</u>	<u>(1,486,731)</u>	<u>(1,490,325)</u>	Excess (deficiency) of revenues over expenditures
2,876,832	1,498,146	1,487,197	1,490,483	Other Financing Sources (Uses)
-	-	-	-	Transfers in
-	-	-	-	Transfers in from Successor Agency
-	-	-	-	Transfers out
<u>2,876,832</u>	<u>1,498,146</u>	<u>1,487,197</u>	<u>1,490,483</u>	Total other financing sources (uses)
(283,363)	1,166,375	466	158	Net change in fund balances
3,969,234	1,494,359	3,031	84	Fund Balances
<u>\$ 3,685,871</u>	<u>\$ 2,660,734</u>	<u>\$ 3,497</u>	<u>\$ 242</u>	Fund balances - beginning of year
				Fund balances - end of year

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Debt Service Funds		Permanent Funds	
	2014 REFUNDING OF 2005 LEASE REVENUE BONDS	2011 PRIVATE PLACEMENT REFUNDING 97 LEASE REVENUE BONDS	CELEBRATION PARK ENDOWMENT	EQUESTRIAN TRAIL ENDOWMENT
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees and charges for services	-	-	-	-
Use of money and property	263	-	212	36
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	263	-	212	36
Expenditures				
Current:				
General government	3,320	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	537
Public works	-	-	-	-
Debt service:				
Principal retirement	-	273,000	-	-
Interest and fiscal charges	1,009,332	66,207	-	-
Capital outlay	-	-	-	-
Total expenditures	1,012,652	339,207	-	537
Excess (deficiency) of revenues over expenditures	(1,012,389)	(339,207)	212	(501)
Other Financing Sources (Uses)				
Transfers in	1,013,000	189,207	-	-
Transfers in from Successor Agency	-	150,000	-	-
Transfers out	-	-	(14,359)	-
Total other financing sources (uses)	1,013,000	339,207	(14,359)	-
Net change in fund balances	611	-	(14,147)	(501)
Fund Balances				
Fund balances - beginning of year	6,018,612	-	63,409	11,210
Fund balances - end of year	\$ 6,019,223	\$ -	\$ 49,262	\$ 10,709

City of Moreno Valley, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

Permanent Funds

ROCKRIDGE PARK ENDOWMENT	NPDES ENDOWMENT	CULTURAL PRESERVATION	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 118,315
-	-	-	24,415,054
-	-	-	2,184,231
401	114	441	149,303
-	-	-	5,942
-	-	-	560,524
<u>401</u>	<u>114</u>	<u>441</u>	<u>27,433,369</u>
-	-	-	777,900
-	-	-	577,590
-	-	-	5,062,635
-	-	-	8,235,494
-	-	-	7,547,175
-	-	-	1,920,000
-	-	-	2,399,001
-	-	-	9,835,597
-	-	-	<u>36,355,392</u>
401	114	441	(8,922,023)
-	-	-	15,693,114
-	-	-	150,000
-	(223)	-	(2,675,279)
-	<u>(223)</u>	-	<u>13,167,835</u>
401	(109)	441	4,245,812
109,921	32,628	120,987	40,520,533
<u>\$ 110,322</u>	<u>\$ 32,519</u>	<u>\$ 121,428</u>	<u>\$ 44,766,345</u>

Revenues

Taxes:

Other taxes	118,315
Intergovernmental	24,415,054
Fees and charges for services	2,184,231
Use of money and property	149,303
Fines and forfeitures	5,942
Miscellaneous	560,524
Total revenues	27,433,369

Expenditures

Current:

General government	777,900
Public safety	577,590
Community development	5,062,635
Community and cultural	8,235,494
Public works	7,547,175

Debt service:

Principal retirement	1,920,000
Interest and fiscal charges	2,399,001

Capital outlay

Total expenditures

Excess (deficiency) of revenues over expenditures

Other Financing Sources (Uses)

Transfers in	15,693,114
Transfers in from Successor Agency	150,000
Transfers out	(2,675,279)

Total other financing sources (uses)

Net change in fund balances

Fund Balances

Fund balances - beginning of year

Fund balances - end of year

City of Moreno Valley, California

Budgetary Comparison Schedule
STATE GASOLINE TAX
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 5,713,345	\$ 5,725,187	\$ 5,548,941	\$ (176,246)
Use of money and property	1,000	1,000	-	(1,000)
Miscellaneous	1,000	1,000	220	(780)
Total Revenues	5,715,345	5,727,187	5,549,161	(178,026)
Expenditures				
Current:				
Public works	4,265,713	4,023,676	3,732,853	290,823
Capital outlay	1,444,387	1,420,433	-	1,420,433
Total Expenditures	5,710,100	5,444,109	3,732,853	1,711,256
Excess (Deficiency) of Revenues Over (Under) expenditures	5,245	283,078	1,816,308	1,533,230
Other Financing Sources (Uses)				
Transfers in (note 7)	160,000	160,000	160,000	-
Transfers out (note 7)	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (uses)	110,000	110,000	110,000	-
Net change in fund balances	115,245	393,078	1,926,308	1,533,230
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ 115,245	\$ 393,078	\$ 1,926,308	\$ 1,533,230

City of Moreno Valley, California

Budgetary Comparison Schedule

MEASURE A

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 6,229,761	\$ 6,312,761	\$ 4,475,450	\$ (1,837,311)
Fees and charges for services	-	-	132,921	132,921
Use of money and property	80,000	80,000	60,680	(19,320)
Miscellaneous	30,000	30,000	12,400	(17,600)
Total Revenues	6,339,761	6,422,761	4,681,451	(1,741,310)
Expenditures				
Current:				
Public works	1,906,144	2,036,182	1,964,659	71,523
Capital outlay	-	5,475,197	1,287,073	4,188,124
Total Expenditures	1,906,144	7,511,379	3,251,732	4,259,647
Excess (Deficiency) of Revenues Over (Under) expenditures	4,433,617	(1,088,618)	1,429,719	2,518,337
Other Financing Sources (Uses)				
Transfers out (note 7)	(2,547,000)	(2,592,501)	(2,590,697)	1,804
Total Other Financing Sources (uses)	(2,547,000)	(2,592,501)	(2,590,697)	1,804
Net change in fund balances	1,886,617	(3,681,119)	(1,160,978)	2,520,141
Fund balances - Beginning of year	5,135,340	5,135,340	5,135,340	-
Fund balances - End of year	\$ 7,021,957	\$ 1,454,221	\$ 3,974,362	\$ 2,520,141

City of Moreno Valley, California

**Budgetary Comparison Schedule
AIR QUALITY MANAGEMENT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 263,374	\$ 43,374
Use of money and property	7,000	7,000	2,878	(4,122)
Total Revenues	227,000	227,000	266,252	39,252
Expenditures				
Current:				
Public works	210,729	210,729	206,042	4,687
Capital outlay	30,000	77,649	-	77,649
Total Expenditures	240,729	288,378	206,042	82,336
Excess (Deficiency) of Revenues Over (Under) expenditures	(13,729)	(61,378)	60,210	121,588
Net change in fund balances	(13,729)	(61,378)	60,210	121,588
Fund balances - Beginning of year	224,122	224,122	224,122	-
Fund balances - End of year	\$ 210,393	\$ 162,744	\$ 284,332	\$ 121,588

City of Moreno Valley, California

Budgetary Comparison Schedule
SPECIAL DISTRICTS ADMINISTRATION
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 722,200	\$ 777,700	\$ 792,658	\$ 14,958
Use of money and property	8,500	21,300	15,924	(5,376)
Total Revenues	730,700	799,000	808,582	9,582
Expenditures				
Current:				
Public works	715,515	803,670	557,050	246,620
Total Expenditures	715,515	803,670	557,050	246,620
Excess (Deficiency) of Revenues Over (Under) expenditures	15,185	(4,670)	251,532	256,202
Net change in fund balances	15,185	(4,670)	251,532	256,202
Fund balances - Beginning of year	1,441,988	1,441,988	1,441,988	-
Fund balances - End of year	\$ 1,457,173	\$ 1,437,318	\$ 1,693,520	\$ 256,202

City of Moreno Valley, California

**Budgetary Comparison Schedule
STORM WATER MAINTENANCE
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 390,000	\$ 390,000	\$ 453,006	\$ 63,006
Total Revenues	390,000	390,000	453,006	63,006
Expenditures				
Current:				
Public works	437,960	464,760	453,006	11,754
Total Expenditures	437,960	464,760	453,006	11,754
Excess (Deficiency) of Revenues Over (Under) expenditures	(47,960)	(74,760)	-	74,760
Other Financing Sources (Uses)				
Transfers in (note 7)	50,000	50,000	50,000	-
Total Other Financing Sources (uses)	50,000	50,000	50,000	-
Net change in fund balances	2,040	(24,760)	50,000	74,760
Fund balances - Beginning of year	129,607	129,607	129,607	-
Fund balances - End of year	\$ 131,647	\$ 104,847	\$ 179,607	\$ 74,760

City of Moreno Valley, California

**Budgetary Comparison Schedule
STORM WATER MANAGEMENT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 727,440	\$ 727,440	\$ 658,183	\$ (69,257)
Miscellaneous	-	4,000	-	(4,000)
Total Revenues	727,440	731,440	658,183	(73,257)
Expenditures				
Current:				
Public works	650,998	650,998	451,996	199,002
Total Expenditures	650,998	650,998	451,996	199,002
Excess (Deficiency) of Revenues Over (Under) expenditures	76,442	80,442	206,187	125,745
Other Financing Sources (Uses)				
Transfers in (note 7)	223	223	223	-
Total Other Financing Sources (uses)	223	223	223	-
Net change in fund balances	76,665	80,665	206,410	125,745
Fund balances - Beginning of year	949,249	949,249	949,249	-
Fund balances - End of year	\$ 1,025,914	\$ 1,029,914	\$ 1,155,659	\$ 125,745

City of Moreno Valley, California

Budgetary Comparison Schedule

CFD No. 4-M

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 41,400	\$ 41,400	\$ 25,363	\$ (16,037)
Use of money and property	81	81	237	156
Total Revenues	41,481	41,481	25,600	(15,881)
Expenditures				
Current:				
Public works	33,815	33,815	29,929	3,886
Total Expenditures	33,815	33,815	29,929	3,886
Excess (Deficiency) of Revenues Over (Under) expenditures	7,666	7,666	(4,329)	(11,995)
Net change in fund balances	7,666	7,666	(4,329)	(11,995)
Fund balances - Beginning of year	77,035	77,035	77,035	-
Fund balances - End of year	\$ 84,701	\$ 84,701	\$ 72,706	\$ (11,995)

City of Moreno Valley, California

Budgetary Comparison Schedule
PUBLIC EDUCATION GOVERNMENT ACCESS
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 565,000	\$ 565,000	\$ 541,691	\$ (23,309)
Total Revenues	565,000	565,000	541,691	(23,309)
Expenditures				
Current:				
General government	723,168	723,168	736,453	(13,285)
Total Expenditures	723,168	723,168	736,453	(13,285)
Excess (Deficiency) of Revenues Over (Under) expenditures	(158,168)	(158,168)	(194,762)	(36,594)
Net change in fund balances	(158,168)	(158,168)	(194,762)	(36,594)
Fund balances - Beginning of year	1,230,603	1,230,603	1,230,603	-
Fund balances - End of year	\$ 1,072,435	\$ 1,072,435	\$ 1,035,841	\$ (36,594)

City of Moreno Valley, California

Budgetary Comparison Schedule
 CIVIL PENALTIES
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 5,942	\$ (24,058)
Total Revenues	30,000	30,000	5,942	(24,058)
Expenditures				
Current:				
General government	31,466	31,466	38,127	(6,661)
Total Expenditures	31,466	31,466	38,127	(6,661)
Excess (Deficiency) of Revenues Over (Under) expenditures	(1,466)	(1,466)	(32,185)	(30,719)
Net change in fund balances	(1,466)	(1,466)	(32,185)	(30,719)
Fund balances - Beginning of year	116,461	116,461	116,461	-
Fund balances - End of year	\$ 114,995	\$ 114,995	\$ 84,276	\$ (30,719)

City of Moreno Valley, California

**Budgetary Comparison Schedule
EMERGENCY SERVICES AGENCY FINES
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 102,031	\$ 47,031
Use of money and property	4,000	4,000	3,255	(745)
Total Revenues	59,000	59,000	105,286	46,286
Expenditures				
Current:				
Public safety	59,000	59,000	4,036	54,964
Capital outlay	-	-	15,154	(15,154)
Total Expenditures	59,000	59,000	19,190	39,810
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	86,096	86,096
Net change in fund balances	-	-	86,096	86,096
Fund balances - Beginning of year	509,261	509,261	509,261	-
Fund balances - End of year	\$ 509,261	\$ 509,261	\$ 595,357	\$ 86,096

City of Moreno Valley, California

**Budgetary Comparison Schedule
ENERGY EFFICIENCY REVOLVING
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ 10,000	\$ 5,083	\$ (4,917)
Total Revenues	-	10,000	5,083	(4,917)
Excess (Deficiency) of Revenues Over (Under) expenditures	-	10,000	5,083	(4,917)
Net change in fund balances	-	10,000	5,083	(4,917)
Fund balances - Beginning of year	144,351	144,351	144,351	-
Fund balances - End of year	\$ 144,351	\$ 154,351	\$ 149,434	\$ (4,917)

City of Moreno Valley, California

**Budgetary Comparison Schedule
GENERAL PLAN AMENDMENTS
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
Current:				
Community development	1,000,000	1,000,000	-	1,000,000
Total Expenditures	1,000,000	1,000,000	-	1,000,000
Excess (Deficiency) of Revenues Over (Under) expenditures	(1,000,000)	(1,000,000)	-	1,000,000
Other Financing Sources (Uses)				
Transfers in (note 7)	1,750,000	1,750,000	1,750,000	-
Total Other Financing Sources (uses)	1,750,000	1,750,000	1,750,000	-
Net change in fund balances	750,000	750,000	1,750,000	1,000,000
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ 750,000	\$ 750,000	\$ 1,750,000	\$ 1,000,000

City of Moreno Valley, California

Budgetary Comparison Schedule
CFD No. 2014-01
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Other taxes	\$ 22,000	\$ 117,159	\$ 118,315	\$ 1,156
Fees and charges for services	10,000	65,000	58,900	(6,100)
Use of money and property	700	2,300	3,424	1,124
Total Revenues	32,700	184,459	180,639	(3,820)
Expenditures				
Current:				
Public works	32,211	38,961	26,775	12,186
Total Expenditures	32,211	38,961	26,775	12,186
Excess (Deficiency) of Revenues Over (Under) expenditures	489	145,498	153,864	8,366
Net change in fund balances	489	145,498	153,864	8,366
Fund balances - Beginning of year	160,425	160,425	160,425	-
Fund balances - End of year	\$ 160,914	\$ 305,923	\$ 314,289	\$ 8,366

City of Moreno Valley, California

Budgetary Comparison Schedule
CHILD CARE GRANT
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 697,817	\$ 784,351	\$ 814,537	\$ 30,186
Fees and charges for services	15,000	15,000	8,315	(6,685)
Miscellaneous	790	790	575	(215)
Total Revenues	713,607	800,141	823,427	23,286
Expenditures				
Current:				
Community and cultural	713,607	800,141	802,003	(1,862)
Capital outlay	-	-	24,910	(24,910)
Total Expenditures	713,607	800,141	826,913	(26,772)
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	(3,486)	(3,486)
Other Financing Sources (Uses)				
Transfers in (note 7)	-	-	3,486	3,486
Total Other Financing Sources (uses)	-	-	3,486	3,486
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

**Budgetary Comparison Schedule
ASES PROGRAM GRANT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 6,773,200	\$ 7,396,333	\$ 7,396,335	\$ 2
Total Revenues	6,773,200	7,396,333	7,396,335	2
Expenditures				
Current:				
Community and cultural	6,773,200	7,396,333	7,399,204	(2,871)
Total Expenditures	6,773,200	7,396,333	7,399,204	(2,871)
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	(2,869)	(2,869)
Net change in fund balances	-	-	(2,869)	(2,869)
Fund balances - Beginning of year	47,249	47,249	47,249	-
Fund balances - End of year	\$ 47,249	\$ 47,249	\$ 44,380	\$ (2,869)

City of Moreno Valley, California

**Budgetary Comparison Schedule
USED OIL RECYCLING GRANT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 55,462	\$ 55,462	\$ 65,356	\$ 9,894
Total Revenues	55,462	55,462	65,356	9,894
Expenditures				
Current:				
Public works	55,462	55,462	65,356	(9,894)
Total Expenditures	55,462	55,462	65,356	(9,894)
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
OTHER GRANTS
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 130,700	\$ 790,986	\$ 710,081	\$ (80,905)
Total Revenues	130,700	790,986	710,081	(80,905)
Expenditures				
Current:				
Public safety	75,700	106,125	74,417	31,708
Public works	55,000	55,000	51,683	3,317
Community development	-	144,775	78,896	65,879
Community and cultural	-	33,750	33,750	-
Capital outlay	-	451,336	451,335	1
Total Expenditures	130,700	790,986	690,081	100,905
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	20,000	20,000
Other Financing Sources (Uses)				
Transfers out (note 7)	-	-	(20,000)	(20,000)
Total Other Financing Sources (uses)	-	-	(20,000)	(20,000)
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
CAPITAL PROJECTS GRANTS
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 4,404,979	\$ 16,031,301	\$ 1,022,989	\$ (15,008,312)
Miscellaneous	-	-	357	357
Total Revenues	4,404,979	16,031,301	1,023,346	(15,007,955)
Expenditures				
Capital outlay	-	16,031,301	1,054,468	14,976,833
Total Expenditures	-	16,031,301	1,054,468	14,976,833
Excess (Deficiency) of Revenues Over (Under) expenditures	4,404,979	-	(31,122)	(31,122)
Other Financing Sources (Uses)				
Transfers in (note 7)	-	45,501	45,501	-
Total Other Financing Sources (uses)	-	45,501	45,501	-
Net change in fund balances	4,404,979	45,501	14,379	(31,122)
Fund balances - Beginning of year	751,960	751,960	751,960	-
Fund balances - End of year	\$ 5,156,939	\$ 797,461	\$ 766,339	\$ (31,122)

City of Moreno Valley, California

**Budgetary Comparison Schedule
LAW ENFORCEMENT GRANTS
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 372,779	\$ 513,120	\$ 470,221	\$ (42,899)
Total Revenues	372,779	513,120	470,221	(42,899)
Expenditures				
Current:				
Public safety	326,487	441,003	441,003	-
Community development	46,292	72,117	29,218	42,899
Total Expenditures	372,779	513,120	470,221	42,899
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
HOME
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 527,298	\$ 1,157,163	\$ 668,195	\$ (488,968)
Use of money and property	-	-	60,206	60,206
Total Revenues	527,298	1,157,163	728,401	(428,762)
Expenditures				
Current:				
Community development	527,298	1,157,163	936,554	220,609
Total Expenditures	527,298	1,157,163	936,554	220,609
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	(208,153)	(208,153)
Net change in fund balances	-	-	(208,153)	(208,153)
Fund balances - Beginning of year	5,974,323	5,974,323	5,974,323	-
Fund balances - End of year	\$ 5,974,323	\$ 5,974,323	\$ 5,766,170	\$ (208,153)

City of Moreno Valley, California

**Budgetary Comparison Schedule
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 91,869	\$ 91,869
Total Revenues	<u>-</u>	<u>-</u>	<u>91,869</u>	<u>91,869</u>
Expenditures				
Current:				
Community development	-	2,860,044	2,860,044	-
Total Expenditures	<u>-</u>	<u>2,860,044</u>	<u>2,860,044</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) expenditures	-	(2,860,044)	(2,768,175)	91,869
Other Financing Sources (Uses)				
Transfers in (note 7)	-	2,860,044	2,860,044	-
Total Other Financing Sources (uses)	<u>-</u>	<u>2,860,044</u>	<u>2,860,044</u>	<u>-</u>
Net change in fund balances	-	-	91,869	91,869
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,869</u>	<u>\$ 91,869</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 COMMUNITY DEVELOPMENT BLOCK GRANT
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,068,143	\$ 3,549,115	\$ 1,677,333	\$ (1,871,782)
Total Revenues	2,068,143	3,549,115	1,677,333	(1,871,782)
Expenditures				
Current:				
Public safety	-	58,134	58,134	-
Community development	1,069,351	1,041,217	901,632	139,585
Community and cultural	-	530,642	-	530,642
Capital outlay	998,792	1,952,117	747,396	1,204,721
Total Expenditures	2,068,143	3,582,110	1,707,162	1,874,948
Excess (Deficiency) of Revenues Over (Under) expenditures	-	(32,995)	(29,829)	3,166
Other Financing Sources (Uses)				
Transfers in (note 7)	-	32,995	32,995	-
Total Other Financing Sources (uses)	-	32,995	32,995	-
Net change in fund balances	-	-	3,166	3,166
Fund balances - Beginning of year	(3,166)	(3,166)	(3,166)	-
Fund balances - End of year	\$ (3,166)	\$ (3,166)	\$ -	\$ 3,166

City of Moreno Valley, California

**Budgetary Comparison Schedule
EMERGENCY SOLUTIONS GRANT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 181,852	\$ 261,852	\$ 256,291	\$ (5,561)
Total Revenues	181,852	261,852	256,291	(5,561)
Expenditures				
Current:				
Community development	181,852	261,852	256,291	5,561
Total Expenditures	181,852	261,852	256,291	5,561
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

**Budgetary Comparison Schedule
ARTICLE 3 TRANSPORTATION
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 49,000	\$ 26,309	\$ (22,691)
Total Revenues	-	49,000	26,309	(22,691)
Expenditures				
Capital outlay	-	49,000	26,309	22,691
Total Expenditures	-	49,000	26,309	22,691
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
FACILITY CONSTRUCTION
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Total Revenues	1,000,000	1,000,000	-	(1,000,000)
Expenditures				
Capital outlay	750,000	1,184,465	594,755	589,710
Total Expenditures	750,000	1,184,465	594,755	589,710
Excess (Deficiency) of Revenues Over (Under) expenditures	250,000	(184,465)	(594,755)	(410,290)
Other Financing Sources (Uses)				
Transfers in (note 7)	750,000	755,000	755,000	-
Total Other Financing Sources (uses)	750,000	755,000	755,000	-
Net change in fund balances	1,000,000	570,535	160,245	(410,290)
Fund balances - Beginning of year	10,466,416	10,466,416	10,466,416	-
Fund balances - End of year	\$ 11,466,416	\$ 11,036,951	\$ 10,626,661	\$ (410,290)

City of Moreno Valley, California

**Budgetary Comparison Schedule
PUBLIC WORKS CAPITAL PROJECTS
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 4,898,340	\$ 4,898,340	\$ 214,660	\$ (4,683,680)
Fees and charges for services	-	-	54,885	54,885
Miscellaneous	-	-	198	198
Total Revenues	4,898,340	4,898,340	269,743	(4,628,597)
Expenditures				
Capital outlay	1,543,398	7,087,110	1,531,149	5,555,961
Total Expenditures	1,543,398	7,087,110	1,531,149	5,555,961
Excess (Deficiency) of Revenues Over (Under) expenditures	3,354,942	(2,188,770)	(1,261,406)	927,364
Other Financing Sources (Uses)				
Transfers in (note 7)	-	1,481,000	1,481,000	-
Total Other Financing Sources (uses)	-	1,481,000	1,481,000	-
Net change in fund balances	3,354,942	(707,770)	219,594	927,364
Fund balances - Beginning of year	1,389,729	1,389,729	1,389,729	-
Fund balances - End of year	\$ 4,744,671	\$ 681,959	\$ 1,609,323	\$ 927,364

City of Moreno Valley, California

**Budgetary Comparison Schedule
TUMF CAPITAL PROJECTS
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,879,978	\$ 2,879,978	\$ 611,082	\$ (2,268,896)
Total Revenues	2,879,978	2,879,978	611,082	(2,268,896)
Expenditures				
Capital outlay	2,079,978	2,678,694	611,082	2,067,612
Total Expenditures	2,079,978	2,678,694	611,082	2,067,612
Excess (Deficiency) of Revenues Over (Under) expenditures	800,000	201,284	-	(201,284)
Net change in fund balances	800,000	201,284	-	(201,284)
Fund balances - Beginning of year	(204,086)	(204,086)	(204,086)	-
Fund balances - End of year	\$ 595,914	\$ (2,802)	\$ (204,086)	\$ (201,284)

City of Moreno Valley, California

Budgetary Comparison Schedule
PARKS & COMMUNITY SERVICES DEVELOPMENT AND CAPITAL PROJECTS
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
Capital outlay	\$ 248,500	\$ 4,348,518	\$ 3,160,195	\$ 1,188,323
Total Expenditures	248,500	4,348,518	3,160,195	1,188,323
Excess (Deficiency) of Revenues Over (Under) expenditures	(248,500)	(4,348,518)	(3,160,195)	1,188,323
Other Financing Sources (Uses)				
Transfers in (note 7)	248,500	2,876,832	2,876,832	-
Total Other Financing Sources (uses)	248,500	2,876,832	2,876,832	-
Net change in fund balances	-	(1,471,686)	(283,363)	1,188,323
Fund balances - Beginning of year	3,969,234	3,969,234	3,969,234	-
Fund balances - End of year	\$ 3,969,234	\$ 2,497,548	\$ 3,685,871	\$ 1,188,323

City of Moreno Valley, California

**Budgetary Comparison Schedule
DIF CAPITAL PROJECTS
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total Revenues	5,000	5,000	-	(5,000)
Expenditures				
Capital outlay	792,872	2,741,044	331,771	2,409,273
Total Expenditures	792,872	2,741,044	331,771	2,409,273
Excess (Deficiency) of Revenues Over (Under) expenditures	(787,872)	(2,736,044)	(331,771)	2,404,273
Other Financing Sources (Uses)				
Transfers in (note 7)	792,872	1,537,553	1,498,146	(39,407)
Total Other Financing Sources (uses)	792,872	1,537,553	1,498,146	(39,407)
Net change in fund balances	5,000	(1,198,491)	1,166,375	2,364,866
Fund balances - Beginning of year	1,494,359	1,494,359	1,494,359	-
Fund balances - End of year	\$ 1,499,359	\$ 295,868	\$ 2,660,734	\$ 2,364,866

City of Moreno Valley, California

Budgetary Comparison Schedule
TRIP COP 13A
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 958	\$ 958
Total Revenues	-	-	958	958
Expenditures				
Current:				
Public works	7,000	7,000	5,876	1,124
Debt service:				
Principal retirement	515,000	515,000	515,000	-
Interest and fiscal charges	967,000	967,000	966,813	187
Total Expenditures	1,489,000	1,489,000	1,487,689	1,311
Excess (Deficiency) of Revenues Over (Under) expenditures	(1,489,000)	(1,489,000)	(1,486,731)	2,269
Other Financing Sources (Uses)				
Transfers in (note 7)	1,489,000	1,489,000	1,487,197	(1,803)
Total Other Financing Sources (uses)	1,489,000	1,489,000	1,487,197	(1,803)
Net change in fund balances	-	-	466	466
Fund balances - Beginning of year	3,031	3,031	3,031	-
Fund balances - End of year	\$ 3,031	\$ 3,031	\$ 3,497	\$ 466

City of Moreno Valley, California

Budgetary Comparison Schedule
2013 REFUNDING OF 2005 LEASE REVENUE BONDS
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 274	\$ 274
Total Revenues	-	-	274	274
Expenditures				
Current:				
Public works	3,000	3,000	1,950	1,050
Debt service:				
Principal retirement	1,133,000	1,133,000	1,132,000	1,000
Interest and fiscal charges	357,000	357,000	356,649	351
Total Expenditures	1,493,000	1,493,000	1,490,599	2,401
Excess (Deficiency) of Revenues Over (Under) expenditures	(1,493,000)	(1,493,000)	(1,490,325)	2,675
Other Financing Sources (Uses)				
Transfers in (note 7)	1,493,000	1,493,000	1,490,483	(2,517)
Total Other Financing Sources (uses)	1,493,000	1,493,000	1,490,483	(2,517)
Net change in fund balances	-	-	158	158
Fund balances - Beginning of year	84	84	84	-
Fund balances - End of year	\$ 84	\$ 84	\$ 242	\$ 158

City of Moreno Valley, California

Budgetary Comparison Schedule
2014 REFUNDING OF 2005 LEASE REVENUE BONDS
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 263	\$ 263
Total Revenues	-	-	263	263
Expenditures				
Current:				
General government	3,000	3,000	3,320	(320)
Debt service:				
Interest and fiscal charges	1,010,000	1,010,000	1,009,332	668
Total Expenditures	1,013,000	1,013,000	1,012,652	348
Excess (Deficiency) of Revenues Over (Under) expenditures	(1,013,000)	(1,013,000)	(1,012,389)	611
Other Financing Sources (Uses)				
Transfers in (note 7)	1,013,000	1,013,000	1,013,000	-
Total Other Financing Sources (uses)	1,013,000	1,013,000	1,013,000	-
Net change in fund balances	-	-	611	611
Fund balances - Beginning of year	6,018,612	6,018,612	6,018,612	-
Fund balances - End of year	\$ 6,018,612	\$ 6,018,612	\$ 6,019,223	\$ 611

City of Moreno Valley, California

Budgetary Comparison Schedule
2011 PRIVATE PLACEMENT REFUNDING 97 LEASE REVENUE BONDS
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
Debt service:				
Principal retirement	\$ 273,000	\$ 273,000	\$ 273,000	\$ -
Interest and fiscal charges	67,000	67,000	66,207	793
Total Expenditures	340,000	340,000	339,207	793
Excess (Deficiency) of Revenues Over (Under) expenditures	(340,000)	(340,000)	(339,207)	793
Other Financing Sources (Uses)				
Transfers in (note 7)	190,000	190,000	189,207	(793)
Transfers from Successor Agency	150,000	150,000	150,000	-
Total Other Financing Sources (uses)	340,000	340,000	339,207	(793)
Net change in fund balances	-	-	-	-
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

**Budgetary Comparison Schedule
CELEBRATION PARK ENDOWMENT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,000	\$ 1,000	\$ 212	\$ (788)
Total Revenues	1,000	1,000	212	(788)
Excess (Deficiency) of Revenues Over (Under) expenditures	1,000	1,000	212	(788)
Other Financing Sources (Uses)				
Transfers out (note 7)	-	(14,359)	(14,359)	-
Total Other Financing Sources (uses)	-	(14,359)	(14,359)	-
Net change in fund balances	1,000	(13,359)	(14,147)	(788)
Fund balances - Beginning of year	63,409	63,409	63,409	-
Fund balances - End of year	\$ 64,409	\$ 50,050	\$ 49,262	\$ (788)

City of Moreno Valley, California

**Budgetary Comparison Schedule
EQUESTRIAN TRAIL ENDOWMENT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 200	\$ 200	\$ 36	\$ (164)
Total Revenues	200	200	36	(164)
Expenditures				
Current:				
Community and cultural	200	200	537	(337)
Total Expenditures	200	200	537	(337)
Excess (Deficiency) of Revenues Over (Under) expenditures	-	-	(501)	(501)
Net change in fund balances	-	-	(501)	(501)
Fund balances - Beginning of year	11,210	11,210	11,210	-
Fund balances - End of year	\$ 11,210	\$ 11,210	\$ 10,709	\$ (501)

City of Moreno Valley, California

**Budgetary Comparison Schedule
ROCKRIDGE PARK ENDOWMENT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,500	\$ 1,500	\$ 401	\$ (1,099)
Total Revenues	1,500	1,500	401	(1,099)
Excess (Deficiency) of Revenues Over (Under) expenditures	1,500	1,500	401	(1,099)
Net change in fund balances	1,500	1,500	401	(1,099)
Fund balances - Beginning of year	109,921	109,921	109,921	-
Fund balances - End of year	\$ 111,421	\$ 111,421	\$ 110,322	\$ (1,099)

City of Moreno Valley, California

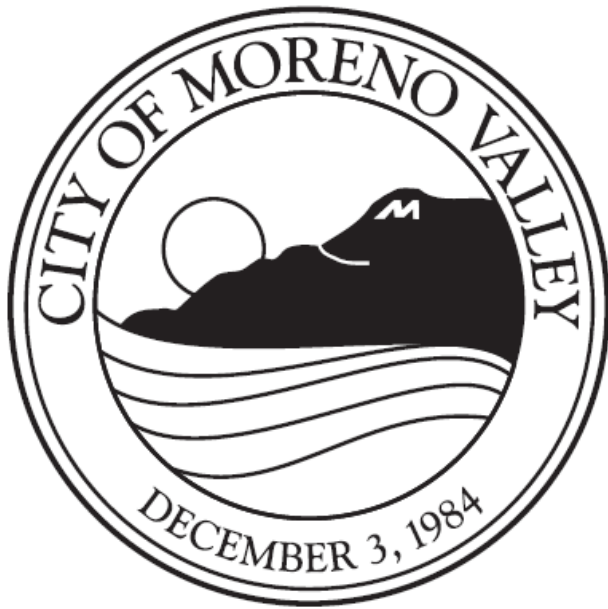
**Budgetary Comparison Schedule
NPDES ENDOWMENT
For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Use of money and property	\$ 250	\$ 250	\$ 114	\$ (136)
Total Revenues	250	250	114	(136)
Excess (Deficiency) of Revenues Over (Under) expenditures	250	250	114	(136)
Other Financing Sources (Uses)				
Transfers out (note 7)	(223)	(223)	(223)	-
Total Other Financing Sources (uses)	(223)	(223)	(223)	-
Net change in fund balances	27	27	(109)	(136)
Fund balances - Beginning of year	32,628	32,628	32,628	-
Fund balances - End of year	\$ 32,655	\$ 32,655	\$ 32,519	\$ (136)

City of Moreno Valley, California

Budgetary Comparison Schedule
 CULTURAL PRESERVATION
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,600	\$ 1,600	\$ 441	\$ (1,159)
Total Revenues	1,600	1,600	441	(1,159)
Excess (Deficiency) of Revenues Over (Under) expenditures	1,600	1,600	441	(1,159)
Net change in fund balances	1,600	1,600	441	(1,159)
Fund balances - Beginning of year	120,987	120,987	120,987	-
Fund balances - End of year	\$ 122,587	\$ 122,587	\$ 121,428	\$ (1,159)



City of Moreno Valley, California

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 depreciation on the City Hall 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, 2018

	<u>GENERAL LIABILITY INSURANCE</u>	<u>WORKERS' COMPENSATION INSURANCE</u>	<u>TECHNOLOGY SERVICES</u>	<u>FACILITIES MAINTENANCE</u>
Assets				
Current:				
Pooled cash and investments	\$ 1,981,280	\$ 3,437,188	\$ 8,904,551	\$ 5,595,548
Receivables:				
Accounts	-	-	-	69
Prepaid costs	-	-	-	14,481
Inventories	-	-	-	20,543
Total Current Assets	<u>1,981,280</u>	<u>3,437,188</u>	<u>8,904,551</u>	<u>5,630,641</u>
Noncurrent:				
Capital assets - net of accumulated depreciation	-	-	2,197,235	10,563,151
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>2,197,235</u>	<u>10,563,151</u>
Total Assets	<u>1,981,280</u>	<u>3,437,188</u>	<u>11,101,786</u>	<u>16,193,792</u>
Liabilities				
Current:				
Accounts payable	11,151	-	4,061	165,085
Compensated absences	41,634	3,638	-	76,772
Self-insurance payable	426,000	467,000	-	-
Total Current Liabilities	<u>478,785</u>	<u>470,638</u>	<u>4,061</u>	<u>241,857</u>
Noncurrent:				
Compensated absences	27,756	2,425	-	51,181
Self-insurance payable	241,000	993,000	-	-
Total Noncurrent Liabilities	<u>268,756</u>	<u>995,425</u>	<u>-</u>	<u>51,181</u>
Total Liabilities	<u>747,541</u>	<u>1,466,063</u>	<u>4,061</u>	<u>293,038</u>
Net Position				
Net investment in capital assets	-	-	2,197,235	10,563,151
Unrestricted	1,233,739	1,971,125	8,900,490	5,337,603
Total Net Position	<u>\$ 1,233,739</u>	<u>\$ 1,971,125</u>	<u>\$ 11,097,725</u>	<u>\$ 15,900,754</u>

See Notes to Financial Statements

City of Moreno Valley, California

Combining Statement of Net Position
Internal Service Funds
June 30, 2018

FLEET OPERATIONS	EQUIPMENT REPLACEMENT RESERVE	COMPENSATED ABSENCES	TOTAL	
\$ 4,744,704	\$ 14,001,243	\$ 2,313,042	\$ 40,977,556	Assets
-	-	-	69	Current:
-	-	-	14,481	Pooled cash and investments
11,913	-	-	32,456	Receivables:
<u>4,756,617</u>	<u>14,001,243</u>	<u>2,313,042</u>	<u>41,024,562</u>	Accounts
				Prepaid costs
				Inventories
				Total Current Assets
				Noncurrent:
106,656	-	-	12,867,042	Capital assets - net of accumulated depreciation
<u>106,656</u>	<u>-</u>	<u>-</u>	<u>12,867,042</u>	Total Noncurrent Assets
<u>4,863,273</u>	<u>14,001,243</u>	<u>2,313,042</u>	<u>53,891,604</u>	Total Assets
				Liabilities
				Current:
85,617	-	-	265,914	Accounts payable
23,221	-	-	145,265	Compensated absences
-	-	-	893,000	Self-insurance payable
<u>108,838</u>	<u>-</u>	<u>-</u>	<u>1,304,179</u>	Total Current Liabilities
				Noncurrent:
15,481	-	-	96,843	Compensated absences
-	-	-	1,234,000	Self-insurance payable
<u>15,481</u>	<u>-</u>	<u>-</u>	<u>1,330,843</u>	Total Noncurrent Liabilities
<u>124,319</u>	<u>-</u>	<u>-</u>	<u>2,635,022</u>	Total Liabilities
				Net Position
106,656	-	-	12,867,042	Net investment in capital assets
4,632,298	14,001,243	2,313,042	38,389,540	Unrestricted
<u>\$ 4,738,954</u>	<u>\$ 14,001,243</u>	<u>\$ 2,313,042</u>	<u>\$ 51,256,582</u>	Total Net Position

City of Moreno Valley, California

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2018

	GENERAL LIABILITY INSURANCE	WORKERS' COMPENSATION INSURANCE	TECHNOLOGY SERVICES	FACILITIES MAINTENANCE
Operating Revenues				
Sales and service charges	\$ 1,087,030	\$ 485,953	\$ -	\$ 4,337,637
Miscellaneous	6,726	120,404	1,171	2,009
Total Operating Revenues	1,093,756	606,357	1,171	4,339,646
Operating Expenses				
Cost of services	555,360	158,250	121,750	3,568,664
Depreciation expense	-	-	810,729	364,110
Self-insurance claims and charges	289,418	452,602	-	-
Total Operating Expenses	844,778	610,852	932,479	3,932,774
Net Operating Income (Loss)	248,978	(4,495)	(931,308)	406,872
Nonoperating Revenues (Expenses)				
Gain (loss) on disposal of capital assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-	-
Income (Loss) Before Contributions and Transfers	248,978	(4,495)	(931,308)	406,872
Transfers in	-	-	1,228,371	465,965
Transfers out	-	-	(699,000)	-
Change in Net Position	248,978	(4,495)	(401,937)	872,837
Total Net Position - Beginning of Year	984,761	1,975,620	11,499,662	15,027,917
Total Net Position - End of Year	\$ 1,233,739	\$ 1,971,125	\$ 11,097,725	\$ 15,900,754

See Notes to Financial Statements

City of Moreno Valley, California

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2018

FLEET OPERATIONS	EQUIPMENT REPLACEMENT RESERVE	COMPENSATED ABSENCES	TOTAL	
\$ 1,981,548	\$ 581,182	\$ -	\$ 8,473,350	Operating Revenues
-	-	-	130,310	Sales and service charges
1,981,548	581,182	-	8,603,660	Miscellaneous
				Total Operating Revenues
				Operating Expenses
1,082,910	-	-	5,486,934	Cost of services
10,123	-	-	1,184,962	Depreciation expense
-	-	-	742,020	Self-insurance claims and charges
1,093,033	-	-	7,413,916	Total Operating Expenses
				Net Operating Income (Loss)
888,515	581,182	-	1,189,744	
				Nonoperating Revenues (Expenses)
222,312	-	-	222,312	Gain (loss) on disposal of capital assets
222,312	-	-	222,312	Total Nonoperating Revenues (Expenses)
				Income (Loss) Before Contributions and Transfers
1,110,827	581,182	-	1,412,056	
45,000	-	680,000	2,419,336	Transfers in
(2,814,194)	(189,284)	-	(3,702,478)	Transfers out
(1,658,367)	391,898	680,000	128,914	Change in Net Position
6,397,321	13,609,345	1,633,042	51,127,668	Total Net Position - Beginning of Year
\$ 4,738,954	\$ 14,001,243	\$ 2,313,042	\$ 51,256,582	Total Net Position - End of Year

City of Moreno Valley, California

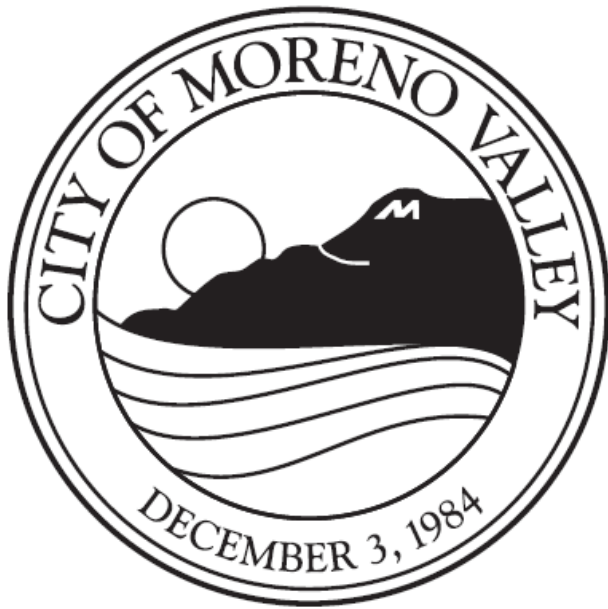
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	GENERAL LIABILITY INSURANCE	WORKERS' COMPENSATION INSURANCE	TECHNOLOGY SERVICES	FACILITIES MAINTENANCE
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 1,093,756	\$ 606,357	\$ 1,171	\$ 4,339,683
Payments to suppliers	(545,936)	(97,158)	(230,856)	(2,809,570)
Payments to employees	(289,470)	(60,279)	(12,689)	(945,648)
Cash paid for claims	(576,418)	(438,602)	-	-
Net cash provided (used) by operating activities	(318,068)	10,318	(242,374)	584,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transfers in	-	-	1,228,371	465,965
Cash transfers out	-	-	(699,000)	-
Net cash provided (used) by noncapital financing activities	-	-	529,371	465,965
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(701,029)	(563,168)
Proceeds from the sale or disposition of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(701,029)	(563,168)
Net increase (decrease) in cash and cash equivalents	(318,068)	10,318	(414,032)	487,262
Balances - beginning of year	2,299,348	3,426,870	9,318,583	5,108,286
Balances - end of the year	\$ 1,981,280	\$ 3,437,188	\$ 8,904,551	\$ 5,595,548
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ 248,978	\$ (4,495)	\$ (931,308)	\$ 406,872
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	810,729	364,110
(Increase) decrease in accounts receivable	-	-	-	35
(Increase) decrease in prepaid costs	-	-	-	(8,896)
(Increase) decrease in inventories	-	-	-	911
Increase (decrease) in accounts payable	(309,171)	-	(121,795)	(120,179)
Increase (decrease) in self-insurance payable	(287,000)	14,000	-	-
Increase (decrease) in compensated absences	29,125	813	-	(58,388)
Net cash provided (used) by operating activities	\$ (318,068)	\$ 10,318	\$ (242,374)	\$ 584,465

City of Moreno Valley, California

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

FLEET OPERATIONS	EQUIPMENT REPLACEMENT RESERVE	COMPENSATED ABSENCES	Total	
\$ 1,981,548	\$ 581,182	\$ -	\$ 8,603,697	CASH FLOWS FROM OPERATING ACTIVITIES
(616,616)	-	-	(4,300,136)	Cash receipts from customers
(419,294)	-	-	(1,727,380)	Payments to suppliers
-	-	-	(1,015,020)	Payments to employees
945,638	581,182	-	1,561,161	Cash paid for claims
				Net cash provided (used) by operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
45,000	-	680,000	2,419,336	Cash transfers in
(2,814,194)	(189,284)	-	(3,702,478)	Cash transfers out
(2,769,194)	(189,284)	680,000	(1,283,142)	Net cash provided (used) by noncapital financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
-	-	-	(1,264,197)	Acquisition and construction of capital assets
222,312	-	-	222,312	Proceeds from the sale or disposition of capital assets
222,312	-	-	(1,041,885)	Net cash provided (used) by capital and related financing activities
(1,601,244)	391,898	680,000	(763,866)	Net increase (decrease) in cash and cash equivalents
6,345,948	13,609,345	1,633,042	41,741,422	Balances - beginning of year
\$ 4,744,704	\$ 14,001,243	\$ 2,313,042	\$ 40,977,556	Balances - end of the year
				Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
\$ 888,515	\$ 581,182	\$ -	\$ 1,189,744	Operating Income (Loss)
				Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
10,123	-	-	1,184,962	Depreciation
-	-	-	35	(Increase) decrease in accounts receivable
-	-	-	(8,896)	(Increase) decrease in prepaid costs
(4,390)	-	-	(3,479)	(Increase) decrease in inventories
60,021	-	-	(491,124)	Increase (decrease) in accounts payable
-	-	-	(273,000)	Increase (decrease) in self-insurance payable
(8,631)	-	-	(37,081)	Increase (decrease) in compensated absences
\$ 945,638	\$ 581,182	\$ -	\$ 1,561,161	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.

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 to account for the receipts and disbursements of the Moreno Valley Community Foundation, 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 debt service and administrative costs related to the CFD No. 5 2007 Special Tax Bonds.

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, 2018

	<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	\$ 6,521,969	\$ 883,106	\$ 157,714	\$ 221,650	\$ 1,674
Accounts receivable	300	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted Assets:					
Cash with fiscal agents	-	-	-	-	-
Total Assets	<u>\$ 6,522,269</u>	<u>\$ 883,106</u>	<u>\$ 157,714</u>	<u>\$ 221,650</u>	<u>\$ 1,674</u>
Liabilities:					
Current:					
Accounts payable	\$ 7,298	\$ 883,106	\$ 157,714	\$ -	\$ -
Deposits payable	6,514,971	-	-	-	-
Payable to trustee	-	-	-	221,650	1,674
Total Liabilities	<u>\$ 6,522,269</u>	<u>\$ 883,106</u>	<u>\$ 157,714</u>	<u>\$ 221,650</u>	<u>\$ 1,674</u>

See Notes to Financial Statements

City of Moreno Valley, California

Combining Balance Sheet
All Agency Funds
June 30, 2018

<u>CFD # 5 Stoneridge</u>	<u>2007 Towngate Improvement Refunding</u>	<u>2007 Towngate Refunding</u>	<u>IA1 CFD # 7</u>	<u>Total</u>	
\$ 21,108	\$ 87,622	\$ 195,330	\$ 2,450	\$ 8,092,623	Assets:
-	-	-	-	300	Current:
10,861	4,295	-	-	15,156	Pooled cash and investments
					Accounts receivable
					Due from other governments
781,705	686,704	2,724,839	762,026	4,955,274	Restricted Assets:
					Cash with fiscal agents
<u>\$ 813,674</u>	<u>\$ 778,621</u>	<u>\$ 2,920,169</u>	<u>\$ 764,476</u>	<u>\$ 13,063,353</u>	Total Assets
					Liabilities:
\$ -	\$ -	\$ -	\$ -	\$ 1,048,118	Current:
-	-	-	-	6,514,971	Accounts payable
813,674	778,621	2,920,169	764,476	5,500,264	Deposits payable
					Payable to trustee
<u>\$ 813,674</u>	<u>\$ 778,621</u>	<u>\$ 2,920,169</u>	<u>\$ 764,476</u>	<u>\$ 13,063,353</u>	Total Liabilities

City of Moreno Valley, California

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>Deposit Liability</u>				
Assets:				
Pooled cash and investments	\$ 6,426,011	2,092,898	1,996,940	\$ 6,521,969
Accounts receivable	600	144,913	145,213	300
Total Assets	<u>\$ 6,426,611</u>	<u>2,237,811</u>	<u>2,142,153</u>	<u>\$ 6,522,269</u>
Liabilities:				
Accounts payable	\$ 111,675	796,323	900,700	\$ 7,298
Deposits payable	6,314,936	3,138,511	2,938,476	6,514,971
Total Liabilities	<u>\$ 6,426,611</u>	<u>3,934,834</u>	<u>3,839,176</u>	<u>\$ 6,522,269</u>
<u>TUMF Trust</u>				
Assets:				
Pooled cash and investments	\$ 53,238	6,971,308	6,141,440	\$ 883,106
Total Assets	<u>\$ 53,238</u>	<u>6,971,308</u>	<u>6,141,440</u>	<u>\$ 883,106</u>
Liabilities:				
Accounts payable	\$ 53,238	6,971,308	6,141,440	\$ 883,106
Total Liabilities	<u>\$ 53,238</u>	<u>6,971,308</u>	<u>6,141,440</u>	<u>\$ 883,106</u>
<u>MSHCP Trust</u>				
Assets:				
Pooled cash and investments	\$ 69,720	2,582,009	2,494,015	\$ 157,714
Total Assets	<u>\$ 69,720</u>	<u>2,582,009</u>	<u>2,494,015</u>	<u>\$ 157,714</u>
Liabilities:				
Accounts payable	\$ 69,720	2,582,009	2,494,015	\$ 157,714
Total Liabilities	<u>\$ 69,720</u>	<u>2,582,009</u>	<u>2,494,015</u>	<u>\$ 157,714</u>
<u>Moreno Valley Foundation Donations</u>				
Assets:				
Pooled cash and investments	\$ 221,650	-	-	\$ 221,650
Total Assets	<u>\$ 221,650</u>	<u>-</u>	<u>-</u>	<u>\$ 221,650</u>
Liabilities:				
Payable to trustee	\$ 221,650	-	-	\$ 221,650
Total Liabilities	<u>\$ 221,650</u>	<u>-</u>	<u>-</u>	<u>\$ 221,650</u>

City of Moreno Valley, California

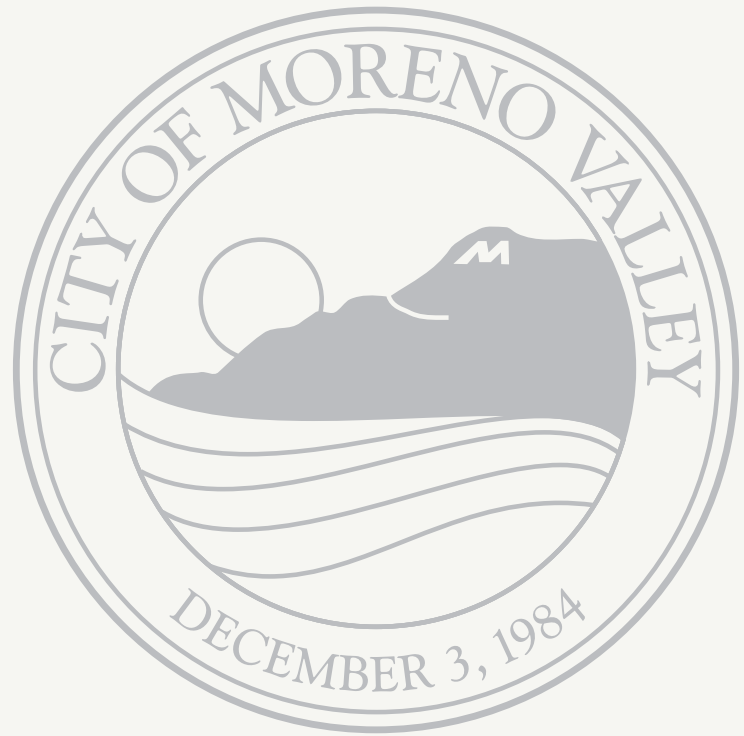
**Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Arts Commission</u>				
Assets:				
Pooled cash and investments	\$ 1,840	1,463	1,629	\$ 1,674
Total Assets	\$ 1,840	1,463	1,629	\$ 1,674
Liabilities:				
Payable to trustee	\$ 1,840	1,463	1,629	\$ 1,674
Total Liabilities	\$ 1,840	1,463	1,629	\$ 1,674
<u>CFD # 5 Stoneridge</u>				
Assets:				
Pooled cash and investments	\$ -	638,267	617,159	\$ 21,108
Due from other governments	45,141	10,861	45,141	10,861
Restricted assets:				
Cash with fiscal agents	756,810	597,392	572,497	781,705
Total Assets	\$ 801,951	1,235,659	1,189,656	\$ 813,674
Liabilities:				
Payable to trustee	\$ 798,859	14,815	-	\$ 813,674
Due to City of Moreno Valley	3,092	-	3,092	-
Total Liabilities	\$ 801,951	14,815	3,092	\$ 813,674
<u>2007 Towngate Improvement Refunding</u>				
Assets:				
Pooled cash and investments	\$ 89,372	421,332	423,082	\$ 87,622
Due from other governments	-	4,295	-	4,295
Restricted assets:				
Cash with fiscal agents	678,398	398,217	389,911	686,704
Total Assets	\$ 767,770	819,549	812,993	\$ 778,621
Liabilities:				
Payable to trustee	\$ 767,770	10,851	-	\$ 778,621
Total Liabilities	\$ 767,770	10,851	-	\$ 778,621

City of Moreno Valley, California

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>2007 Towngate Refunding</u>				
Assets:				
Pooled cash and investments	\$ 195,830	1,320,309	1,320,809	\$ 195,330
Restricted assets:				
Cash with fiscal agents	2,685,534	1,208,256	1,168,951	2,724,839
Total Assets	\$ 2,881,364	2,528,565	2,489,760	\$ 2,920,169
Liabilities:				
Payable to trustee	\$ 2,881,364	38,805	-	\$ 2,920,169
Total Liabilities	\$ 2,881,364	38,805	-	\$ 2,920,169
<u>IA1 CFD #7</u>				
Assets:				
Pooled cash and investments	\$ 27,200	374,576	399,326	\$ 2,450
Restricted assets:				
Cash with fiscal agents	232,610	811,039	281,623	762,026
Total Assets	\$ 259,810	1,185,615	680,949	\$ 764,476
Liabilities:				
Payable to trustee	\$ 259,810	504,666	-	\$ 764,476
Total Liabilities	\$ 259,810	504,666	-	\$ 764,476
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 7,084,861	14,402,162	13,394,400	\$ 8,092,623
Accounts receivable	600	144,913	145,213	300
Due from other governments	45,141	15,156	45,141	15,156
Restricted assets:				
Cash with fiscal agents	4,353,352	3,014,904	2,412,982	4,955,274
Total Assets	\$ 11,483,954	17,577,135	15,997,736	\$ 13,063,353
Liabilities:				
Accounts payable	\$ 234,633	10,349,640	9,536,155	\$ 1,048,118
Deposits payable	6,314,936	3,138,511	2,938,476	6,514,971
Payable to trustee	4,931,293	570,600	1,629	5,500,264
Due to City of Moreno Valley	3,092	-	3,092	-
Total Liabilities	\$ 11,483,954	14,058,751	12,479,352	\$ 13,063,353



Statistical Section



City of Moreno Valley, CA

FISCAL YEAR ENDED JUNE 30, 2018

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.

Contents

Page #

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.

178

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its key revenues.

183

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.

189

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.

194

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.

196

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 837,174,593
Restricted for:										
Community development projects	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	69,723,387
Community and cultural	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156	15,490,740	17,003,008	18,850,364	18,852,822
Public safety	280,107	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282	509,262	595,357
Public works/capital projects	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	50,262,334
Debt service	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	6,022,962
Other programs	11,731,764	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617	949,249	1,155,659
Permanent funds-nonexpendable	66,436	169,287	170,162	188,335	191,646	328,823	332,597	337,682	338,156	324,240
Unrestricted:	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	20,688,716
Total Governmental activities net position	\$ 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	\$ 1,004,800,070
Business-type activities										
Net investment in capital assets	\$ 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	\$ 20,959,563
Restricted for:										
Regulatory contingencies	1,767,402	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	-	4,806,157	5,460,607
Unrestricted:	(4,023,374)	(4,520,034)	(5,623,674)	(413,445)	(652,825)	260,457	4,297,438	12,487,075	4,972,812	12,167,888
Total Business-type activities net position	\$ 7,827,707	\$ 8,839,920	\$ 10,021,344	\$ 10,504,312	\$ 11,845,022	\$ 13,739,416	\$ 19,004,092	\$ 26,464,745	\$ 30,291,480	\$ 38,588,058
Primary government										
Net investment in capital assets	\$ 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	\$ 858,134,156
Restricted for:										
Community development projects	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	69,723,387
Community and cultural	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156	15,490,740	17,003,008	18,850,364	18,852,822
Public safety	280,107	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282	509,262	595,357
Public works/capital projects	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	50,262,334
Debt service	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	6,022,962
Other programs	11,731,764	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617	949,249	1,155,659
Permanent funds-nonexpendable	66,436	169,287	170,162	188,335	191,646	328,823	332,597	337,682	338,156	324,240
Regulatory contingencies	1,767,402	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	-	4,806,157	5,460,607
Unrestricted:	65,607,207	42,074,018	18,837,977	94,601,058	90,706,467	70,812,568	37,639,990	39,863,914	31,648,133	32,856,604
Total primary government net position	\$ 903,194,217	\$ 950,492,440	\$ 958,492,542	\$ 952,568,712	\$ 1,019,840,838	\$ 1,055,430,740	\$ 1,015,491,537	\$ 1,038,622,858	\$ 1,033,774,038	\$ 1,043,388,128

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 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	\$ 17,866,194
Public safety	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	62,932,166
Community and economic development	12,036,237	29,663,451	10,003,780	11,317,359	11,886,089	7,755,380	9,873,837	9,228,108	9,895,574	16,127,907
Community and cultural	27,904,884	22,700,681	25,046,848	19,245,060	18,400,148	20,615,807	20,589,032	20,910,986	22,144,633	23,158,730
Public works	36,095,949	14,990,867	34,432,579	36,159,171	39,467,695	43,540,207	29,397,062	34,772,136	39,433,172	47,833,852
Interest and fiscal charges	10,334,932	9,126,054	8,333,540	6,415,304	2,552,119	4,031,673	3,338,928	3,625,888	2,407,992	2,201,392
Total Governmental activities expenses	152,177,069	146,739,622	150,458,518	140,500,449	140,960,408	141,603,306	146,144,794	142,026,769	152,505,383	170,120,241
Business-type activities:										
Electric	14,067,086	13,812,966	14,807,788	16,549,224	18,139,446	19,796,146	22,277,378	24,230,159	25,319,390	26,286,674
Total business-type activities expenses	14,067,086	13,812,966	14,807,788	16,549,224	18,139,446	19,796,146	22,277,378	24,230,159	25,319,390	26,286,674
Total primary government expenses	\$ 166,244,155	\$ 160,552,588	\$ 165,266,306	\$ 157,049,673	\$ 159,099,854	\$ 161,399,452	\$ 168,422,172	\$ 166,256,928	\$ 177,824,773	\$ 196,406,915
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 7,862,247
Public safety	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	3,797,064
Community and economic development	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	10,912,039
Community and cultural	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	5,947,505
Public works	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	6,547,035
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	325,286
Public safety	385,195	1,016,552	1,009,290	988,848	796,155	687,498	4,213,573	3,954,561	2,459,630	2,896,580
Community and economic development	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	363,296
Community and cultural	5,996,040	5,174,090	6,635,271	6,284,823	7,166,971	7,515,185	7,595,170	7,437,170	7,306,606	8,329,978
Public works	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	9,940,429
Capital grants and contributions										
General government	-	31,307	-	5,056,545	-	17,576	-	-	-	-
Public safety	-	146,606	534,771	893,608	357,393	-	16,679,953	16,349,211	-	-
Community development	-	918,785	20,180	-	-	9,729,528	-	-	-	-
Community and cultural	239,746	-	-	-	-	-	-	-	-	431,335
Public works	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	647,635
Total governmental activities program revenues	82,806,387	118,546,092	77,781,591	62,423,603	106,053,799	66,746,763	74,071,523	66,045,216	48,160,930	58,000,429
Business-type activities:										
Charges for services										
Electric	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	31,443,140
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	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	31,443,140
Total primary government program revenues	\$ 95,236,869	\$ 131,872,456	\$ 93,453,530	\$ 79,202,369	\$ 125,151,887	\$ 86,960,499	\$ 101,750,065	\$ 95,408,879	\$ 77,251,503	\$ 89,443,569

(Continued)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (69,370,682)	\$ (28,193,530)	\$ (72,676,927)	\$ (78,076,846)	\$ (34,906,609)	\$ (74,856,543)	\$ (72,073,271)	\$ (75,981,555)	\$ (104,344,453)	\$ (112,119,812)
Business-type activities	(1,636,604)	(486,602)	864,151	229,542	958,642	417,590	5,401,164	5,133,504	3,771,183	5,156,466
Total primary government net (expense)/revenue	\$ (71,007,286)	\$ (28,680,132)	\$ (71,812,776)	\$ (77,847,304)	\$ (33,947,967)	\$ (74,438,953)	\$ (66,672,107)	\$ (70,848,049)	\$ (100,573,270)	\$ (106,963,346)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 19,745,795
Property taxes in lieu	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	18,406,258
Transient occupancy taxes	497,936	535,775	692,586	747,100	831,881	991,431	1,197,143	1,416,343	1,852,584	2,344,159
Sales taxes	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	19,192,515
Franchise taxes	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	5,680,137
Business license taxes	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	2,351,794
Utility users taxes	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	15,629,102
Other taxes	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	6,678,812
Franchise in lieu taxes	120,969	132,548	150,456	168,267	189,577	194,943	278,186	293,022	288,383	620,349
Documentary transfer tax	598,084	479,208	424,931	434,554	350,413	447,103	502,822	740,120	719,514	767,591
Intergovernmental-motor vehicle in lieu, unrestricted	865,718	547,188	-	-	-	-	-	-	-	-
Use of money and property	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	6,166,810
Gain on sale of capital assets	-	-	605	-	-	-	-	-	-	-
Miscellaneous	1,787,772	1,238,641	2,784,308	469,671	1,728,104	696,377	403,609	1,975,035	769,125	1,040,861
Contributed capital	-	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	-	(7,305,736)	31,492,582	26,364,076	-	-	-	-
Transfers	653,554	225,192	(107,841)	-	-	(904,032)	-	-	-	300,000
Total governmental activities	\$ 94,868,473	\$ 78,737,142	\$ 79,738,864	\$ 71,670,048	\$ 100,838,025	\$ 105,555,256	\$ 83,113,960	\$ 91,652,221	\$ 90,082,314	\$ 113,437,322
Business-type activities										
Use of property and money	-	61,428	29,540	89,183	8,848	35,249	137,947	202,544	129,253	47,572
Miscellaneous	131,033	1,250,000	179,892	164,243	373,220	531,523	1,141,838	2,124,605	209,279	293,756
Contributed capital	-	-	-	-	-	-	-	-	-	3,098,784
Transfers	(653,554)	(225,192)	107,841	-	-	904,032	-	-	-	(300,000)
Total business-type activities	(522,521)	1,086,236	317,273	253,426	382,068	1,470,804	1,279,785	2,327,149	338,532	3,140,112
Total primary government	\$ 94,345,952	\$ 79,823,378	\$ 80,056,137	\$ 71,923,474	\$ 101,220,093	\$ 107,026,060	\$ 84,393,745	\$ 93,979,370	\$ 90,420,846	\$ 116,577,434
Change in Net Position										
Government activities	\$ 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)	\$ 1,317,510
Business-type activities	(2,159,125)	599,634	1,181,424	482,968	1,340,710	1,888,394	6,680,949	7,460,653	4,109,715	8,296,578
Total primary government	\$ 23,338,666	\$ 51,143,246	\$ 8,243,361	\$ (5,923,830)	\$ 67,272,126	\$ 32,587,107	\$ 17,721,638	\$ 23,131,321	\$ (10,152,424)	\$ 9,614,088

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 34,787,698	\$ 33,788,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	17,066,883	17,500,579	-	5,438,306	5,497,653	9,132,415	8,388,275	8,215,977	8,395,058	11,444,674
Nonspendable	-	-	5,716,008	1,000,000	-	-	-	-	-	-
Restricted	-	-	-	2,600,000	2,701,000	2,729,722	2,266,281	2,755,281	13,359,691	13,844,094
Committed	-	-	2,600,000	2,613,937	646,598	1,156,993	1,115,184	2,621,245	10,007,195	10,742,934
Assigned	-	-	1,414,860	29,814,811	25,528,774	27,536,445	31,606,163	37,529,532	24,369,793	19,690,252
Unassigned	-	-	36,634,651	-	34,374,025	40,555,575	43,375,903	51,122,035	56,131,737	55,721,954
Total General Fund	\$ 51,854,581	\$ 51,289,539	\$ 46,365,519	\$ 41,467,054	\$ 34,374,025	\$ 40,555,575	\$ 43,375,903	\$ 51,122,035	\$ 56,131,737	\$ 55,721,954
All Other Funds										
Reserved	\$ 86,530,127	\$ 79,688,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	42,222,678	30,378,947	-	-	-	-	-	-	-	-
Capital projects funds	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	301,800
Restricted	-	-	106,735,045	54,025,315	68,502,016	123,037,367	110,373,496	103,223,132	98,182,217	110,783,344
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)	(204,086)
Total all other funds	\$ 156,178,335	\$ 137,609,871	\$ 120,527,204	\$ 108,227,828	\$ 114,054,878	\$ 129,436,171	\$ 116,277,158	\$ 109,970,256	\$ 109,606,697	\$ 116,649,058

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue										
Taxes:										
Property taxes	\$ 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	\$ 19,745,795
Property taxes in lieu	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754	15,137,754	22,796,457	17,430,250	18,406,258
Utility users taxes	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	15,629,102
Sales taxes	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	19,192,515
Other taxes	9,827,939	8,994,957	8,413,326	8,688,866	9,150,163	15,044,129	16,263,532	10,334,438	17,000,816	18,442,840
Licenses and permits	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	3,020,868
Intergovernmental	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	25,380,908
Fees and charges for services	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	27,564,951
Use of money and property	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	6,166,810
Fines and forfeitures	1,262,712	1,176,403	833,799	653,285	650,259	619,942	630,175	569,383	626,710	654,993
Miscellaneous	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	1,040,861
Total revenues	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	155,245,901
Expenditures										
General government	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	15,663,530
Public safety	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	61,747,652
Community development	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	15,367,566
Community and cultural	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	20,702,253
Public works	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	19,311,593
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	13,234,873
Debt service	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	1,920,000
Principal retirement	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	2,399,001
Interest and fiscal charges	-	-	-	-	-	895,960	360,956	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	150,346,468
Excess (Deficiency) of revenues over (under) expenditures	(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	4,899,433
Other Financing Sources (Uses)										
Issuance of debt	-	-	7,447,764	-	-	-	-	-	-	-
Transfers in (note 7)	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	21,981,064
Transfers out (note 7)	(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)	(20,397,921)
Transfers from Successor Agency	-	-	-	900,124	2,811,741	9,729,528	1,489,134	1,620,000	150,000	150,000
Contributions to Successor Agency	-	-	-	-	-	-	-	(298,513)	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
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)	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	1,733,143
Extraordinary items	-	-	-	(2,566,209)	23,492,746	-	-	-	-	-
Net change in fund balances	\$(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	\$6,632,576
Debt service as a percentage of noncapital expenditures	10.65%	9.58%	14.35%	8.59%	4.39%	13.06%	5.38%	5.21%	4.35%	3.14%

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

Fiscal Year	Property Tax		Property Tax In-Lieu of Vehicle License Fees		Utility Users		Sales		Transient Occupancy		Franchise		Business License Gross Receipt		Documentary Transfer		Total	
	Property		License Fees		Utility Users	Sales	Transient Occupancy	Franchise	Business License Gross Receipt	Documentary Transfer	Total							
2009	\$ 12,790,196	\$ 16,791,078	\$ 15,081,286	\$ 10,202,384	\$ 497,936	\$ 4,997,024	\$ 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	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	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	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	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	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	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	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	2,291,816	719,514	75,661,282									
2018	14,696,576	18,406,258	15,629,102	19,192,515	2,344,159	6,300,485	2,351,794	767,591	79,688,479									
Change																		
2009 to 2018	15.00%	10.00%	4.00%	88.00%	371.00%	26.00%	124.00%	28.00%	27.00%									

Source: City of Moreno Valley Financial and Management Services Department

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

Fiscal Year	Utility Users Taxes		Property Taxes		Property Taxes In-Lieu of VLF		Sales Taxes		Property Taxes In-Lieu of Sales Taxes		Development Services	
2009	\$	15,081,286	\$	12,790,196	\$	16,791,078	\$	7,135,246	\$	3,067,138	\$	5,510,492
2010		15,358,341		9,917,734		13,703,197		6,952,123		2,346,173		2,631,820
2011		15,317,439		9,430,846		13,055,796		8,113,635		3,169,800		2,675,770
2012		15,591,386		9,397,373		13,170,964		10,848,031		3,155,962		3,928,365
2013		15,683,931		9,765,007		13,414,446		10,523,544		3,520,016		3,586,632
2014		15,595,141		10,668,782		13,871,754		11,478,971		4,408,158		5,832,468
2015		16,138,202		11,594,459		15,137,754		12,347,660		3,782,680		5,323,881
2016		15,824,481		12,679,455		16,409,009		15,412,390		3,525,352		6,453,497
2017		15,613,484		13,593,075		17,430,250		18,395,442		- (1)		7,124,351
2018		15,629,102		14,696,576		18,406,258		19,192,515		-		7,917,171

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
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
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	0.00256
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	0.00242
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
2018	14,517,849	584,791	15,102,640	(273,025)	14,829,615	0.00169	-	-	-	-	-	0.00169

Notes:

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 XI 26 and AB XI 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Direct Rate:	\$0.00131	\$0.00160	\$0.00164	\$0.00258	\$0.00183	\$0.00185	\$0.00179	\$0.00173	\$0.00172	\$0.00169
Redevelopment Agency Direct Rate:	0.01045	0.00675	0.00575	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Tax Rate:	0.00265	0.00256	0.00242	0.00258	0.00183	0.00185	0.00179	0.00173	0.00172	0.00169
Eastern Municipal Water Imp Dist	0.00700	0.03000	0.03000	0.03000	0.03000	0.03000	0.01100	0.01100	0.01100	0.01000
Metropolitan Water Dist Original Area	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Moreno Valley Unified School District	0.03081	0.02660	0.03357	0.04096	0.04060	0.04354	0.04071	0.10223	0.10320	0.09333
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01394	0.01320	0.01320
Riverside City Community College District	0.01254	0.01242	0.01499	0.01700	0.01702	0.01768	0.01791	0.01725	0.01649	0.01616
San Jacinto Unified School District	0.09600	0.09052	0.11744	0.12875	0.12800	0.12746	0.11866	0.11727	0.11656	0.15078
Val Verde Unified District	0.03189	0.04089	0.03347	0.03160	0.08383	0.07235	0.07882	0.07135	0.07210	0.06368
Total Tax Rate	\$0.19695	\$0.17231	\$0.24298	\$0.25717	\$0.30662	\$0.29823	\$0.27239	\$0.33827	\$0.33777	\$0.35234

Notes:

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	2018			2009		
	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)	\$ 227,046,927	1	1.53%	\$ -	-	-
Western A West California, LLC	159,642,240	2	1.08%	-	-	-
Ross Dress for Less, Inc.	136,465,055	3	0.92%	75,224,265	4	0.56%
First Industrial LP	117,297,981	4	0.79%	-	-	-
FR California Indian Avenue	114,425,887	5	0.77%	-	-	-
Walgreen Company	110,207,831	6	0.74%	137,065,344	1	1.01%
Golden State FC, LLC	106,921,683	7	0.72%	-	-	-
Towngate on Mem Apartments, LLC	98,558,244	8	0.66%	-	-	-
AI California, LLC	96,958,747	9	0.65%	-	-	-
March Business Center, LLC	92,132,500	10	0.62%	-	-	-
Stonegate 552, LLC	-	-	-	111,780,000	2	0.83%
Ridge Moreno Valley	-	-	-	100,490,106	3	0.74%
Moreno Valley Day St Apartment	-	-	-	70,530,959	5	0.52%
Homart Newco Two, Inc.	-	-	-	64,502,887	6	0.48%
Moreno Valley Properties	-	-	-	61,781,741	7	0.46%
WNRA Moreno Valley	-	-	-	56,591,246	8	0.42%
Knickerbocker Properties, Inc.	-	-	-	48,450,000	9	0.36%
SP4 Heacock, LP	-	-	-	46,230,145	10	0.34%
	<u>\$ 1,259,657,095</u>		<u>8.49%</u>	<u>\$ 772,646,693</u>		<u>5.71%</u>

Source: Hdl Coren & Cone

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	
	Year	Amount	Percent of Levy (1)		Amount	Percent of Levy
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%	205,707	28,476,155	100.00%
2018	29,595,157	29,425,906	99.43%	-	29,425,906	99.43%

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 2017/18 Assessed Valuation

\$ 14,833,775,985

	Total Debt <u>6/30/2018</u>	% <u>Applicable(1)</u>	City's Share of Debt <u>6/30/2018</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Metropolitan Water District	\$ 60,600,000	0.541%	\$ 327,846
Riverside County Flood Control and Water Reclamation District, Zone No.4	16,750,000	31.049	5,200,708
Eastern Municipal Water District I.D. No U-22	2,384,000	100	2,384,000
Riverside Community College District	256,365,337	14.993	38,436,855
Mount San Jacinto Community College District	177,765,000	0.026	46,219
Moreno Valley Unified School District	112,668,521	84.415	95,109,132
San Jacinto Unified School District	66,094,684	0.777	513,556
Val Verde Unified School District	122,764,421	37.979	46,624,699
Moreno Valley Unified School District Community Facilities District No. 2002-1	6,590,000	100	6,590,000
Moreno Valley Unified School District Community Facilities District No. 2003-1&2	10,235,000	100	10,235,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	2,370,000	100	2,370,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	4,905,000	100	4,905,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,200,000	100	3,200,000
Moreno Valley Unified School District Community Facilities District No. 2004-4	3,790,000	100	3,790,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	3,900,000	100	3,900,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	24,725,000	100	24,725,000
Moreno Valley Unified School District Community Facilities District No. 2005-1	6,600,000	100	6,600,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	24,260,000	100	24,260,000
Moreno Valley Unified School District Community Facilities District No. 2007-1	5,080,000	100	5,080,000
Val Verde Unified School District Community Facilities District No. 98-1	16,195,000	100	16,195,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,650,000	100	2,650,000
Eastern Municipal Water District Community Facilities Districts	13,998,000	100	13,998,000
City of Moreno Valley Community Facilities District No. 5	5,445,000	100	5,445,000
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	1,855,000	100	1,855,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 327,706,015
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$ 812,829,106	5.626%	\$ 45,729,766
Riverside County Pension Obligations	266,365,000	5.626%	14,985,695
Moreno Valley Unified School District Certificates of Participation	14,900,000	84.415%	12,577,835
San Jacinto Unified School District Certificates of Participation	42,595,000	0.777%	330,963
Val Verde Unified School District Certificates of Participation	65,560,000	37.979%	24,899,032
Western Municipal Water District Certificates of Participation	10,197,212	0.133%	13,562
City of Moreno Valley General Fund Obligations	67,187,000	100%	67,187,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 165,723,853
Less: Riverside County self-supporting obligations			188,657
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 165,535,196
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$ 73,830,000	36.416-100%	\$ 53,438,611
TOTAL DIRECT DEBT			67,187,000
TOTAL GROSS OVERLAPPING DEBT			479,681,479
TOTAL NET OVERLAPPING DEBT			479,492,822
GROSS COMBINED TOTAL DEBT			546,868,479 (2)
NET COMBINED TOTAL DEBT			546,679,822

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 2017-18 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt	2.21%
Total Direct Debt (\$67,187,000)	0.45%
Gross Combined Total Debt	3.69%
Net Combined Total Debt	3.69%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,017,908,774):

Total Overlapping Tax Increment Debt	1.77%
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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 2018:

Assessed Value \$ 14,693,509
 Debt Limit (15% of assessed value) 2,204,026
 Debt applicable to limit: -

Total net debt applicable to limit \$ -

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Valuation (in thousands)	\$ 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	\$ 14,693,509
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation (in thousands)	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	3,673,377
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit (in thousands)	501,599	407,356	388,758	392,346	397,156	457,487	452,421	490,579	521,618	551,007
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin (in thousands)	501,599	407,356	388,758	392,346	397,156	457,487	452,421	490,579	521,618	551,007
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		Percentage of Personal Income ⁽¹⁾	Debt per Capita
	Certificates of Participation	Lease Revenue Bonds	RDA Tax Allocation Bonds	Notes and Other	Total Governmental Activities	Lease Revenue Bonds	Total Primary Government			
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	-	12,340,304	50,195,304	28,685,000	78,880,304	2.18 %	398	
2014	20,000,000	36,394,230	-	11,874,411	68,268,641	27,836,607	96,105,248	2.66 %	482	
2015	20,000,000	32,486,745	-	10,620,844	63,107,589	26,982,029	90,089,618	2.43 %	442	
2016	20,000,000	33,788,512	-	2,838,000	56,626,512	36,713,979	93,340,491	2.54 %	454	
2017	19,391,245	32,324,572	-	1,800,000	53,515,817	37,339,941	90,855,758	2.41 %	439	
2018	18,881,643	31,002,924	-	1,527,000	51,411,567	36,185,829	87,597,396	2.24 %	422	

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) As of 2012, no longer considered general bonded debt as the result of the dissolution of the Redevelopment Agency.

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

<u>Fiscal Year Ended June 30,</u> ⁽¹⁾	<u>Certificates of Participation</u>	<u>Lease Revenue Bonds</u>	<u>Total Governmental Activities</u>	<u>Percent of Assessed Value</u>	<u>Per Capita</u>
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
2018	18,881,643	31,002,924	49,884,567	0.34%	240

Notes:

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 (Fund 4106)						
	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	
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							
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								
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								
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								
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								
2014	-	-	105,000	3,938	0.00	393,684	45,000	283,633	1.20	1,174,345	700,000	310,906	1.16								
2015	-	-	-	-	0.00	398,468	55,000	281,505	1.18	1,186,238	730,000	283,181	1.17								
2016	-	-	-	-	0.00	405,862	65,000	278,893	1.18	1,190,000	760,000	253,381	1.17								
2017	-	-	-	-	0.00	368,314	75,000	275,775	1.05	1,175,245	790,000	218,431	1.17								
2018	-	-	-	-	0.00	419,663	85,000	272,175	1.17	1,173,745	830,000	177,931	1.16								

Fiscal Year Ended June 30,	Community Redevelopment Agency 2007 Tax Allocation Bonds							Towngate Community Facilities District No. 87-1, Improvement No. 1 Special Tax Refunding Bonds (Fund 4105)							Community Facilities District No. 7 Improvement Area 1 Special Tax Bonds Series 2016 (Fund 4114)						
	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Special Tax Levy	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage		
2009	\$ 23,775,956	\$ 770,000	\$ 2,073,084	8.36	\$ 108,706	\$ 287,228	\$ 220,000	\$ 175,859	1.00	\$ 108,706	\$ 287,228	\$ 220,000	\$ 175,859	1.00	\$ -	\$ -	\$ -	\$ -	-		
2010	-	-	-	-	78,519	303,573	190,000	168,029	1.07	78,519	303,573	190,000	168,029	1.07	-	-	-	-	-		
2011	-	-	-	-	112,162	277,359	195,000	160,375	1.10	112,162	277,359	195,000	160,375	1.10	-	-	-	-	-		
2012	-	-	-	-	115,946	274,445	205,000	152,173	1.09	115,946	274,445	205,000	152,173	1.09	-	-	-	-	-		
2013	-	-	-	-	110,672	275,008	210,000	143,719	1.09	110,672	275,008	210,000	143,719	1.09	-	-	-	-	-		
2014	-	-	-	-	117,164	275,007	220,000	135,009	1.10	117,164	275,007	220,000	135,009	1.10	-	-	-	-	-		
2015	-	-	-	-	114,616	277,896	230,000	125,668	1.10	114,616	277,896	230,000	125,668	1.10	-	-	-	-	-		
2016	-	-	-	-	114,070	280,000	240,000	115,739	1.11	114,070	280,000	240,000	115,739	1.11	-	-	-	-	-		
2017	-	-	-	-	16,083	275,803	250,000	105,170	0.82	16,083	275,803	250,000	105,170	0.82	-	-	-	-	-		
2018	-	-	-	-	115,220	278,123	260,000	93,851	1.11	115,220	278,123	260,000	93,851	1.11	189,410	-	94,088	-	2.01		

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 Ten Years

<u>Calendar Year</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%
2018	207,629	3,902,595	18,796	4.8%

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	2018		2009	
			Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
March Air Reserve Base	Military/Public Sector	Military Reserve Base	9,600	10.19%	9,000	26.67%
Amazon	Fulfillment	Retail Distribution	7,500	7.96%		
Riverside University Health Systems Medical Center	Medical Facilities	County Hospital	3,400	3.61%	2,215	6.56%
Moreno Valley Unified School District	Public Sector	Public Schools	3,100	3.29%	3,752	11.12%
Ross Dress for Less / DD's Discounts	Distribution	Retail Distribution	2,400	2.55%	600	1.78%
Moreno Valley Mall (excludes major tenants)	Retail	Retail Mall	1,500	1.59%	1,669	4.95%
Kaiser Permanente Community Hospital	Medical Facilities	Hospital/Medical Services	1,457	1.55%		
Harbor Freight Tools	Distribution	Retail Distribution	788	0.84%		
Val Verde Unified School District (MV Only)	Public Sector	Public Schools	640	0.68%	734	2.18%
United Natural Foods, Inc. (UNFI)	Distribution	Retail Distribution	620	0.66%		
City of Moreno Valley	Public Sector	Municipal Government			1,183	3.51%
Riverside Community College - Moreno Valley Campus	Public Sector	Higher Education			1,038	3.08%
Walgreens	Distribution	Retail Distribution			650	1.93%
Wal-Mart Super Center	Retail	Discount Dept. Store			465	1.38%

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

Source: City of Moreno Valley Economic Development Department
State of CA Employment Development Department

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	142	150	147	125	96	93	94	91	101	104
Public Works	151	146	143	134	122	121	119	118	121	121
Community Development	72	68	59	66	59	49	51	60	51	60
Parks and Community Services	238	453	101	(2) 118	112	113	127	138	147	149
Animal Services	29	27	21	19	21	22	22	22	26	22
Redevelopment Agency	16	14	12	0	0	0	0	0	0	0
Public Safety (1)	393	415	407	407	318	286	287	284	291	289
	<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>	<u>745</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 Ten Fiscal Years

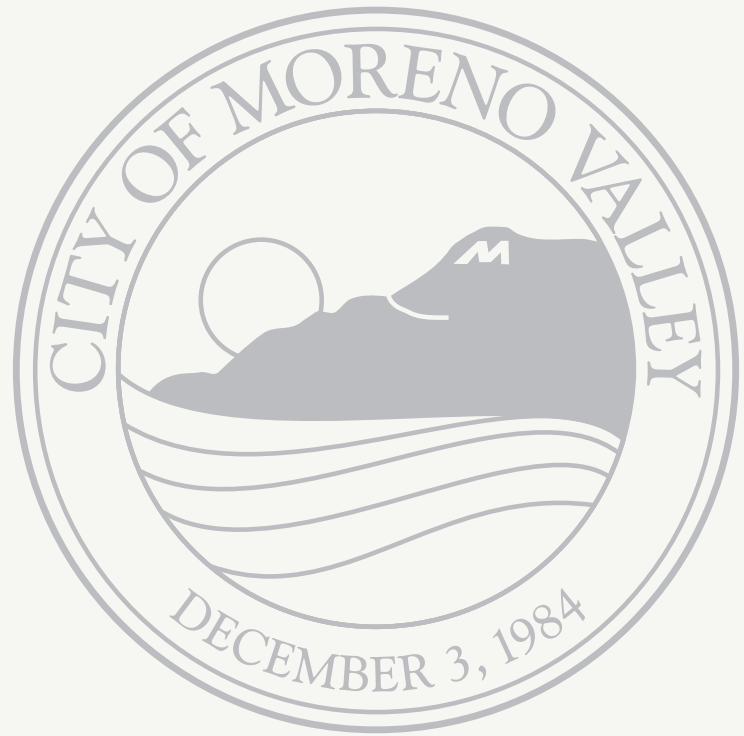
	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Lane miles of streets	1,076	1,076	1,076	1,076	1,095	1,080	1,080	1,080	1,080	1,090
Number of street lights	11,037	11,046	11,260	11,358	11,381	11,449	11,512	11,620	11,694	12,011
Number of traffic signals	167	170	173	175	180	182	186	188	191	190
Fire protection:										
Number of stations	6	6	6	6	7	7	7	7	7	7
Police protection:										
Number of policing stations	1	1	1	1	1	1	1	1	1	1
Number of policing substations	4	4	4	6	6	6	2	3	2	2
Recreation and culture:										
Parks	39	37	37	37	37	37	38	38	38	38
Maintained acreage of parks	531	531	532	520	520	520	533	533	540	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	24
Conference/Recreation centers	1	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	42,800
Senior Centers	1	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	14,700
Equestrian centers	1	1	1	1	1	1	1	1	1	1
Maintained acreage of equestrian centers	45	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	11 Miles
Community centers	4	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	38,758
Sports courts	24	24	24	24	24	24	24	24	24	24
Skate parks	1	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	1,850
Soccer Arena	0	0	0	1	1	1	1	1	1	1
Nine-hole golf courses	1	1	1	1	1	1	1	1	1	1
Play apparatus	24	26	26	26	26	26	27	27	28	28
Water play features	2	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	5,725
Commercial utility meters	565	545	599	592	607	639	652	663	673	694

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 Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Square mileage of area	52	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	75
Volunteers	25	25	10	16	16	25	18	16	14	11
Non-sworn personnel	8	8	8	8	8	11	13	12	11	10
OEM non-sworn personnel	0	0	0	2	3	3	2	3	3	3
Responses to emergency calls	12,971	13,530	15,268	14,824	15,905	16,340	17,727	19,006	21,268	19,807
Inspections and Permits	3,522	2,369	3,383	2,304	2,400	3,251	3,445	6,382	4,741	3,737
Apartment Complex Inspections	0	0	0	849	872	1,476	1,777	1,943	771	1,160
Plan checks	664	424	358	786	1,218	1,646	1,788	1,317	861	1,202
Counter/Public inquiries	7,249	2,734	2,452	2,671	2,431	2,966	2,683	2,604	2,162	2,472
Police protection:										
Provided through contract with the County of Riverside Sheriff's Department:										
Sworn officers	186	184	186	181	181	153	151	150	150	150
Classified personnel	55	54	55	54	51	49	50	50	50	46
City support personnel	3	3	3	3	3	2	2	0	0	1
Volunteers	56	62	77	85	77	69	84	72	88	149
Responses to Calls:										
Priority 1	572	519	423	363	425	402	420	461	446	521
Priority 1A	1,110	1,181	1,274	1,289	1,584	1,500	1,463	1,480	1,398	1,553
Priority 2	24,967	24,938	27,797	26,021	27,733	28,048	28,696	30,294	31,097	31,450
Priority 3	26,466	24,800	27,487	29,393	29,860	28,521	30,499	35,317	33,816	31,841
Priority 4	17,592	16,630	18,625	18,087	17,280	16,662	16,749	17,944	17,841	16,708
Priority 5	91	1	1	1	1	63	62	54	18	11
Priority 6	0	0	0	0	0	0	0	0	0	0
Priority 7	0	0	0	0	0	0	1	0	0	0
Priority 8	0	0	1	1	0	0	0	0	0	0
Priority 9	248	279	312	223	347	436	312	295	331	292
Cancelled	5,359	5,222	5,543	5,991	23,338	26,172	29,095	26,061	22,903	19,210
Disp/Arr Time Missing	8,540	7,638	7,944	8,125	8,941	8,191	9,384	8,807	7,592	7,077
Same Disp/Arr Time	60,510	54,645	54,379	47,638	45,096	40,425	45,041	47,794	67,829	66,269
T. R. U. Calls	43	32	37	54	87	76	42	27	39	34
Building and Safety:										
Building permits issued	2,058	1,645	1,700	1,889	1,797	2,066	2,329	2,411	2,823	4,369
Counter requests for service	8,922	6,611	6,105	6,563	6,407	7,049	7,597	8,066	7,895	9,615
Planning:										
Planning applications processed	894	682	644	740	745	752	667	672	494	674
Counter requests for services	4,669	3,875	3,683	3,853	3,749	3,718	3,527	3,366	3,598	4,018
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	7,652
Facility rentals	893	1,026	1,005	992	997	1,058	1,087	1,235	1,300	1,026
Participants in recreation programs	46,075	46,561	46,040	48,473	41,992	47,405	43,361	44,000	46,000	48,000
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	20.18
Average commercial daily consumption (kilowatt hours)	254.8	284.4	296.3	371.9	383.0	395.3	573	622.2	646.2	630.75
New residential connections	123	93	99	23	63	111	58	105	129	231
New commercial connections	65	5	54	23	15	32	13	11	10	21
Employees:										
Members of City Council	5	5	5	5	5	5	5	5	5	5
Members of the Planning Commission	7	7	7	7	7	7	7	9	8	7
Full-time career status (FTE)	324	312	283	281	277	299	261	264	262	263
Part-time career status (FTE)	14	29	21	66	22	11	14	15	12	13

Sources: City of Moreno Valley Technology Services, Fire Department, Police Department, Community Development, Parks & Community Services, Public Works, Utilities, Financial-Payroll.



Community Services District



City of Moreno Valley, CA

FISCAL YEAR ENDED JUNE 30, 2018

City of Moreno Valley, CA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

Community Services District



FISCAL YEAR ENDED JUNE 30, 2018

**City of Moreno Valley, California
Community Services District**

**Financial Statements
Year Ended June 30, 2018**

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

Budgetary Comparison Statements:

Zone L Library Services 13
Zone A Parks and Community Services..... 14
Zone E Extensive Landscaping Administration 15
Landscape Maintenance District No. 2014-02..... 16
Zone D Standard Landscaping Administration 17

Notes to Financial Statements 18

COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL 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 Statements:

Lighting Maintenance District No. 2014-01 40
Zone C Arterial Street Lights Administration 41
Zone M Median..... 42
CFD No. 1 43
Zone S Sunnymead Boulevard Maintenance 44

INDEPENDENT AUDITORS' REPORT

To the Directors
City of Moreno Valley, California
Community Services District

Report on the 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, 2018, 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, 2018, and the respective changes in financial position and budgetary comparison for the Zone L Library Services, Zone A Parks and Community Services, Zone E Extensive Landscaping Administration, Landscape Maintenance District No. 2014-02, 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, 2018 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

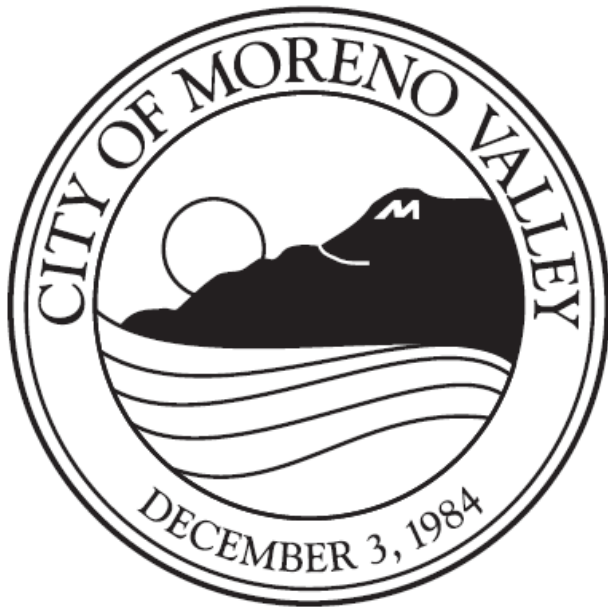
**Glendale, California
December 5, 2018**

**City of Moreno Valley, California
Community Services District**

**Statement of Net Position
June 30, 2018**

	Governmental Activities
Assets	
Cash and investments (note 2)	\$ 19,828,675
Prepaid costs	13,702
Receivables:	
Accounts	380,531
Due from other governments	280,591
Capital assets not being depreciated (note 3)	2,872,916
Capital assets, net of depreciation (note 3)	19,683,162
Total Assets	43,059,577
 Deferred Outflows of Resources	
Deferred outflows of resources related to pensions (note 4)	1,982,262
Deferred outflows of resources related to OPEB (note 5)	29,674
Total Deferred Outflows of Resources	2,011,936
 Liabilities	
Accounts payable	1,162,777
Unearned revenue	431,572
Due to the City of Moreno Valley	42,626
Net pension liability (note 4)	11,350,802
Net OPEB liability (note 5)	910,871
Total Liabilities	13,898,648
 Deferred Inflows of Resources	
Deferred inflows of resources related to pensions (note 4)	361,450
Deferred inflows of resources related to OPEB (note 5)	60,665
Total Deferred Inflows of Resources	422,115
 Net Position	
Net investment in capital assets (note 3)	22,556,078
Restricted for:	
Special zones	8,194,672
Total Net Position	\$ 30,750,750

The notes to financial statements are an integral part of this statement.



**City of Moreno Valley, California
Community Services District**

**Statement of Activities
For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
Community and cultural	\$ 16,401,123	\$ 5,809,593	\$ -	\$ -	\$ (10,591,530)
Public works	5,889,924	-	-	-	(5,889,924)
Total governmental activities	\$ 22,291,047	\$ 5,809,593	\$ -	\$ -	\$ (16,481,454)
General revenues					
Taxes:					
Property taxes					5,049,219
Other taxes					6,560,496
Use of money and property					812,153
Other					255,726
Capital assets contribution from the City of Moreno Valley					3,625,698
Transfers from the City of Moreno Valley					1,517,472
Total general revenues, contributions, and transfers					17,820,764
Change in net position					1,339,310
Net position - Beginning of year					29,411,440
Net position - End of year					\$ 30,750,750

The notes to financial statements are an integral part of this statement.

City of Moreno Valley, California
Community Services District

Balance Sheet
Governmental Funds
June 30, 2018

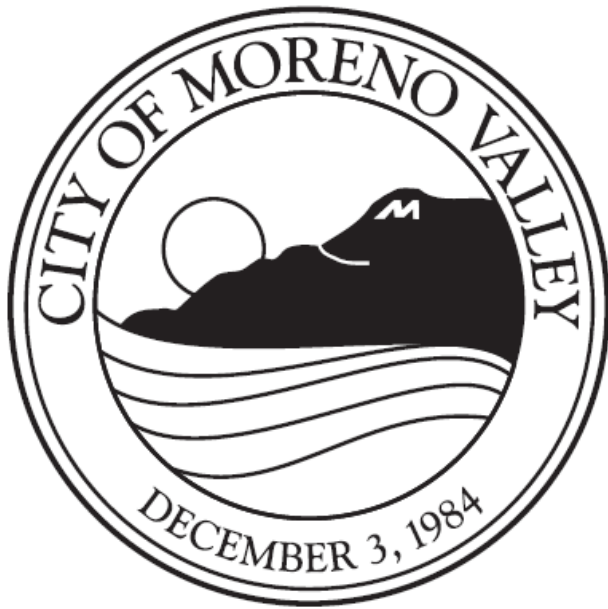
	Special Revenue Funds			
	Zone L Library Services	Zone A Parks & Community Services	Zone E Extensive Landscaping Administration	Landscape Maintenance District No. 2014-02
Assets				
Pooled cash and investments (note 2)	\$ 1,492,110	\$ 5,998,678	\$ 2,791,200	\$ 5,133,075
Prepays	12,617	1,085	-	-
Receivables:				
Accounts	-	380,531	-	-
Due from other governments	60,644	133,274	7,219	26,339
Total Assets	<u>\$ 1,565,371</u>	<u>\$ 6,513,568</u>	<u>\$ 2,798,419</u>	<u>\$ 5,159,414</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 148,047	\$ 294,155	\$ 29,407	\$ 223,830
Unearned revenues	-	431,572	-	-
Due to the City of Moreno Valley	-	42,626	-	-
Total Liabilities	<u>148,047</u>	<u>768,353</u>	<u>29,407</u>	<u>223,830</u>
Fund Balances				
Restricted for:				
Special zones	1,417,324	5,745,215	2,769,012	4,935,584
Total Fund Balances	<u>1,417,324</u>	<u>5,745,215</u>	<u>2,769,012</u>	<u>4,935,584</u>
Total Liabilities and Fund Balances	<u>\$ 1,565,371</u>	<u>\$ 6,513,568</u>	<u>\$ 2,798,419</u>	<u>\$ 5,159,414</u>

The notes to financial statements are an integral part of this statement.

City of Moreno Valley, California
Community Services District

Balance Sheet
Governmental Funds
June 30, 2018

Special Revenue Funds			
Zone D Standard Landscaping Administration	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 2,296,894	\$ 2,116,718	\$ 19,828,675	Assets
-	-	13,702	Pooled cash and investments (note 2)
-	-	380,531	Prepays
10,198	42,917	280,591	Receivables:
<u>\$ 2,307,092</u>	<u>\$ 2,159,635</u>	<u>\$ 20,503,499</u>	Accounts
			Due from other governments
			Total Assets
			 Liabilities and Fund Balances
			Liabilities
\$ 210,674	\$ 256,664	\$ 1,162,777	Accounts payable
-	-	431,572	Unearned revenues
-	-	42,626	Due to the City of Moreno Valley
<u>210,674</u>	<u>256,664</u>	<u>1,636,975</u>	Total Liabilities
			 Fund Balances
			Restricted for:
2,096,418	1,902,971	18,866,524	Special zones
<u>2,096,418</u>	<u>1,902,971</u>	<u>18,866,524</u>	Total Fund Balances
<u>\$ 2,307,092</u>	<u>\$ 2,159,635</u>	<u>\$ 20,503,499</u>	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, 2018**

Fund balances of governmental funds		\$ 18,866,524
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, net of depreciation, used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.</p>		
Capital assets, not being depreciated	2,872,916	
Depreciable capital assets, net of accumulated depreciation	19,683,162	22,556,078
<p>Long-term liabilities related to pension and OPEB are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Net pension liability	(11,350,802)	
Net OPEB liability	(910,871)	(12,261,673)
<p>Deferred outflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds.</p>		
		2,011,936
<p>Deferred inflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds.</p>		
		(422,115)
Net position of governmental activities		\$ 30,750,750

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley, California
Community Services District**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018**

	Special Revenue Funds			
	Zone L Library Services	Zone A Parks & Community Services	Zone E Extensive Landscaping Administration	Landscape Maintenance District No. 2014-02
Revenues				
Taxes:				
Property taxes	\$ 2,121,739	\$ 2,572,189	\$ -	\$ -
Other taxes	-	4,942,998	-	-
Fees and charges for services	37,652	1,247,440	324,583	2,091,030
Use of money and property	-	755,131	13,284	23,895
Fines and forfeitures	36,694	-	-	-
Miscellaneous	9	41,629	-	174,518
Total Revenues	2,196,094	9,559,387	337,867	2,289,443
Expenditures				
Current:				
Community and cultural	2,179,161	9,071,916	-	-
Public works	-	-	252,012	2,142,331
Total Expenditures	2,179,161	9,071,916	252,012	2,142,331
Excess (deficiency) of revenues over expenditures	16,933	487,471	85,855	147,112
Other Financing Sources (Uses)				
Transfers in	475,000	538,443	-	180,529
Transfers out	-	(1,631,818)	-	-
Total Other Financing Sources (Uses)	475,000	(1,093,375)	-	180,529
Net Change in Fund Balances	491,933	(605,904)	85,855	327,641
Fund Balances - Beginning of Year	925,391	6,351,119	2,683,157	4,607,943
Fund Balances - End of Year	\$ 1,417,324	\$ 5,745,215	\$ 2,769,012	\$ 4,935,584

The notes to financial statements are an integral part of this statement.

City of Moreno Valley, California
Community Services District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

Special Revenue Funds			
Zone D Standard Landscaping Administration	Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ 355,291	\$ 5,049,219	Revenues
-	1,617,498	6,560,496	Taxes:
991,716	1,117,172	5,809,593	Property taxes
18,378	1,465	812,153	Other taxes
-	-	36,694	Fees and charges for services
1,500	1,376	219,032	Use of money and property
1,011,594	3,092,802	18,487,187	Fines and forfeitures
			Miscellaneous
			Total Revenues
			Expenditures
-	1,215,682	12,466,759	Current:
955,798	2,539,783	5,889,924	Community and cultural
955,798	3,755,465	18,356,683	Public works
			Total Expenditures
55,796	(662,663)	130,504	Excess (deficiency) of revenues over expenditures
			Other Financing Sources (Uses)
-	323,500	1,517,472	Transfers in
-	-	(1,631,818)	Transfers out
-	323,500	(114,346)	Total Other Financing Sources (Uses)
55,796	(339,163)	16,158	Net Change in Fund Balances
2,040,622	2,242,134	18,850,366	Fund Balances - Beginning of Year
\$ 2,096,418	\$ 1,902,971	\$ 18,866,524	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
For the Year Ended June 30, 2018**

Net change in fund balances - total governmental funds	\$	16,158
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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.

Depreciation expense	(1,972,373)	
Capital assets contribution from the City of Moreno Valley	<u>3,625,698</u>	
		1,653,325

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.

(330,173)

Change in net position of governmental activities

\$ 1,339,310

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone L Library Services
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 1,926,694	\$ 1,926,694	\$ 2,121,739	\$ 195,045
Fees and charges for services	18,000	18,000	37,652	19,652
Fines and forfeitures	50,000	50,000	36,694	(13,306)
Miscellaneous	2,000	2,000	9	(1,991)
Total Revenues	1,996,694	1,996,694	2,196,094	199,400
Expenditures				
Current:				
Community & cultural	2,332,043	2,369,416	2,179,161	190,255
Total Expenditures	2,332,043	2,369,416	2,179,161	190,255
Excess (deficiency) of revenues over expenditures	(335,349)	(372,722)	16,933	389,655
Other financing sources (uses)				
Transfers in	475,000	475,000	475,000	-
Total Other Financing Sources (Uses)	475,000	475,000	475,000	-
Net Change in Fund Balances	139,651	102,278	491,933	389,655
Fund Balance - Beginning of Year	925,391	925,391	925,391	-
Fund Balance - End of Year	\$ 1,065,042	\$ 1,027,669	\$ 1,417,324	\$ 389,655

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone A Parks & Community Services
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 2,342,000	\$ 2,342,000	\$ 2,572,189	\$ 230,189
Other taxes	4,930,000	4,930,000	4,942,998	12,998
Fees and charges for services	1,173,400	1,226,150	1,247,440	21,290
Use of money and property	761,601	782,851	755,131	(27,720)
Miscellaneous	11,500	32,500	41,629	9,129
Total Revenues	9,218,501	9,313,501	9,559,387	245,886
Expenditures				
Current:				
Community and cultural	9,387,656	9,387,906	9,071,916	315,990
Capital outlay	111,000	140,359	-	140,359
Total Expenditures	9,498,656	9,528,265	9,071,916	456,349
Excess (deficiency) of revenues over expenditures	(280,155)	(214,764)	487,471	702,235
Other financing sources (uses)				
Transfers in	594,035	608,394	538,443	(69,951)
Transfers out	-	(1,628,332)	(1,631,818)	(3,486)
Total Other Financing Sources (Uses)	594,035	(1,019,938)	(1,093,375)	(73,437)
Net Change in Fund Balances	313,880	(1,234,702)	(605,904)	628,798
Fund Balance - Beginning of Year	6,351,119	6,351,119	6,351,119	-
Fund Balance - End of Year	\$ 6,664,999	\$ 5,116,417	\$ 5,745,215	\$ 628,798

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone E Extensive Landscaping Administration
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 292,700	\$ 388,199	\$ 324,583	\$ (63,616)
Use of money and property	23,400	35,100	13,284	(21,816)
Total Revenues	316,100	423,299	337,867	(85,432)
Expenditures				
Current:				
Public works	321,318	323,318	252,012	71,306
Total Expenditures	321,318	323,318	252,012	71,306
Excess (deficiency) of revenues over expenditures	(5,218)	99,981	85,855	(14,126)
Net Change in Fund Balances	(5,218)	99,981	85,855	(14,126)
Fund Balance - Beginning of Year	2,683,157	2,683,157	2,683,157	-
Fund Balance - End of Year	\$ 2,677,939	\$ 2,783,138	\$ 2,769,012	\$ (14,126)

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Landscape Maintenance District No. 2014-02
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 2,114,200	\$ 2,090,554	\$ 2,091,030	\$ 476
Use of money and property	11,700	31,300	23,895	(7,405)
Miscellaneous	-	174,500	174,518	18
Total Revenues	2,125,900	2,296,354	2,289,443	(6,911)
Expenditures				
Current:				
Public works	2,358,181	2,428,161	2,142,331	285,830
Total Expenditures	2,358,181	2,428,161	2,142,331	285,830
Excess (deficiency) of revenues over expenditures	(232,281)	(131,807)	147,112	278,919
Other financing sources (uses)				
Transfers in	220,529	180,529	180,529	-
Total Other Financing Sources (Uses)	220,529	180,529	180,529	-
Net Change in Fund Balances	(11,752)	48,722	327,641	278,919
Fund Balance - Beginning of Year	4,607,943	4,607,943	4,607,943	-
Fund Balance - End of Year	\$ 4,596,191	\$ 4,656,665	\$ 4,935,584	\$ 278,919

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone D Standard Landscaping Administration
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 1,195,900	\$ 989,327	\$ 991,716	\$ 2,389
Use of money and property	7,400	22,100	18,378	(3,722)
Miscellaneous	-	1,500	1,500	-
Total Revenues	1,203,300	1,012,927	1,011,594	(1,333)
Expenditures				
Current:				
Public works	926,769	977,769	955,798	21,971
Capital outlay	200,000	200,000	-	200,000
Total Expenditures	1,126,769	1,177,769	955,798	221,971
Excess (deficiency) of revenues over expenditures	76,531	(164,842)	55,796	220,638
Net Change in Fund Balances	76,531	(164,842)	55,796	220,638
Fund Balance - Beginning of Year	2,040,622	2,040,622	2,040,622	-
Fund Balance - End of Year	\$ 2,117,153	\$ 1,875,780	\$ 2,096,418	\$ 220,638

The notes to financial statements are an integral part of this statement.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018**

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 segments 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
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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.

Zone E Extensive Landscaping Administration accounts for the operations necessary to provide landscape maintenance of public landscaping in and around specific residential/commercial developments throughout the City.

Landscape Maintenance District No. 2014-02 provides the funding for the maintenance of public landscaping in defined zones throughout the City.

Zone D Standard Landscaping Administration accounts for the operations necessary to provide landscape maintenance in and around specific residential developments throughout the City.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 1 Summary of Significant Accounting Policies (Continued)

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, 2018, there were no funds 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 of resources. 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
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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.

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.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 1 Summary of Significant Accounting Policies (Continued)

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.

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 activities and 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.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 1 Summary of Significant Accounting Policies (Continued)

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.

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, 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
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 1 Summary of Significant Accounting Policies (Continued)

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 \$19,828,675

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 Comprehensive Annual Financial Report (CAFR), which are available at City Hall.

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 CAFR for details about fair value measurement disclosures.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 3 Capital Assets

The following is a summary of capital assets for governmental activities:

	Balances 7/1/2017	Additions	Deletions	Balances 6/30/2018
Non-Depreciable Assets:				
Land	\$ 779,584	\$ -	\$ -	\$ 779,584
Construction	1,006,624	3,625,698	(2,538,990)	2,093,332
Total Non-Depreciable Assets	<u>1,786,208</u>	<u>3,625,698</u>	<u>(2,538,990)</u>	<u>2,872,916</u>
Deprecible Assets				
Buildings and Improvements	57,478,414	2,450,062	-	59,928,476
Furniture and Equipment	3,277,891	88,928	-	3,366,819
Total Depreciable Assets	<u>60,756,305</u>	<u>2,538,990</u>	<u>-</u>	<u>63,295,295</u>
Less Accumulated Depreciation				
Buildings and Improvements	(40,125,553)	(1,723,129)	-	(41,848,682)
Furniture and Equipment	(1,514,207)	(249,244)	-	(1,763,451)
Total Accumulated Depreciation	<u>(41,639,760)</u>	<u>(1,972,373)</u>	<u>-</u>	<u>(43,612,133)</u>
Total Depreciable Assets, Net of				
Accumulated Depreciation	<u>19,116,545</u>	<u>566,617</u>	<u>-</u>	<u>19,683,162</u>
Total Capital Assets, Net of				
Accumulated Depreciation	<u>\$ 20,902,753</u>	<u>\$ 4,192,315</u>	<u>\$ (2,538,990)</u>	<u>\$ 22,556,078</u>

Depreciation expense was charged to functions/programs of the District as follows:
Governmental Activities:

Community and cultural \$ 1,972,373

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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 publicly 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 2 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, 2018, 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%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	29.892%	29.892%	29.892%

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous
Active Employees	306
Retired Employees	332
Inactive Employees	244

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.15%
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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 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
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 4 Pension Plans (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15% 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 7.15% 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 7.15% 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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Public Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
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
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 4 Pension Plans (Continued)

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, 2017	\$ 10,168,064
Changes in the year:	
Service Cost	579,119
Interest on the Total Pension Liability	1,897,064
Changes of Assumptions	1,611,520
Differences between Expected and Actual Experience	(78,931)
Net Plan to Plan Resource Movement	1,027
Contributions - Employer	(800,633)
Contributions - Employees	(233,762)
Net Investment Income	(1,816,791)
Administrative Expense	24,125
Net Changes	<u>1,182,738</u>
Balance at June 30, 2018	<u>\$ 11,350,802</u>

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

For the year ended June 30, 2018, the District recognized pension expense of \$468,988. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 909,122	\$ -
Changes of assumptions	991,705	7,618
Differences between expected and actual experiences	-	(112,031)
Net difference between projected and actual earnings on pension plan investments	81,435	(257,037)
	<u>\$ 1,982,262</u>	<u>\$ (361,450)</u>

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 4 Pension Plans (Continued)

The amount of \$909,122 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, 2019. 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	\$	128,077
2019	\$	161,048
2020	\$	25,264
2021	\$	(34,372)
Thereafter	\$	-

Note 5 Other Post-Employment Benefits (OPEB)

a. General Information about the Pension Plan

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 \$133 per month for 2018. PEMHCA amounts are adjusted on an annual basis.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 5 Other Post-Employment Benefits (OPEB) (Continued)

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:

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

Contributions

The City establishes contributions based on the Actuarially Determined Contribution (ADC). For the year ended June 30, 2018, the City's ADC contribution rate was 3.10% 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.

b. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016.

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.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 5 Other Post-Employment Benefits (OPEB) (Continued)

The total OPEB liability for the December 31, 2016 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	7.00% 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:

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.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 5 Other Post-Employment Benefits (OPEB) (Continued)

c. Change in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2017	\$ 881,237
Changes for the year:	
Service cost	57,097
Interest on the total OPEB liability	160,240
Contribution - employer	(129,364)
Net investment income	(59,070)
Administrative expense	731
Net Changes	29,634
Balance at June 30, 2018	\$ 910,871

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

For the year ended June 30, 2018, the District recognized OPEB expenses of \$105,491. At June 30, 2018, 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	\$ 29,674	\$ (60,665)

Note 6 Commitments and Contingencies

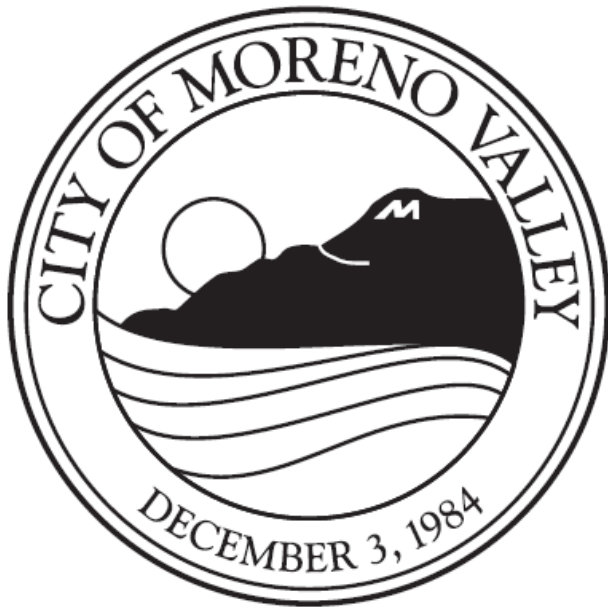
The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. The City of Moreno Valley established two Self-Insurance Funds (internal service funds) to account for and finance its uninsured risks of 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.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2018 (Continued)**

Note 7 Subsequent Events

The District has evaluated events subsequent to June 30, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 5, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.



**City of Moreno Valley, California
Community Services District**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue Funds		
	Lighting Maintenance District No. 2014-01	Zone C Arterial Street Lights Administration	Zone M Median
Assets			
Pooled cash and investments	\$ 236,267	\$ 331,731	\$ 779,743
Due from other governments	14,212	9,905	-
Total Assets	\$ 250,479	\$ 341,636	\$ 779,743
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 98,663	\$ 42,487	\$ 71,557
Total Liabilities	98,663	42,487	71,557
 Fund Balances			
Restricted for:			
Special zones	151,816	299,149	708,186
Total Fund Balances	151,816	299,149	708,186
 Total Liabilities and Fund Balances	 \$ 250,479	 \$ 341,636	 \$ 779,743

**City of Moreno Valley, California
Community Services District**

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

Special Revenue Funds		
Zone S		
CFD No. 1	Sunnymead Boulevard Maintenance	Total Nonmajor Governmental Funds
\$ 671,647	\$ 97,330	\$ 2,116,718
18,800	-	42,917
\$ 690,447	\$ 97,330	\$ 2,159,635
\$ 37,067	\$ 6,890	\$ 256,664
37,067	6,890	256,664
653,380	90,440	1,902,971
653,380	90,440	1,902,971
\$ 690,447	\$ 97,330	\$ 2,159,635

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**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018**

	Special Revenue Funds		
	Lighting Maintenance District No. 2014-01	Zone C Arterial Street Lights Administration	Zone M Median
Revenues			
Taxes:			
Property taxes	\$ 125,528	\$ 229,763	\$ -
Other taxes	-	423,584	-
Fees and charges for services	949,937	7,440	99,314
Use of money and property	198	(2,228)	3,952
Miscellaneous	-	-	1,376
Total Revenues	1,075,663	658,559	104,642
Expenditures			
Current:			
Community and cultural	-	-	-
Public works	1,447,170	797,338	238,621
Total Expenditures	1,447,170	797,338	238,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	(371,507)	(138,779)	(133,979)
Other Financing Sources (Uses)			
Transfers In	-	145,000	178,500
Total Other Financing Sources (Uses)	-	145,000	178,500
Net Change in Fund Balances	(371,507)	6,221	44,521
Fund Balances - Beginning of Year	523,323	292,928	663,665
Fund Balances - End of Year	\$ 151,816	\$ 299,149	\$ 708,186

**City of Moreno Valley, California
Community Services District**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018**

Special Revenue Funds			
CFD No. 1	Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ 355,291	Revenues
1,193,914	-	1,617,498	Taxes:
25,899	34,582	1,117,172	Property taxes
(976)	519	1,465	Other taxes
-	-	1,376	Fees and charges for services
1,218,837	35,101	3,092,802	Use of money and property
			Miscellaneous
			Total Revenues
			Expenditures
			Current:
1,215,682	-	1,215,682	Community and cultural
-	56,654	2,539,783	Public works
1,215,682	56,654	3,755,465	Total Expenditures
			Excess (Deficiency) of Revenues Over (Under) Expenditures
<u>3,155</u>	<u>(21,553)</u>	<u>(662,663)</u>	
			Other Financing Sources (Uses)
-	-	323,500	Transfers In
<u>-</u>	<u>-</u>	<u>323,500</u>	Total Other Financing Sources (Uses)
3,155	(21,553)	(339,163)	Net change in Fund Balances
650,225	111,993	2,242,134	Fund Balances - Beginning of Year
\$ 653,380	\$ 90,440	\$ 1,902,971	Fund Balances - End of Year

City of Moreno Valley, California
Community Services District

Budgetary Comparison Statement
Lighting Maintenance District No. 2014-01
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 91,200	\$ 91,200	\$ 125,528	\$ 34,328
Fees and charges for services	953,700	949,880	949,937	57
Use of money and property	2,500	4,500	198	(4,302)
Total Revenues	1,047,400	1,045,580	1,075,663	30,083
Expenditures				
Current:				
Public works	1,524,949	1,534,724	1,447,170	87,554
Total Expenditures	1,524,949	1,534,724	1,447,170	87,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	(477,549)	(489,144)	(371,507)	117,637
Other Financing Sources (Uses):				
Transfers In	500,000	-	-	-
Total Other Financing Sources (Uses)	500,000	-	-	-
Net Change in Fund Balances	22,451	(489,144)	(371,507)	117,637
Fund Balance - Beginning of Year	523,323	523,323	523,323	-
Fund Balance - End of Year	\$ 545,774	\$ 34,179	\$ 151,816	\$ 117,637

City of Moreno Valley, California
Community Services District

Budgetary Comparison Statement
Zone C Arterial Street Lights Administration
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 150,200	\$ 150,200	\$ 229,763	\$ 79,563
Other taxes	423,200	422,990	423,584	594
Fees and charges for services	10,000	10,000	7,440	(2,560)
Use of money and property	2,900	2,900	(2,228)	(5,128)
Total Revenues	586,300	586,090	658,559	72,469
Expenditures				
Current:				
Public works	865,014	875,014	797,338	77,676
Total Expenditures	865,014	875,014	797,338	77,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	(278,714)	(288,924)	(138,779)	150,145
Other Financing Sources (Uses):				
Transfers In	325,000	145,000	145,000	-
Total Other Financing Sources (Uses)	325,000	145,000	145,000	-
Net Change in Fund Balances	46,286	(143,924)	6,221	150,145
Fund Balance - Beginning of Year	292,928	292,928	292,928	-
Fund Balance - End of Year	\$ 339,214	\$ 149,004	\$ 299,149	\$ 150,145

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone M Median
Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees and charges for services	\$ 113,800	\$ 99,767	\$ 99,314	\$ (453)
Use of money and property	1,100	5,600	3,952	(1,648)
Miscellaneous	-	-	1,376	1,376
Total Revenues	<u>114,900</u>	<u>105,367</u>	<u>104,642</u>	<u>(725)</u>
Expenditures				
Current:				
Public works	209,652	266,752	238,621	28,131
Capital outlay	50,000	50,000	-	50,000
Total Expenditures	<u>259,652</u>	<u>316,752</u>	<u>238,621</u>	<u>78,131</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(144,752)</u>	<u>(211,385)</u>	<u>(133,979)</u>	<u>77,406</u>
Other Financing Sources (Uses):				
Transfers In	108,500	178,500	178,500	-
Total Other Financing Sources (Uses)	<u>108,500</u>	<u>178,500</u>	<u>178,500</u>	<u>-</u>
Net Change in Fund Balances	<u>(36,252)</u>	<u>(32,885)</u>	<u>44,521</u>	<u>77,406</u>
Fund Balance - Beginning of Year	663,665	663,665	663,665	-
Fund Balance - End of Year	<u>\$ 627,413</u>	<u>\$ 630,780</u>	<u>\$ 708,186</u>	<u>\$ 77,406</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
CFD No. 1
Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Other taxes	\$ 1,195,041	\$ 1,195,041	\$ 1,193,914	\$ (1,127)
Fees and charges for services	26,000	26,000	25,899	(101)
Use of money and property	1,500	1,500	(976)	(2,476)
Total Revenues	<u>1,222,541</u>	<u>1,222,541</u>	<u>1,218,837</u>	<u>(3,704)</u>
Expenditures				
Current:				
Community and cultural	1,331,234	1,331,234	1,215,682	115,552
Total Expenditures	<u>1,331,234</u>	<u>1,331,234</u>	<u>1,215,682</u>	<u>115,552</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,693)</u>	<u>(108,693)</u>	<u>3,155</u>	<u>111,848</u>
Net Change in Fund Balances	<u>(108,693)</u>	<u>(108,693)</u>	<u>3,155</u>	<u>111,848</u>
Fund Balance - Beginning of Year	650,225	650,225	650,225	-
Fund Balance - End of Year	<u>\$ 541,532</u>	<u>\$ 541,532</u>	<u>\$ 653,380</u>	<u>\$ 111,848</u>

**City of Moreno Valley, California
Community Services District**

**Budgetary Comparison Statement
Zone S Sunnymead Boulevard Maintenance
For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees and charges for services	\$ 59,000	\$ 59,575	\$ 34,582	\$ (24,993)
Use of money and property	600	1,100	519	(581)
Total Revenues	<u>59,600</u>	<u>60,675</u>	<u>35,101</u>	<u>(25,574)</u>
Expenditures				
Current:				
Public works	66,470	66,470	56,654	9,816
Total Expenditures	<u>66,470</u>	<u>66,470</u>	<u>56,654</u>	<u>9,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,870)</u>	<u>(5,795)</u>	<u>(21,553)</u>	<u>(15,758)</u>
Net Change in Fund Balances	<u>(6,870)</u>	<u>(5,795)</u>	<u>(21,553)</u>	<u>(15,758)</u>
Fund Balance - Beginning of Year	111,993	111,993	111,993	-
Fund Balance - End of Year	<u>\$ 105,123</u>	<u>\$ 106,198</u>	<u>\$ 90,440</u>	<u>\$ (15,758)</u>

