

CITY OF
MORENO VALLEY
CALIFORNIA, USA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

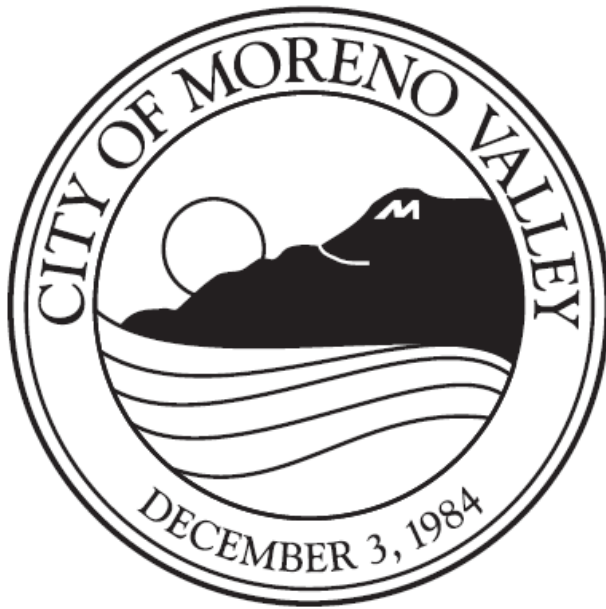


FISCAL YEAR ENDED JUNE 30, 2019

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Prepared by the City of Moreno Valley Financial & Management Services Department

**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019**

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Introductory Section



COMPREHENSIVE **ANNUAL** FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

December 10, 2019

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, 2019.

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, 2019. 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 208,297 continues to be the second largest city in Riverside County.

During the 2018/19 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 infrastructure, economic development, library, an electric utility which primarily serves the newly developed areas of the City, parks, and a wide range of community recreation and youth 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 adopts a final budget no later than June 30th. The City's fiscal year is July 1st through June 30th. The City Council is updated on the City's financial condition through the process of quarterly budget reviews, which contain amendments as needed to update revenues 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 and over 20,000 jobs have been created in the last six years.

Following employment growth within the City, wage growth has also seen a 7% annual growth rate along with average household income increasing to \$78,090 in 2019 or nearly a 25% growth rate since 2015.

The City continues to look forward to ongoing growth with 7 million of square feet of industrial space under construction in 2018. This is in addition to the previously approved World Logistics Center, which would be the largest industrial park in California with 40.6 million square feet of development over 2,600 acres of land and projected to produce an estimated 20,000 new jobs.

The ongoing growth and development has had other positive impacts to the community with the residential market showing strong growth over the last year with a 10% annual increase in average home value to over \$337,000. This has also driven the demand for additional housing and the City now has more than 4,100 single family units approved, entitled or under construction along with more than 2,300 multifamily units approved, entitled or under construction.

Long-term financial planning: In May 2019, the City Council approved a two year Operating Budget for fiscal years 2019/2020 and 2020/2021 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. In June 2019, the City Council approved a two-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 continues to prepare for the future, enhancing 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 best 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.

While Moreno Valley's fiscal position remains strong, the City is keeping a watchful eye on areas of concern such as the potential for slower economic growth and increased costs for public safety services provided by Riverside County. As the City continues to add residents, infrastructure and service needs will also grow as new facilities and roadways are constructed to meet community needs. Through financial management, the City will continue to focus on financial stability and community quality of life, despite state and federal policies that potentially affect the funding Moreno Valley and other California cities receive.

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, 2018. This was the twenty first 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 fourth consecutive award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ended June 30, 2018. 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, 2019

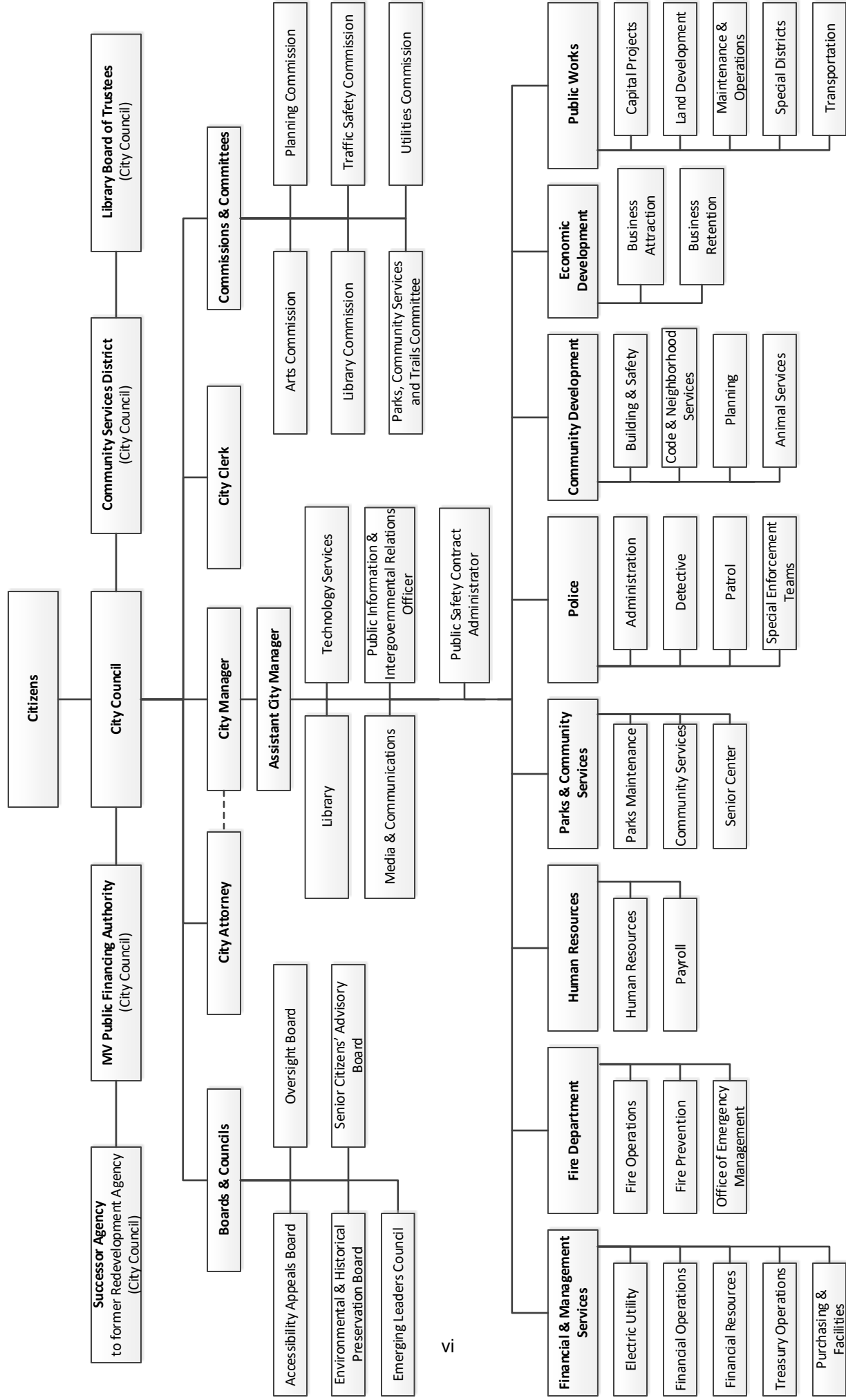
CITY COUNCIL

Dr. Yxstian Gutierrez, Mayor
Victoria Baca, Mayor Pro Tem
Dr. Carla J. Thornton, 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
Dave Lelevier, Acting Police Chief

City of Moreno Valley Organization Chart





Government Finance Officers Association

Certificate of
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for Excellence
in Financial
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Presented to

**City of Moreno Valley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

Financial Section



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Neighborhood Stabilization Grant 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 99 through 103 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.

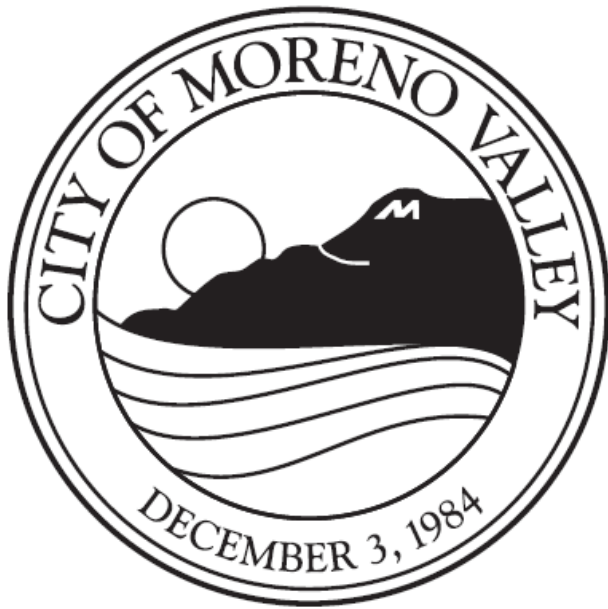


Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 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 10, 2019**



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, 2019. 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 \$1.06 billion (net position) at June 30, 2019.
- In the Government-wide - Statement of Net Position: The City’s total net position increased \$14.8 million for fiscal year 2018-2019 mainly due to increase in current assets.
- In the Governmental Fund – Balance Sheet: The General Fund had an end of year fund balance of \$65.7 million. Unassigned fund balance increased \$2.4 million to \$22.1 million. Additionally, fund balance for reserves increased \$4.2 million as the City maintains adequate reserve levels in compliance with City Council adopted policy.
- For business-type activities: Revenues exceeded expenses by \$3.1 million. Outstanding debt increased by \$22.4 million as a direct result of our expansion of our electric utility infrastructure.

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 Neighborhood Stabilization Grant, 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.

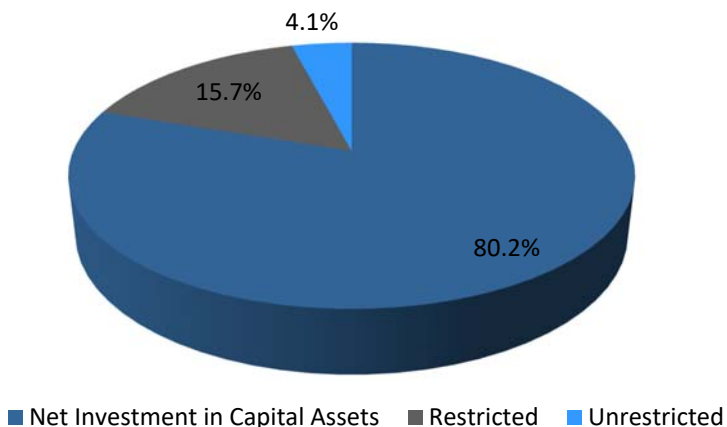
Financial Analysis of the Government-wide Statements

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, 2019. Comparative data from fiscal year ended June 30, 2018 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, 2019 was \$1.06 billion.

City of Moreno Valley’s Net Position



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

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 269,745	\$ 288,255	\$ 18,368	\$ 37,150	\$ 288,113	\$ 325,405
Capital assets	888,586	872,422	57,145	68,629	945,731	941,051
Total Assets	<u>1,158,331</u>	<u>1,160,677</u>	<u>75,513</u>	<u>105,779</u>	<u>1,233,844</u>	<u>1,266,456</u>
Deferred outflows of resources	14,926	10,591	6,909	5,542	21,835	16,133
Current liabilities	29,690	30,845	5,140	7,529	34,830	38,374
Long-term liabilities	137,246	123,046	38,698	59,585	175,944	182,631
Total Liabilities	<u>166,936</u>	<u>153,891</u>	<u>43,838</u>	<u>67,114</u>	<u>210,774</u>	<u>221,005</u>
Deferred inflows of resources	1,521	3,354	(4)	59	1,517	3,413
Net investment in capital assets	837,174	823,200	20,959	25,289	858,133	848,489
Restricted	146,937	160,307	5,461	6,126	152,398	166,433
Unrestricted	20,689	30,516	12,168	12,733	32,857	43,249
Total Net Position	<u>\$ 1,004,800</u>	<u>\$ 1,014,023</u>	<u>\$ 38,588</u>	<u>\$ 44,148</u>	<u>\$ 1,043,388</u>	<u>\$ 1,058,171</u>

Total net position of the City of Moreno Valley increased by 1.4% from \$1.04 billion at June 30, 2018 to \$1.06 billion at June 30, 2019. The City's unrestricted fund balance increased \$10.4 million to \$43.2 million. Total assets increased \$32.6 million and total liabilities increased \$10.3 million.

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

Governmental Activities

Total assets increased \$2.3 million primarily due to an increase of \$18.5 million in current and other assets offset by a decrease in capital assets of \$16.2 million.

The current year capital asset additions of \$34.9 million were offset by current year depreciation expenses of \$33.7 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$17.3 million for a net decrease of \$16.1 million.

Current liabilities increased \$1.2 million primarily due to an increase in accounts payable. Total liabilities decreased \$13.0 million due to decrease in net pension and OPEB liability at June 30, 2019. See Note 8 and Note 9 of Notes to the Financial Statements for more information.

Net investment in capital assets decreased \$14.0 million as a direct result of depreciation expense as assets deplete during the useful life cycle.

Restricted net position increased by \$13.4 million as funds are committed and programmed mostly in the areas of community development, public works and infrastructure.

Business-type Activities

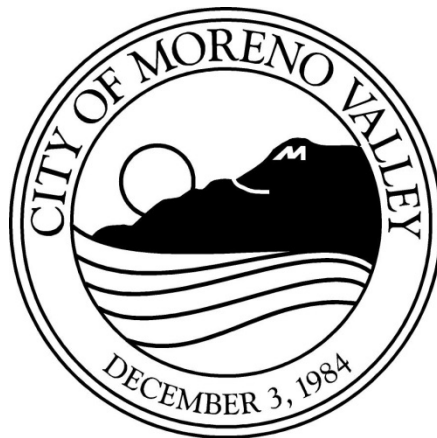
Current and other assets of business-type activities increased \$18.8 million over last year. This was primarily due to over \$15.4 million on hand of unspent bond proceeds for infrastructure projects under construction as of June 30, 2019.

Capital assets had a net increase of \$11.5 million during the fiscal year. Capital asset additions included the purchase of streetlights as well as investment in additional electric utility infrastructure. More capital asset information is located in Note 5 to the financial statements.

Total liabilities increased \$23.3 million primarily due to an increase in long term debt at June 30, 2019. More long term debt information is located in Note 6 to the financial statements.

Net investment in capital assets increased \$4.3 million as a direct result of the addition of the capital assets mentioned above.

Unrestricted net position increased only slightly at \$0.6 million during the year primarily due to increase in current and other assets.



Analysis of the Changes in Net Position

Total government-wide revenues increased \$11.3 million, a 5.5% increase from the prior year, while total expenses increased \$6.1 million, a 3.1% 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, 2019. Comparative data from fiscal year ended June 30, 2018 is also presented.

Changes in Net Position (\$000's)

	Governmental		Business-type		Totals	
	2018	2019	2018	2019	2018	2019
Revenues						
Program Revenues:						
Charges for services	\$ 35,065	\$ 36,487	\$ 31,443	\$ 31,074	\$ 66,508	\$ 67,561
Operating contributions and grants	21,856	23,933	-	-	21,856	23,933
Capital contributions and grants	15,592	15,438	3,099	2,496	18,691	17,934
General Revenues:						
Property tax	19,746	20,940	-	-	19,746	20,940
Property tax in lieu	18,406	19,578	-	-	18,406	19,578
Transient occupancy tax	2,344	2,433	-	-	2,344	2,433
Sales tax	19,192	21,209	-	-	19,192	21,209
Franchise tax fees	5,680	5,969	-	-	5,680	5,969
Business license tax	2,352	2,451	-	-	2,352	2,451
Utility users tax	15,629	15,484	-	-	15,629	15,484
Franchise in lieu of taxes	620	617	-	-	620	617
Documentary transfer tax	768	833	-	-	768	833
Other taxes	6,679	6,892	-	-	6,679	6,892
Use of money and property	6,167	9,725	47	504	6,214	10,229
Miscellaneous	1,041	999	294	232	1,335	1,231
Total Revenues	<u>171,137</u>	<u>182,988</u>	<u>34,883</u>	<u>34,306</u>	<u>206,020</u>	<u>217,294</u>
Expenses:						
General government	17,866	17,692	-	-	17,866	17,692
Public safety	62,932	62,283	-	-	62,932	62,283
Community and economic development	16,128	17,644	-	-	16,128	17,644
Community and cultural	23,159	23,653	-	-	23,159	23,653
Public works	47,834	50,392	-	-	47,834	50,392
Interest and fiscal charges	2,201	2,106	-	-	2,201	2,106
Electric	-	-	26,287	28,741	26,287	28,741
Total Expenses	<u>170,120</u>	<u>173,770</u>	<u>26,287</u>	<u>28,741</u>	<u>196,407</u>	<u>202,511</u>
Excess before transfers	1,017	9,218	8,596	5,565	9,613	14,783
Transfers	300	5	(300)	(5)	-	-
Change in Net Position	1,317	9,223	8,296	5,560	9,613	14,783
Net Position Beginning of Year	1,003,483	1,004,800	30,292	38,588	1,033,775	1,043,388
Net Position End of Year	<u>\$ 1,004,800</u>	<u>\$ 1,014,023</u>	<u>\$ 38,588</u>	<u>\$ 44,148</u>	<u>\$ 1,043,388</u>	<u>\$ 1,058,171</u>

Governmental Activities

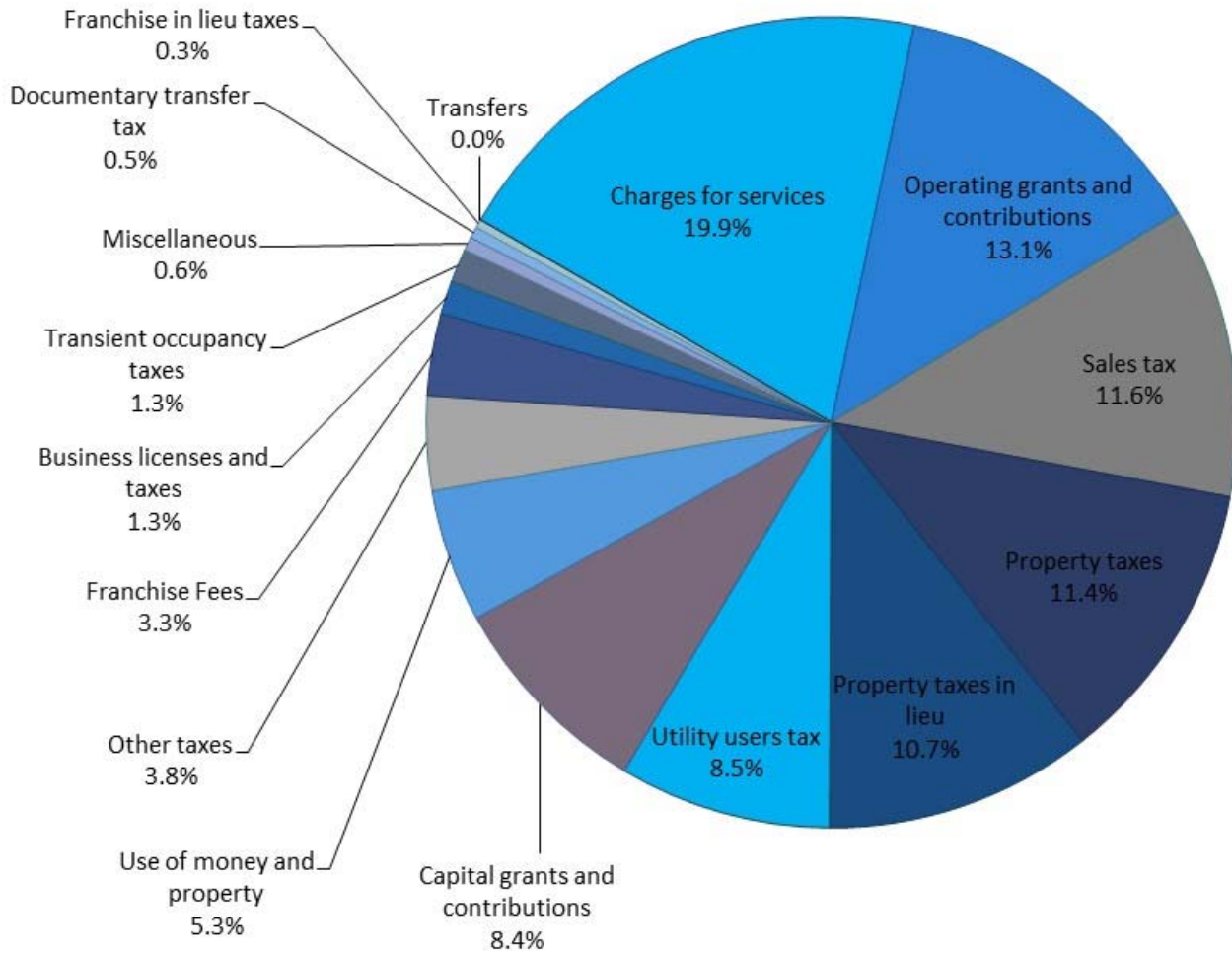
The City's governmental revenues increased \$11.9 million, a 6.9% increase from the prior year, and total expenses increased \$3.7 million, a 2.2% increase. The following discusses the changes in more detail.

Revenue

Program revenues increased \$3.3 million primarily as a result of increased charges for services of \$1.4 million and increased operating grants and contributions of \$2.1 million which were offset by decreased capital grants and contributions of \$0.2 million.

General revenues increased \$8.5 million primarily due to an increase in property taxes of \$2.4 million, sales tax of \$2.0 million and an increase in use of money and property of \$3.6 million.

**Revenues by Source – Governmental Activities
For the year ended June 30, 2019**



Expense

Total governmental expenses increased by \$3.7 million. This increase is primarily due to increased public works expenses of \$2.6 million and increased community and economic development expenses of \$1.5 million.

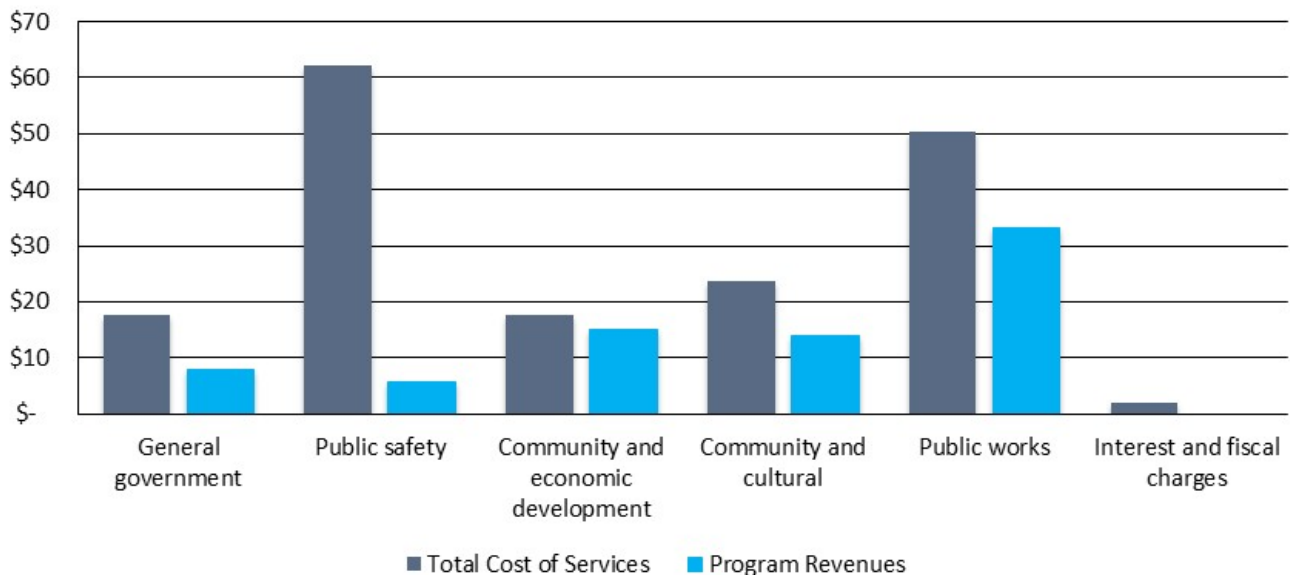
The following table presents the cost of each of the six major program categories, and identifies each program's *net cost* (total cost less revenues generated by the activities). The net cost is the amount paid for by general revenue sources that are generated by all City taxpayers. As illustrated, program revenues recovered \$75.9 million of the cost of providing these services.

Governmental Activities - Net Cost of Services For the year ended June 30, 2019

	Total Cost of Services	Net Cost of Services
General government	\$ 17,692,328	\$ (9,920,491)
Public safety	62,282,794	(56,629,972)
Community and economic development	17,643,399	(2,498,302)
Community and cultural	23,653,269	(9,633,970)
Public works	50,392,109	(17,122,853)
Interest and fiscal charges	2,106,238	(2,106,238)
TOTAL	<u>\$ 173,770,137</u>	<u>\$ (97,911,826)</u>

The City paid for the remaining public benefit portion of these governmental activities with \$107.1 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, 2019 (in millions)



Business-type Activities

The City's business-type activities include the activities of the Electric Utility. Total revenues for business-type activities decreased \$0.6 million from the prior year or 1.7%. Total expenses increased \$2.5 million or 9.3%. The following discusses the changes in more detail.

Revenue

Total revenues decreased \$0.6 million from prior year primarily due to a decrease in capital contributions and grants of \$0.6 million.

Expenses

Expenses in the Electric Utility increased \$2.5 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.

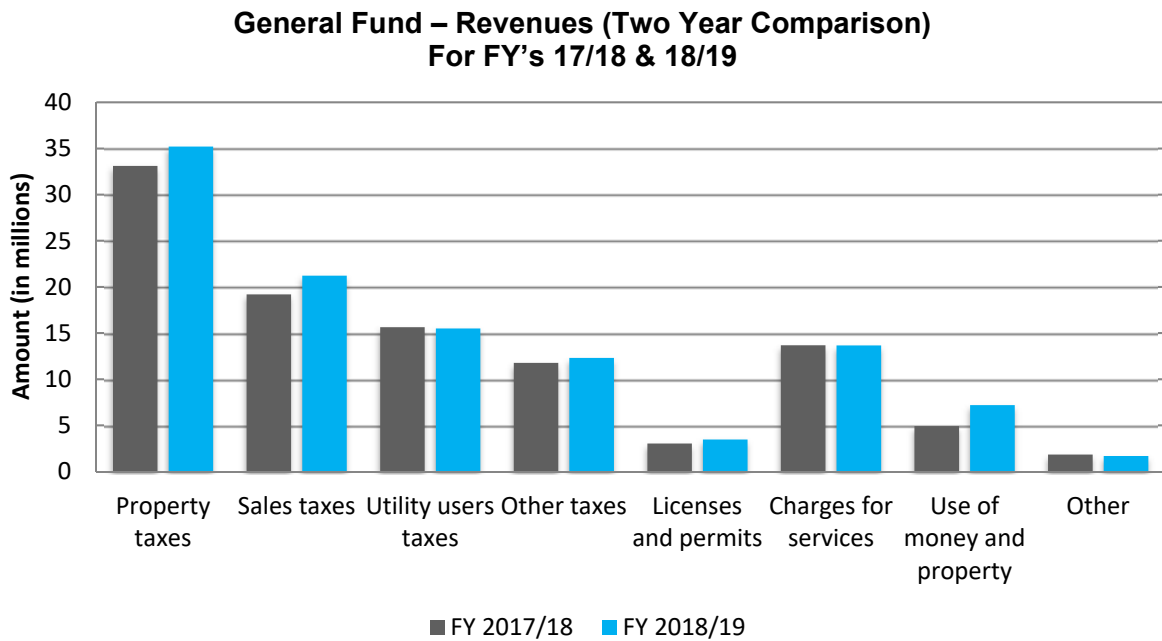
Total fund balances presented in the governmental funds balance sheet are \$196.5 million, with the General Fund representing \$65.7 million, or 33.5% of the total. The City's General Fund has unassigned fund balance of \$22.1 million.

General Fund Financial Results

The General Fund was anticipated to have a net decrease in fund balance of \$0.5 million. Actual results increased the total fund balance by \$10.0 million, \$10.5 million more than anticipated. Actual results realized an expenditure reduction of \$9.5 million primarily related to capital outlay purchases delayed to next year and current expenditure savings. The operating reserve increased \$2.3 million to \$13.4 million and the economic uncertainty reserve increased \$1.9 million to \$11.2 million. These reserves are maintained at adequate levels per the City Council adopted policy to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, major emergencies, or a catastrophic event.

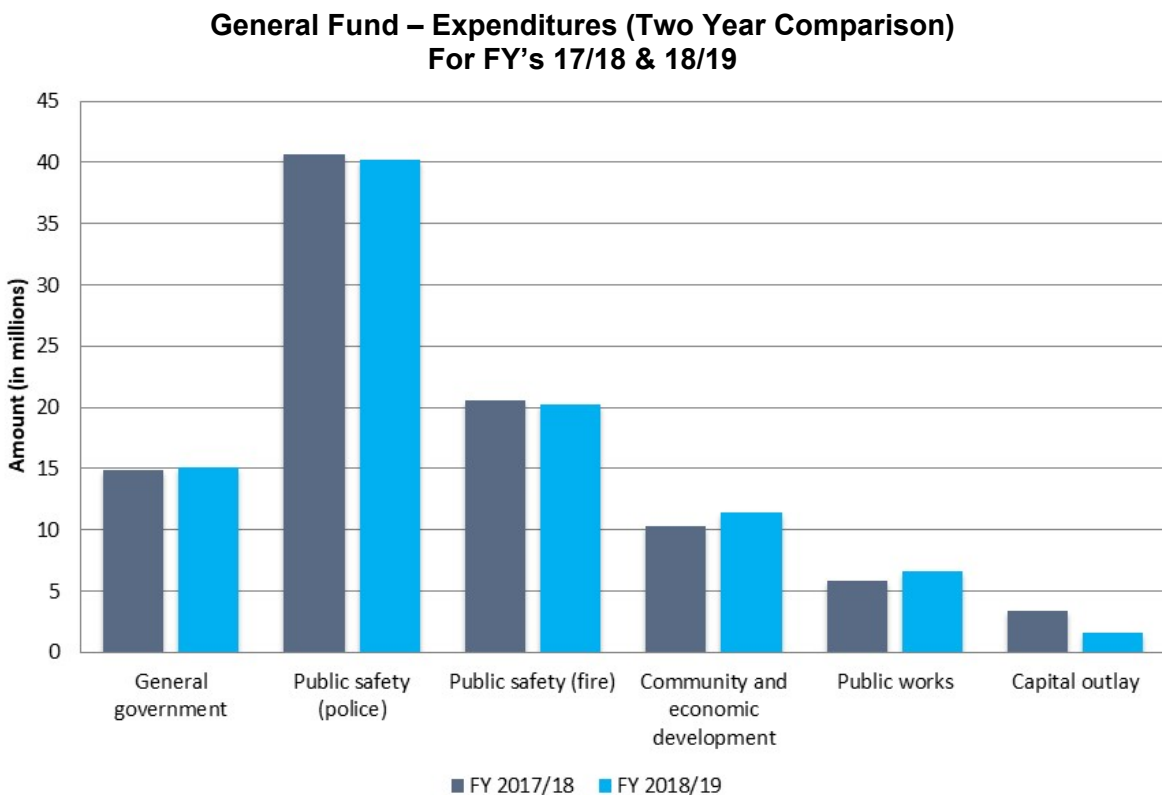
General Fund tax revenues were \$1.4 million more and fees or services were \$0.5 million more than anticipated. Additionally, use of money and property was \$3.0 million more than anticipated primarily due to the GASB 31 fair value adjustment of our investments; however, a decrease in licenses and permits of \$1.2 million and a decrease of \$3.3 million for transfers largely offset those gains.

The following graph presents a comparison of each General Fund revenue source for the fiscal years ended June 30, 2018 and 2019.



General Fund actual expenditures were \$9.5 million less than the final budget. The major contributor to this result was in large part due to \$6.7 million of current expenditure savings in combination the unanticipated delay of capital outlay of \$2.8 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, 2018 and 2019.



Other Major Fund Financial Results

The fund balance of the Neighborhood Stabilization Grant Special Revenue Fund remained stable with only a slight change. This fund accounts for the grant allocation received by the City from the U.S. Department of Housing and Urban Development to address the affordable housing needs of our community.

The fund balance of the Development Impact Fees Special Revenue Fund increased by \$2.2 million over FY 2017-18. 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 \$1.4 million over FY 2017-18 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 \$2.5 million along with \$0.6 million of unanticipated property tax revenues.

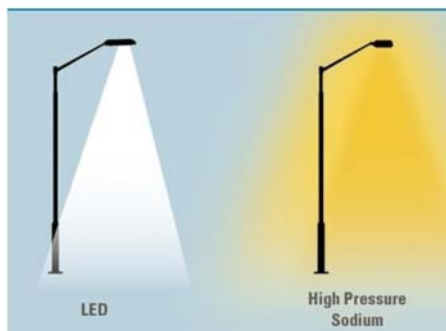
The fund balance of the Housing Authority Fund increased \$1.3 million over FY 2017-18. This fund accounts for the housing assets as a result of the dissolution of the redevelopment agency of the City. In FY 2018-19 the fund balance increased primarily due to gains from land held for resale.

Capital Asset and Debt Administration

Capital Assets

At the end of FY 2018-19, the City's governmental activities had \$1.4 billion (\$872.4 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 \$34.9 million were offset by current year depreciation expense of \$33.7 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$17.3 million for a net decrease of \$16.1 million. This decrease is primarily attributed to the retirement of machinery, equipment, and vehicles along with the recognition of depreciation expense.

At June 30, 2019, the City's business-type activities had \$80.5 million (\$68.6 million net of accumulated depreciation) invested in capital assets, primarily utility infrastructure. The current year capital asset additions of \$18.7 million were offset by current depreciation expense of \$1.8 million and asset retirements (including transfers out from Capital Improvement Projects) net of accumulated depreciation of \$5.4 million for a net increase of \$11.5 million. This increase was primarily the result of the construction of two crosstown ties, the purchase of over 9,400 streetlights and the retrofit of over 11,000 streetlights with LED fixtures.



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

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2018	2019	2018	2019	2018	2019	
Land	\$ 310,197	\$ 305,081	\$ 1,729	\$ 1,729	\$ 311,926	\$ 306,810	-1.6%
Buildings and Improvements	146,893	149,250	-	-	146,893	149,250	1.6%
Machinery and Equipment	20,205	19,221	1,105	1,105	21,310	20,326	-4.6%
Vehicles	12,032	11,338	-	-	12,032	11,338	-5.8%
Construction in progress	18,515	16,833	4,563	10,935	23,078	27,768	20.3%
Infrastructure	877,523	896,131	59,925	66,732	937,448	962,863	2.7%
	<u>1,385,365</u>	<u>1,397,854</u>	<u>67,322</u>	<u>80,501</u>	<u>1,452,687</u>	<u>1,478,355</u>	1.8%
Accumulated Depreciation	(496,779)	(525,432)	(10,177)	(11,872)	(506,956)	(537,304)	6.0%
Net Capital Assets	<u>\$ 888,586</u>	<u>\$ 872,422</u>	<u>\$57,145</u>	<u>\$68,629</u>	<u>\$ 945,731</u>	<u>\$ 941,051</u>	-0.5%

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

- Moreno Valley Community Park Skate Park
- Citywide Safe Routes to School Pedestrian Facility Improvements
- Alessandro Blvd at Chagall Court and Graham Street
- City Hall Solar Carports
- Cycle 7 ADA Pedestrian Access Ramps
- 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 Pavement Rehabilitation Program for Various Streets – FY 18/19
- Alessandro Blvd. and Grant Street Traffic Signal
- ADA Improvements at City Facilities
- Citywide Pavement Rehabilitation Program - FY 18/19 SB1 Funded Segments
- State Route 60/World Logistics Center Parkway Interchange
- Liberty Lane Improvements

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

- Civic Center Amphitheatre and Park
- State Route 60/Moreno Beach Drive Interchange – Phase 2
- Moreno Townsite Area Storm Drain and Street Improvements
- Juan Bautista De Anza Multi-Use Trail
- Citywide Pavement Rehabilitation Program for Various Streets – FY 19/20
- ITS Deployment Phase 1B

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

Long-term Debt

At year-end, the City's governmental activities had \$130.2 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, 2019	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Direct Placements		
Private placement	\$ 1,245,000	\$ -
Capital leases	-	8,110,892
Other Debt		
Lease revenue bonds	29,630,276	50,502,630
Certificates of participation	18,347,041	-
Compensated absences	6,460,218	295,438
Net pension and OPEB liability	72,477,086	2,068,668
Self-insurance claims and judgments	2,007,000	-
	<u>\$ 130,166,621</u>	<u>\$ 60,977,628</u>

Additional information on the City's long-term debt can be found in Note 6, Note 8, Note 9 and Note 11 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, 2019, it is important for the City's financial management to report on current issues affecting the City and their economic impact on FY 2018-19 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 208,297 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 2018-19 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 as more than 20,000 new jobs have been created in the past six years. 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 businesses 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 FY 2018-19 the City's credit rating of A positive was affirmed with a positive outlook by Standard & Poor's. A key factor in achieving and maintaining the strong rating is 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, 2019

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Current Assets:			
Pooled cash and investments (note 3)	\$ 198,732,556	\$ 17,354,929	\$ 216,087,485
Receivables:			
Accounts	2,701,422	3,850,051	6,551,473
Notes and loans (note 4)	46,483,445	-	46,483,445
Note to Successor Agency (note 4)	12,516,341	-	12,516,341
Interest	4,214,413	-	4,214,413
Prepaid costs	353,079	25,251	378,330
Due from other governments	15,564,966	-	15,564,966
Inventories	27,661	417,905	445,566
Land held for resale	7,656,395	-	7,656,395
Restricted assets:			
Cash with fiscal agents (note 3)	4,343	15,501,854	15,506,197
Total Current Assets	288,254,621	37,149,990	325,404,611
Noncurrent Assets:			
Capital assets - not being depreciated (note 5)	321,914,041	12,664,314	334,578,355
Capital assets - net of accumulated depreciation (note 5)	550,507,754	55,964,983	606,472,737
Total Noncurrent Assets	872,421,795	68,629,297	941,051,092
Total Assets	1,160,676,416	105,779,287	1,266,455,703
Deferred Outflows of Resources			
Deferred outflows related to pensions (note 8)	9,554,261	360,121	9,914,382
Deferred outflows related to OPEB (note 9)	1,037,591	34,585	1,072,176
Deferred outflows - Utility Network	-	5,146,841	5,146,841
Total Deferred Outflows of Resources	10,591,852	5,541,547	16,133,399
LIABILITIES			
Current Liabilities:			
Accounts payable	20,615,055	4,215,929	24,830,984
Accrued liabilities	1,577,505	-	1,577,505
Accrued interest	297,545	456,951	754,496
Unearned revenue	1,232,531	25,980	1,258,511
Deposits payable	-	1,437,899	1,437,899
Due to other governments	1,557	-	1,557
Compensated absences payable (note 6)	3,876,130	177,263	4,053,393
Claims and judgments payable (note 11)	943,000	-	943,000
Long term debt - net of unamortized premium (note 6)	2,301,250	1,215,243	3,516,493
Total Current Liabilities	30,844,573	7,529,265	38,373,838
Noncurrent Liabilities:			
Compensated absences payable (note 6)	2,584,088	118,175	2,702,263
Claims and judgments payable (note 11)	1,064,000	-	1,064,000
Long term debt - net of unamortized premium (note 6)	46,921,067	57,398,279	104,319,346
Net pension liability (note 8)	66,253,697	1,838,570	68,092,267
Net OPEB liability (note 9)	6,223,389	230,098	6,453,487
Total Noncurrent Liabilities	123,046,241	59,585,122	182,631,363
Total Liabilities	153,890,814	67,114,387	221,005,201
Deferred Inflows of Resources			
Deferred inflows related to pensions (note 8)	2,532,168	28,004	2,560,172
Deferred inflows related to OPEB (note 9)	822,150	30,517	852,667
Total Deferred Inflows of Resources	3,354,318	58,521	3,412,839
Net Position			
Net investment in capital assets	823,199,477	25,289,496	848,488,973
Restricted for:			
Expendable:			
Community development projects	72,126,493	-	72,126,493
Public safety	618,440	-	618,440
Community and cultural	20,259,407	-	20,259,407
Public works	30,865,686	-	30,865,686
Capital projects	28,726,783	-	28,726,783
Debt service	6,023,401	-	6,023,401
Permanent fund	48,745	-	48,745
Water quality	1,350,421	-	1,350,421
Public purpose programs	-	6,125,796	6,125,796
Nonexpendable	288,098	-	288,098
Unrestricted	30,516,185	12,732,634	43,248,819
Total Net Position	\$ 1,014,023,136	\$ 44,147,926	\$ 1,058,171,062

See notes to financial statements

City of Moreno Valley, California

Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 17,692,328	\$ 7,531,941	\$ 235,088	\$ 4,808
Public safety	62,282,794	3,726,879	1,925,943	-
Community and economic development	17,643,399	14,891,509	253,588	-
Community and cultural	23,653,269	5,527,271	8,492,028	-
Public works	50,392,109	4,809,398	13,026,677	15,433,181
Interest and fiscal charges	2,106,238	-	-	-
Total Governmental Activities	173,770,137	36,486,998	23,933,324	15,437,989
Business-Type Activities:				
Electric	28,740,920	31,074,323	-	2,496,022
Total Business-Type Activities	28,740,920	31,074,323	-	2,496,022
Total Primary Government	\$ 202,511,057	\$ 67,561,321	\$ 23,933,324	\$ 17,934,011

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

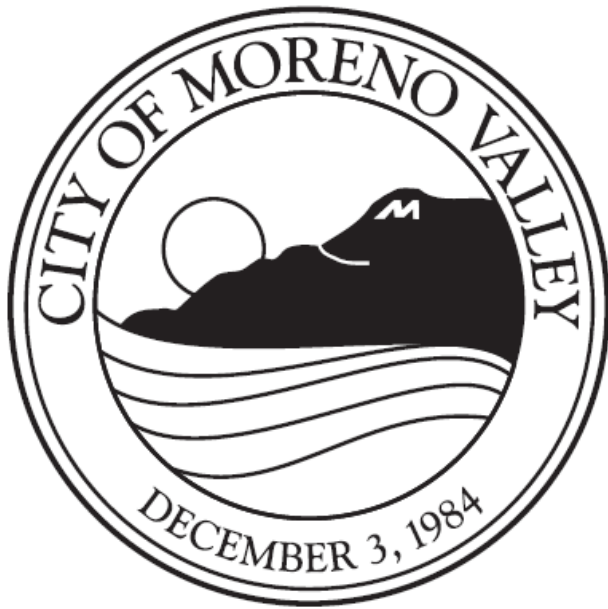
Net Position - End of Year

See notes to financial statements

City of Moreno Valley, California

Statement of Activities
For the Year Ended June 30, 2019

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Functions/Programs
			Primary government:
			Governmental Activities:
\$ (9,920,491)	\$ -	\$ (9,920,491)	General government
(56,629,972)	-	(56,629,972)	Public safety
(2,498,302)	-	(2,498,302)	Community and economic development
(9,633,970)	-	(9,633,970)	Community and cultural
(17,122,853)	-	(17,122,853)	Public works
(2,106,238)	-	(2,106,238)	Interest and fiscal charges
(97,911,826)	-	(97,911,826)	Total Governmental Activities
			Business-Type Activities:
			Electric
-	4,829,425	4,829,425	
-	4,829,425	4,829,425	Total Business-Type Activities
(97,911,826)	4,829,425	(93,082,401)	Total Primary Government
			General Revenues:
			Taxes:
20,939,920	-	20,939,920	Property taxes
19,577,636	-	19,577,636	Property taxes in lieu
2,433,358	-	2,433,358	Transient occupancy taxes
21,208,442	-	21,208,442	Sales taxes
5,968,690	-	5,968,690	Franchise taxes
2,451,260	-	2,451,260	Business license taxes
15,483,806	-	15,483,806	Utility users taxes
6,892,345	-	6,892,345	Other taxes
617,101	-	617,101	Franchise in lieu of taxes
833,082	-	833,082	Documentary transfer tax
9,724,871	504,300	10,229,171	Use of money and property
999,027	231,497	1,230,524	Miscellaneous
5,354	(5,354)	-	Transfers
107,134,892	730,443	107,865,335	Total General Revenues and Transfers
9,223,066	5,559,868	14,782,934	Change in Net Position
1,004,800,070	38,588,058	1,043,388,128	Net Position - Beginning of Year
\$ 1,014,023,136	\$ 44,147,926	\$ 1,058,171,062	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.

Neighborhood Stabilization Grant 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.

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, park improvements, 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, 2019

	Special Revenue Funds			
	GENERAL FUND	NEIGHBORHOOD STABILIZATION GRANT	DEVELOPMENT IMPACT FEES	CSD ZONES
Assets				
Pooled cash and investments (note 3)	\$ 64,534,397	\$ 85,977	\$ 21,653,359	\$ 20,850,375
Receivables:				
Accounts	2,081,202	-	-	503,914
Notes and loans (note 4)	-	6,161,185	-	-
Notes to Successor Agency (note 4)	12,516,341	-	-	-
Interest	1,160,418	-	-	-
Due from other governments	5,608,118	7,471	-	306,138
Due from other funds (note 7)	1,867,562	-	-	4,756
Advances to other funds (note 7)	4,400,000	-	-	-
Prepaid costs	339,973	-	-	8,517
Land held for resale/redevelopment	2,860,044	-	-	-
Restricted assets				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 95,368,055	\$ 6,254,633	\$ 21,653,359	\$ 21,673,700
Liabilities				
Accounts payable	\$ 16,492,002	\$ 4,092	\$ 125,000	\$ 746,459
Accrued liabilities	1,438,182	-	-	104,512
Unearned revenues	643,741	-	-	477,187
Due to other governments	1,557	-	-	-
Due to other funds (note 7)	-	-	-	77,618
Advances from other funds (note 7)	-	-	4,400,000	-
Total Liabilities	18,575,482	4,092	4,525,000	1,405,776
Deferred Inflows of Resources				
Unavailable revenues	11,058,884	6,161,185	-	-
Total Deferred Inflow of Resources	11,058,884	6,161,185	-	-
Total Liabilities and Deferred Inflows of Resources	29,634,366	6,165,277	4,525,000	1,405,776
Fund Balances				
Nonspendable				
Notes to Successor Agency	3,373,731	-	-	-
Advances to other funds	4,400,000	-	-	-
Permanent fund principal	-	-	-	-
Prepays	339,973	-	-	8,517
Land held for resale/redevelopment	2,860,044	-	-	-
Restricted				
Community development projects	-	89,356	-	-
Public safety	-	-	-	-
Community and cultural	-	-	-	20,259,407
Public works	-	-	17,128,359	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed				
Revolving line of credit	2,600,000	-	-	-
Maintenance of pedestrian bridge	195,276	-	-	-
Operating reserve	13,392,552	-	-	-
Library development	-	-	-	-
Assigned				
Temporary fluctuations in market value of investments pursuant to GASB 31	818,768	-	-	-
Continuing appropriations	4,454,344	-	-	-
Economic uncertainty reserve	11,160,460	-	-	-
Unassigned	22,138,541	-	-	-
Total Fund Balances	65,733,689	89,356	17,128,359	20,267,924
Total Liabilities and Fund Balances	\$ 95,368,055	\$ 6,254,633	\$ 21,653,359	\$ 21,673,700

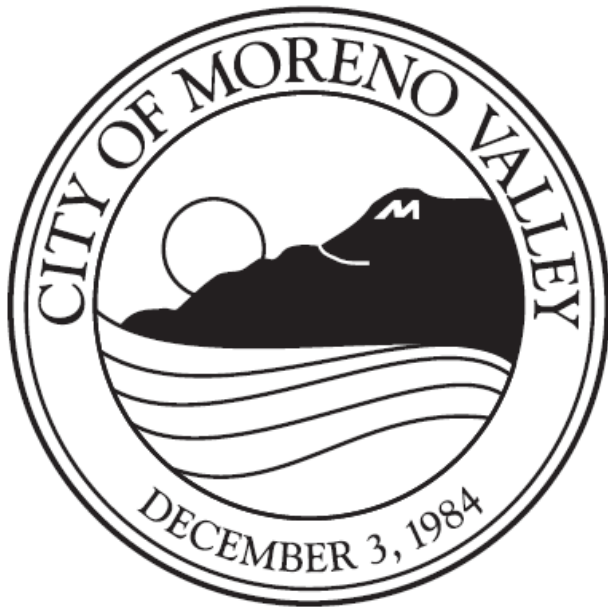
See notes to financial statements

City of Moreno Valley, California

Balance Sheet
Governmental Funds
June 30, 2019

Special Revenue Fund

<u>HOUSING AUTHORITY</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	
\$ 1,396,953	\$ 47,939,861	\$ 156,460,922	Assets
-	116,253	2,701,369	Pooled cash and investments (note 3)
33,462,257	6,860,003	46,483,445	Receivables:
-	-	12,516,341	Accounts
2,448,950	605,045	4,214,413	Notes and loans (note 4)
-	9,643,239	15,564,966	Notes to Successor Agency (note 4)
-	-	1,872,318	Interest
-	-	4,400,000	Due from other governments
-	-	348,490	Due from other funds (note 7)
4,796,351	-	7,656,395	Advances to other funds (note 7)
-	-	-	Prepaid costs
-	4,343	4,343	Land held for resale/redevelopment
<u>\$ 42,104,511</u>	<u>\$ 65,168,744</u>	<u>\$ 252,223,002</u>	Restricted assets
			Cash with fiscal agents
			Total Assets
\$ 48,889	\$ 2,731,219	\$ 20,147,661	Liabilities
-	34,811	1,577,505	Accounts payable
-	111,603	1,232,531	Accrued liabilities
-	-	1,557	Unearned revenues
-	1,794,700	1,872,318	Due to other governments
-	-	4,400,000	Due to other funds (note 7)
<u>48,889</u>	<u>4,672,333</u>	<u>29,231,572</u>	Advances from other funds (note 7)
			Total Liabilities
			Deferred Inflows of Resources
2,648,949	6,669,450	26,538,468	Unavailable revenues
<u>2,648,949</u>	<u>6,669,450</u>	<u>26,538,468</u>	Total Deferred Inflow of Resources
<u>2,697,838</u>	<u>11,341,783</u>	<u>55,770,040</u>	Total Liabilities and Deferred Inflows of Resources
			Fund Balances
			Nonspendable
-	-	3,373,731	Notes to Successor Agency
-	-	4,400,000	Advances to other funds
-	288,098	288,098	Permanent fund principal
-	-	348,490	Prepays
-	-	2,860,044	Land held for resale/redevelopment
			Restricted
39,406,673	7,923,658	47,419,687	Community development projects
-	618,440	618,440	Public safety
-	-	20,259,407	Community and cultural
-	13,737,327	30,865,686	Public works
-	17,267,077	17,267,077	Capital projects
-	6,023,401	6,023,401	Debt service
-	48,745	48,745	Endowment
-	1,350,421	1,350,421	Water quality
			Committed
-	-	2,600,000	Revolving line of credit
-	-	195,276	Maintenance of pedestrian bridge
-	-	13,392,552	Operating reserve
-	6,768,000	6,768,000	Library development
			Assigned
-	-	818,768	Temporary fluctuations in market value of investments pursuant to GASB 31
-	-	4,454,344	Continuing appropriations
-	-	11,160,460	Economic uncertainty reserve
-	(198,206)	21,940,335	Unassigned
<u>39,406,673</u>	<u>53,826,961</u>	<u>196,452,962</u>	Total Fund Balances
<u>\$ 42,104,511</u>	<u>\$ 65,168,744</u>	<u>\$ 252,223,002</u>	Total Liabilities and Fund Balances



City of Moreno Valley, California
Reconciliation of Balance Sheet To the Statement of Net Position
June 30, 2019

Fund balances of governmental funds		\$ 196,452,962
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)	1,374,533,000	
Accumulated depreciation (excludes internal service accumulated depreciation)	<u>(514,715,440)</u>	
		859,817,560
Long-term debt and compensated absences have not been included in the governmental fund activity		
2011 Private Placement Refunding of 1997 Lease Revenue Bonds	(1,245,000)	
2013 Refunding of 2005 Lease Revenue Bonds	(5,398,000)	
2013 Total Road Improvements Certificates of Participation	(18,455,000)	
2014 Refunding of 2005 Lease Revenue Bonds	(22,602,069)	
Unamortized Premium/Discount	(1,522,248)	
Compensated Absences	<u>(6,206,647)</u>	
		(55,428,964)
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		
		26,538,468
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds		
		(297,545)
Deferred outflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds		
		10,591,852
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	(6,223,389)	
Net pension liability	<u>(66,253,697)</u>	
		(72,477,086)
Deferred inflows of resources related to pensions and OPEB are not current obligation and are not reported in the governmental funds		
		(3,354,318)
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>52,180,207</u>
Net position of governmental activities		<u><u>\$1,014,023,136</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, 2019

	Special Revenue Funds			
	GENERAL FUND	NEIGHBORHOOD STABILIZATION GRANT	DEVELOPMENT IMPACT FEES	CSD ZONES
Revenues				
Taxes:				
Property taxes	\$ 15,623,696	\$ -	\$ -	\$ 5,316,224
Property taxes in lieu	19,577,636	-	-	-
Utility users taxes	15,483,806	-	-	-
Sales taxes	21,208,442	-	-	-
Other taxes	12,303,492	-	-	6,682,600
Licenses and permits	3,468,511	-	-	-
Intergovernmental	722,703	19,440	-	-
Fees and charges for services	13,650,496	-	8,776,036	5,429,961
Use of money and property	7,195,588	-	691,000	1,433,517
Fines and forfeitures	729,939	-	-	26,676
Miscellaneous	223,303	-	-	96,006
Total Revenues	110,187,612	19,440	9,467,036	18,984,984
Expenditures				
Current:				
General government	15,109,570	-	-	-
Public safety	60,540,145	-	-	-
Community & economic development	11,402,636	21,953	325,000	-
Community & cultural	-	-	-	12,778,749
Public works	6,666,003	-	-	5,932,234
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,611,478	-	-	55,384
Total Expenditures	95,329,832	21,953	325,000	18,766,367
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,857,780	(2,513)	9,142,036	218,617
Other Financing Sources (Uses)				
Transfers in (note 7)	2,103,241	-	1,055,000	1,214,880
Transfers out (note 7)	(6,949,286)	-	(7,987,834)	(32,097)
Transfers from Successor Agency	-	-	-	-
Transfer in of land (note 7)	-	-	-	-
Total Other Financing Sources (Uses)	(4,846,045)	-	(6,932,834)	1,182,783
Net change in Fund Balances	10,011,735	(2,513)	2,209,202	1,401,400
Fund Balances				
Fund Balances - Beginning of Year	55,721,954	91,869	14,919,157	18,866,524
Fund Balances - End of Year	\$ 65,733,689	\$ 89,356	\$ 17,128,359	\$ 20,267,924

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, 2019

Special Revenue Fund

<u>HOUSING AUTHORITY</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	
\$ -	\$ -	\$ 20,939,920	Revenues
-	-	19,577,636	Taxes:
-	-	15,483,806	Property taxes
-	-	21,208,442	Property taxes in lieu
-	209,744	19,195,836	Utility users taxes
-	-	3,468,511	Sales taxes
-	-	28,676,795	Other taxes
-	27,934,652	30,913,729	Licenses and permits
-	3,057,236	9,724,871	Intergovernmental
175,838	228,928	756,901	Fees and charges for services
-	286	999,027	Use of money and property
1,340	678,378		Fines and forfeitures
<u>177,178</u>	<u>32,109,224</u>	<u>170,945,474</u>	Miscellaneous
			Total Revenues
			Expenditures
			Current:
-	803,293	15,912,863	General government
-	600,873	61,141,018	Public safety
341,763	1,440,518	13,531,870	Community & economic development
-	8,462,869	21,241,618	Community & cultural
-	7,918,012	20,516,249	Public works
			Debt service:
-	2,005,000	2,005,000	Principal retirement
-	2,304,456	2,304,456	Interest and fiscal charges
-	10,536,827	12,203,689	Capital outlay
<u>341,763</u>	<u>34,071,848</u>	<u>148,856,763</u>	Total Expenditures
			Excess (Deficiency) of Revenues Over (Under)
<u>(164,585)</u>	<u>(1,962,624)</u>	<u>22,088,711</u>	Expenditures
			Other Financing Sources (Uses)
-	14,960,433	19,333,554	Transfers in (note 7)
-	(3,995,324)	(18,964,541)	Transfers out (note 7)
-	150,000	150,000	Transfers from Successor Agency
1,474,226	-	1,474,226	Transfer in of land (note 7)
<u>1,474,226</u>	<u>11,115,109</u>	<u>1,993,239</u>	Total Other Financing Sources (Uses)
1,309,641	9,152,485	24,081,950	Net change in Fund Balances
38,097,032	44,674,476	172,371,012	Fund Balances
<u>\$ 39,406,673</u>	<u>\$ 53,826,961</u>	<u>\$ 196,452,962</u>	Fund Balances - Beginning of Year
			Fund Balances - End of Year

City of Moreno Valley, California
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 24,081,950

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

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

Capital outlay	5,778,564	
Donated infrastructure	11,303,900	
Depreciation expense	<u>(32,984,022)</u>	(15,901,558)

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

Repayment of debt	2,005,000	
Amortization of bond premiums	189,648	
Amortization of bond discount	<u>(5,398)</u>	2,189,250

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period 13,969

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 (18,687)

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 (698,809)

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 (1,366,674)

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 923,625

Change in net position of governmental activities \$ 9,223,066

See notes to financial statements

City of Moreno Valley, California

**Budgetary Comparison Statement
GENERAL FUND
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 14,422,000	\$ 14,704,000	\$ 15,623,696	\$ 919,696
Property taxes in lieu	19,000,000	19,600,000	19,577,636	(22,364)
Utility users taxes	16,400,000	16,000,000	15,483,806	(516,194)
Sales taxes	18,746,000	19,918,810	21,208,442	1,289,632
Other taxes	12,526,500	12,599,000	12,303,492	(295,508)
Licenses and permits	2,799,824	4,717,072	3,468,511	(1,248,561)
Intergovernmental	463,000	684,061	722,703	38,642
Fees and charges for services	12,079,871	13,137,033	13,650,496	513,463
Use of money and property	4,220,862	4,222,858	7,195,588	2,972,730
Fines and forfeitures	662,050	662,050	729,939	67,889
Miscellaneous	69,647	69,647	223,303	153,656
Total Revenues	101,389,754	106,314,531	110,187,612	3,873,081
Expenditures				
Current:				
General government				
City council	1,019,127	1,256,156	817,155	439,001
City manager	6,038,211	6,029,382	5,999,529	29,853
City clerk	958,242	923,805	821,752	102,053
City attorney	899,961	893,528	832,335	61,193
Financial & management services	4,369,901	6,378,299	3,999,273	2,379,026
Administrative services	1,080,522	1,281,758	1,274,274	7,484
Non-departmental	187,842	1,010,000	1,365,252	(355,252)
Public safety				
Police	44,515,204	42,001,294	40,259,485	1,741,809
Fire	22,048,979	21,851,958	20,280,660	1,571,298
Public works	5,949,680	6,904,096	6,666,003	238,093
Community and economic development	11,094,589	11,918,197	11,402,636	515,561
Capital outlay	2,752,270	4,422,518	1,611,478	2,811,040
Total Expenditures	100,914,528	104,870,991	95,329,832	9,541,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	475,226	1,443,540	14,857,780	13,414,240
Other Financing Sources (Uses)				
Transfers in (note 7)	3,426,691	5,366,826	2,103,241	(3,263,585)
Transfers out (note 7)	(3,832,113)	(7,287,300)	(6,949,286)	338,014
Total Other Financing Sources (Uses)	(405,422)	(1,920,474)	(4,846,045)	(2,925,571)
Net change in fund balances	69,804	(476,934)	10,011,735	10,488,669
Fund balances - Beginning of year	55,721,954	55,721,954	55,721,954	-
Fund balances - End of year	\$ 55,791,758	\$ 55,245,020	\$ 65,733,689	\$ 10,488,669

See notes to financial statements

City of Moreno Valley, California

Budgetary Comparison Statement
 NEIGHBORHOOD STABILIZATION GRANT
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,500,000	\$ 3,500,000	\$ 19,440	\$ (3,480,560)
Total Revenues	3,500,000	3,500,000	19,440	(3,480,560)
Expenditures				
Current:				
Community and economic development	3,500,000	3,500,000	21,953	3,478,047
Total Expenditures	3,500,000	3,500,000	21,953	3,478,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(2,513)	(2,513)
Net change in fund balances	-	-	(2,513)	(2,513)
Fund balances - Beginning of year	91,869	91,869	91,869	-
Fund balances - End of year	\$ 91,869	\$ 91,869	\$ 89,356	\$ (2,513)

See notes to financial statements

City of Moreno Valley, California

**Budgetary Comparison Statement
DEVELOPMENT IMPACT FEES
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 685,900	\$ 670,900	\$ 8,776,036	\$ 8,105,136
Use of money and property	202,900	190,900	691,000	500,100
Total Revenues	888,800	861,800	9,467,036	8,605,236
Expenditures				
Current:				
Community and economic development	-	325,000	325,000	-
Total Expenditures	-	325,000	325,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	888,800	536,800	9,142,036	8,605,236
Other Financing Sources (Uses)				
Transfers in (note 7)	1,055,000	1,055,000	1,055,000	-
Transfers out (note 7)	(3,402,000)	(8,046,966)	(7,987,834)	59,132
Total Other Financing Sources (Uses)	(2,347,000)	(6,991,966)	(6,932,834)	59,132
Net change in fund balances	(1,458,200)	(6,455,166)	2,209,202	8,664,368
Fund balances - Beginning of year	14,919,157	14,919,157	14,919,157	-
Fund balances - End of year	\$ 13,460,957	\$ 8,463,991	\$ 17,128,359	\$ 8,664,368

See notes to financial statements

City of Moreno Valley, California

**Budgetary Comparison Statement
CSD ZONES
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 4,610,427	\$ 4,697,747	\$ 5,316,224	\$ 618,477
Other taxes	6,649,406	6,654,039	6,682,600	28,561
Fees and charges for services	6,046,400	5,485,233	5,429,961	(55,272)
Use of money and property	822,701	969,979	1,433,517	463,538
Fines and forfeitures	50,000	50,000	26,676	(23,324)
Miscellaneous	13,500	32,700	96,006	63,306
Total Revenues	18,192,434	17,889,698	18,984,984	1,095,286
Expenditures				
Current:				
Public works	6,448,556	7,063,659	5,932,234	1,131,425
Community & cultural	13,361,034	13,670,060	12,778,749	891,311
Capital outlay	200,000	546,799	55,384	491,415
Total Expenditures	20,009,590	21,280,518	18,766,367	2,514,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,817,156)	(3,390,820)	218,617	3,609,437
Other Financing Sources (Uses)				
Transfers in (note 7)	2,153,113	1,491,464	1,214,880	(276,584)
Transfers out (note 7)	-	(23,988)	(32,097)	(8,109)
Total Other Financing Sources (Uses)	2,153,113	1,467,476	1,182,783	(284,693)
Net change in fund balances	335,957	(1,923,344)	1,401,400	3,324,744
Fund balances - Beginning of year	18,866,524	18,866,524	18,866,524	-
Fund balances - End of year	\$ 19,202,481	\$ 16,943,180	\$ 20,267,924	\$ 3,324,744

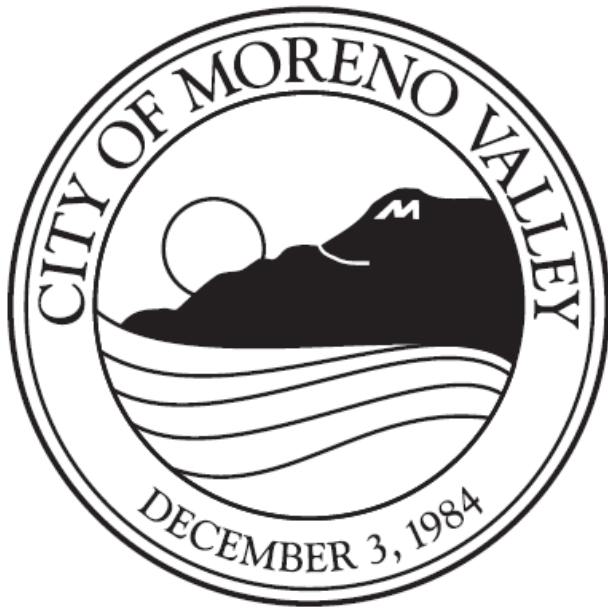
See notes to financial statements

City of Moreno Valley, California

Budgetary Comparison Statement
HOUSING AUTHORITY
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 72,000	\$ 72,000	\$ 175,838	\$ 103,838
Miscellaneous	-	-	1,340	1,340
Total Revenues	72,000	72,000	177,178	105,178
Expenditures				
Current:				
Community and economic development	250,000	250,000	341,763	(91,763)
Total Expenditures	250,000	250,000	341,763	(91,763)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,000)	(178,000)	(164,585)	13,415
Other Financing Sources (Uses)				
Transfer in of land	-	-	1,474,226	1,474,226
Total Other Financing Sources (Uses)	-	-	1,474,226	1,474,226
Net change in fund balances	(178,000)	(178,000)	1,309,641	1,487,641
Fund balances - Beginning of year	38,097,032	38,097,032	38,097,032	-
Fund balances - End of year	\$ 37,919,032	\$ 37,919,032	\$ 39,406,673	\$ 1,487,641

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, 2019

	Enterprise Fund - ELECTRIC	Governmental Activities - INTERNAL SERVICE FUNDS
Assets		
Current Assets:		
Pooled cash and investments (note 3)	\$ 17,354,929	\$ 42,271,634
Receivables:		
Accounts	3,850,051	53
Prepaid costs	25,251	4,589
Inventories	417,905	27,661
Restricted:		
Cash with fiscal agent (note 3)	15,501,854	-
Total Current Assets	37,149,990	42,303,937
Noncurrent Assets:		
Capital assets - net of accumulated depreciation	68,629,297	12,604,234
Total Noncurrent Assets	68,629,297	12,604,234
Total Assets	105,779,287	54,908,171
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	360,121	-
Deferred outflows of resources related to OPEB	34,585	-
Deferred outflows - Utility Network	5,146,841	-
Total Deferred Outflows of Resources	5,541,547	-
Total Assets and Deferred Outflows of Resources	\$ 111,320,834	\$ 54,908,171
Liabilities		
Current Liabilities:		
Accounts payable	\$ 4,215,929	\$ 467,393
Accrued interest	456,951	-
Unearned revenue	25,980	-
Deposits payable	1,437,899	-
Compensated absences (note 6)	177,263	152,143
Self-insurance payable (note 12)	-	943,000
Bonds, notes, and loans payable (note 6)	1,215,243	-
Total Current Liabilities	7,529,265	1,562,536
Noncurrent liabilities:		
Compensated absences (note 6)	118,175	101,428
Self-insurance payable (note 12)	-	1,064,000
Bonds, notes and loans payable (note 6)	57,398,279	-
Net pension liability	1,838,570	-
Net OPEB liability	230,098	-
Total Noncurrent Liabilities	59,585,122	1,165,428
Total Liabilities	67,114,387	2,727,964
Deferred Inflows of resources		
Deferred inflows of resources related to pensions	28,004	-
Deferred inflows of resources related to OPEB	30,517	-
Total Deferred Inflows of Resources	58,521	-
Net Position		
Net investment in capital assets	25,289,496	12,604,234
Restricted for public purpose programs	6,125,796	-
Unrestricted	12,732,634	39,575,973
Total Net Position	44,147,926	52,180,207
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 111,320,834	\$ 54,908,171

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, 2019

	Enterprise Fund- ELECTRIC	Governmental Activities - INTERNAL SERVICE FUNDS
Operating Revenues		
Sales and service charges	\$ 30,767,861	\$ 8,183,780
Miscellaneous	231,497	147,659
Total Operating Revenues	30,999,358	8,331,439
Operating Expenses		
Cost of services	1,201,253	5,345,463
Depreciation expense	1,845,742	751,711
Amortization-Utility Distribution System	177,477	-
Electricity purchased	12,400,447	-
Services and supplies	5,811,841	-
Distribution share	4,600,248	-
Self-insurance claims and charges	-	1,189,998
Total Operating Expenses	26,037,008	7,287,172
Net Operating Income	4,962,350	1,044,267
Nonoperating Revenues (Expenses)		
Interest revenue	504,300	-
Interest expense and debt issuance costs	(2,247,633)	-
Engineering plan check fees	306,462	-
Gain (loss) on disposal of capital assets	(456,279)	243,017
Total Nonoperating Revenues (Expenses)	(1,893,150)	243,017
Income Before Contributions and Transfers	3,069,200	1,287,284
Transfers and Contributions		
Contributed capital	2,496,022	-
Transfers in (note 7)	-	1,993,553
Transfers out (note 7)	(5,354)	(2,357,212)
Change in Net Position	5,559,868	923,625
Total Net Position - Beginning of Year	38,588,058	51,256,582
Total Net Position - End of Year	\$ 44,147,926	\$ 52,180,207

See notes to financial statements

City of Moreno Valley, California

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Fund- ELECTRIC	Governmental Activities - INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 31,977,166	\$ 8,331,456
Payments to suppliers	(21,148,875)	(3,494,495)
Payments to employees	(1,149,065)	(1,623,339)
Cash paid for claims	-	(1,309,998)
Net cash provided (used) by operating activities	9,679,226	1,903,624
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash transfers in	-	1,993,553
Cash transfers out	(5,354)	(2,357,212)
Net cash provided (used) by noncapital financing activities	(5,354)	(363,659)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	23,610,803	-
Debt issuance costs	(562,372)	-
Acquisition and construction of capital assets	(11,292,852)	(504,689)
Proceeds from the sale or disposition of capital assets	2,948	258,802
Engineering plan check fees	306,462	-
Principal paid on capital debt	(1,187,000)	-
Interest paid on capital debt	(1,470,369)	-
Net cash provided (used) by capital and related financing activities	9,407,620	(245,887)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	504,300	-
Net cash provided (used) by investing activities	504,300	-
Net increase (decrease) in cash and cash equivalents	19,585,792	1,294,078
Balances - beginning of year	13,270,991	40,977,556
Balances - end of the year	\$ 32,856,783	\$ 42,271,634
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income	\$ 4,962,350	\$ 1,044,267
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,845,742	751,711
Amortization	177,477	-
Changes in assets and liabilities:		
(Increase) decrease in customer receivables	(82,221)	15
(Increase) decrease in prepaid costs	901,139	9,892
(Increase) decrease in deferred outflows related to pension	165,783	-
(Increase) decrease in deferred outflows related to OPEB	(27,890)	-
(Increase) decrease in deferred outflows -utility network	1,052,331	-
(Increase) decrease in inventories	(15,820)	4,795
Increase (decrease) in accounts payable	642,359	201,480
Increase (decrease) in unearned revenue	7,698	-
Increase (decrease) in deposits payable	135,983	-
Increase (decrease) in self-insurance payable	-	(120,000)
Increase (decrease) in net pension liability	(142,680)	-
Increase (decrease) in OPEB Liability	(20,962)	-
Increase (decrease) in deferred inflows related to pension	51,397	-
Increase (decrease) in deferred inflows related to OPEB	11,030	-
Increase (decrease) in compensated absences	15,510	11,464
Net cash provided (used) by operating activities	\$ 9,679,226	\$ 1,903,624
Noncash capital and related financing activities:		
Contributed capital - donated infrastructure	\$ 2,496,022	\$ -

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, 2019

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Assets		
Cash (note 3)	\$ 7,246,005	\$ 3,081,843
Accounts receivable	20,000	-
Due from other governments	31,370	-
Cash with fiscal agents (note 3)	4,825,047	189,555
Total Assets	<u>\$ 12,122,422</u>	<u>3,271,398</u>
Liabilities		
Accounts payable	195,351	-
Accrued interest	-	627,867
Deposits payable	6,540,372	-
Payable to trustee	5,386,699	-
Short-term debt - due within one year (note 12)	-	930,010
Long-term debt - due in more than one year (note 12)	-	52,971,534
Total Liabilities	<u>\$ 12,122,422</u>	<u>54,529,411</u>
Net Position		
Held in trust for other purposes		<u>(51,258,013)</u>
Total Net Position		<u>\$ (51,258,013)</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, 2019

	Private-Purpose Trust Fund
	Successor Agency of the Former RDA
Additions	
Taxes	\$ 5,157,856
Use of money and property	321,560
Total Additions	5,479,416
Deductions	
Administrative expenses	255,450
Contractual services	391,955
Interest expenses	2,604,738
Transfers to City	150,000
Transfer to Agency Funds	1,451,370
Total Deductions	4,853,513
Change in net position	625,903
Net Position - beginning of the year	(51,883,916)
Net Position - end of the year	\$ (51,258,013)

See notes to financial statements

City of Moreno Valley, California

Notes to Financial Statements Year Ended June 30, 2019

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, 2019 (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, provide 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, 2019 (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 Neighborhood Stabilization Grant Fund accounts 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.

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, park improvements, 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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

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

The 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 charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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:

Inventory in proprietary funds consist of expendable supplies held for consumption. Proprietary funds value inventory at cost and expense supply inventory using the first-in/first-out (FIFO) method. This is referred to as the consumption method of inventory

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (Continued)

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

accounting. The governmental fund types use the purchase method to account for supply inventories, which are not material.

Payments to vendors for services benefiting future periods are recorded as prepaid items in both governmental and proprietary funds and expenditures are recognized when item are consumed. 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 \$5,000 or more 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, 2019.

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (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.

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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

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 Chief Financial Officer 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.

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.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

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.

Implementation of New Accounting Pronouncements

GASB No. 83

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement is effective for financial statements for fiscal years beginning after June 15, 2018 and did not impact the City.

GASB No. 88

In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." The requirements of this Statement are effective for financial statements for the period beginning after June 15, 2018. The Statement's objective is to improve the information that is disclosed in notes to government financial statements

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Accordingly, the City has updated the debt disclosures to comply with the requirements of this new Statement.

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. 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 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 and departments, 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, 2019 (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	\$1,365,252	\$ 355,252
Housing Authority			
Community and economic development	250,000	341,763	91,763
Storm Water Maintenance			
Public works	482,259	489,342	7,083
ASES Program Grant			
Community and cultural	7,534,800	7,542,604	7,804
Other Grants			
Capital outlay	-	697	697
2014 Refunding of 2005 Lease Revenue Bonds			
General government	3,000	3,323	323

c. Fund Deficits

The following fund contained a deficit fund balance as of June 30, 2019:

Nonmajor Governmental Funds	
Capital Projects Fund:	
TUMF Capital Projects	\$ 198,206

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, 2019 (Continued)**

Note 3 Cash and Investments

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$	198,736,899
Business-type Activities		32,856,783
Fiduciary Funds		15,342,450
Total Cash and Investments	<u>\$</u>	<u>246,936,132</u>

Cash and investments as of June 30, 2019, consist of the following:

Cash and Cash Equivalents		
Petty Cash and Cash Boxes	\$	10,630
Demand Deposits		4,734,649
Investments		221,670,054
Cash and Investments with Fiscal Agents		20,520,799
Total Cash and Investments	<u>\$</u>	<u>246,936,132</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, 2019 (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, 2019 (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, 2019, the City's investment in medium term notes consisted of investments with PepsiCo Inc., JP Morgan Chase, JPM Chase Bank Corp, IBM Credit Corp, Wells Fargo Bank, Costco Wholesale, Qualcomm Inc., Bank of New York Mellon., John Deere Capital, Exxon/Mobil, Microsoft, State Street Corp, Chevron Corp, Apple Inc., U.S. Bankcorp, Cisco Systems, American Honda Finance, Toyota Motor Credit, American Express, Oracle, Berkshire Hathaway, Walt Disney Corp., Paccar Financial, Bank of America, Boeing CIT, General Dynamics, PNC Bank, Royal Bank of Canada and Chubb INA. At June 30, 2019, 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, 2019, 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 \$4,734,649 at June 30, 2019. 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, 2019 (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, 2019, 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	\$ 63,017,951	\$ -	\$ -	\$ -	\$ 63,017,951
Money Market Fund	3,798,455	-	-	-	3,798,455
Medium Term Notes	6,979,105	6,234,791	15,540,704	10,629,068	39,383,668
Supranationals	-	1,394,624	2,296,550	848,742	4,539,916
US Treasury Notes	1,098,845	3,233,675	18,528,429	12,281,575	35,142,524
Federal Farm Credit Bank	1,499,955	2,252,303	5,238,502	-	8,990,759
Federal Home Loan Bank	4,187,607	-	11,086,848	5,333,317	20,607,772
Federal Home Loan Mortgage Corp	-	2,637,629	2,458,415	3,919,486	9,015,530
Federal National Mortgage Association	4,873,925	5,327,724	12,820,297	2,792,671	25,814,616
Asset Backed Security	-	9,443	1,634,822	2,943,518	4,587,783
Collateralized Mortgage Obligations	-	-	1,548,003	5,223,077	6,771,080
Held By Bond Trustee:					-
Money Market Funds	20,520,799	-	-	-	20,520,799
Totals	\$ 105,976,642	\$ 21,090,189	\$ 71,152,569	\$ 43,971,453	\$ 242,190,853

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, 2019 (Continued)**

Note 3 Cash and Investments (Continued)

As of June 30, 2019, the City is in compliance with the investment policy restriction.

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

Federal Home Loan Bank	8.51%
Federal National Mortgage Association	10.66%

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, 2019 (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:

Investments by Fair Value Level	Fair Value	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)
Money Market Fund	\$ 3,798,455	\$ 3,798,455
Medium Term Notes	39,383,668	39,383,668
Supranationals	4,539,916	4,539,916
US Treasury Notes	35,142,524	35,142,524
Federal Farm Credit Bank	8,990,759	8,990,759
Federal Home Loan Bank	20,607,772	20,607,772
Federal Home Loan Mortgage Corp	9,015,530	9,015,530
Federal National Mortgage Association	25,814,616	25,814,616
Asset Backed Security	4,587,783	4,587,783
Collateralized Mortgage Obligations	6,771,080	6,771,080
Held by Trustee:		
Money Market Funds	20,520,799	20,520,799
Total	<u>179,172,902</u>	<u>\$ 179,172,902</u>
Uncategorized:		
Local Agency Investment Fund	<u>63,017,951</u>	
Total Uncategorized	<u>63,017,951</u>	
Total Investments measured at Fair Value	<u><u>\$ 242,190,853</u></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, 2019 (Continued)**

Note 4 Notes and Loans

a. Notes and Loans Receivable

Notes and loans receivables of \$46,483,445 consist primarily of revolving home improvement loans and are due beyond one year.

A summary of amounts owed at June 30, 2019, follows:

	Housing Authority	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Total
Cottonwood Properties	\$ 2,907,065	\$ -	\$ 2,033,402	\$ 4,940,467
Sheila Street Rehabilitation	2,651,875	-	-	2,651,875
RHDC Properties	1,814,730	883,643	1,967,221	4,665,594
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	656,220	5,277,541	543,738	6,477,500
Totals	\$ 33,462,257	\$ 6,161,185	\$ 6,860,003	\$ 46,483,445

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, 2019, the balance of \$12,516,341 consists of the following:

The Towngate Regional Mall notes (Sears Note) totaling \$9,811,715 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, 2019, accrued interest amounts to \$2,704,626.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 5 Capital Assets

The following is a schedule of changes in governmental activities capital assets for the year ended June 30, 2019.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non-Depreciable Assets:				
Land	\$ 310,197,236	\$ -	\$ (5,115,930)	\$ 305,081,306
Construction in progress	18,515,378	10,389,301	(12,071,944)	16,832,735
Total Non-Depreciable Assets	<u>328,712,614</u>	<u>10,389,301</u>	<u>(17,187,874)</u>	<u>321,914,041</u>
Depreciable Assets:				
Buildings and Improvements	146,893,113	2,356,389	-	149,249,502
Furniture and Equipment	20,205,240	2,056,154	(3,039,928)	19,221,466
Vehicles	12,031,529	1,268,492	(1,962,392)	11,337,629
Infrastructure	877,523,044	18,810,542	(202,248)	896,131,338
Total Depreciable Assets	<u>1,056,652,926</u>	<u>24,491,577</u>	<u>(5,204,568)</u>	<u>1,075,939,935</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(67,279,430)	(3,976,759)	-	(71,256,189)
Furniture and Equipment	(13,435,038)	(1,569,128)	2,918,293	(12,085,873)
Vehicles	(6,923,659)	(1,294,044)	1,962,392	(6,255,311)
Infrastructure	(409,141,254)	(26,895,802)	202,248	(435,834,808)
Total Accumulated Depreciation	<u>(496,779,381)</u>	<u>(33,735,733)</u>	<u>5,082,933</u>	<u>(525,432,181)</u>
Total Depreciable Assets, Net	<u>559,873,545</u>	<u>(9,244,156)</u>	<u>(121,635)</u>	<u>550,507,754</u>
Total Net Capital Assets	<u>\$ 888,586,159</u>	<u>\$ 1,145,145</u>	<u>\$ (17,309,509)</u>	<u>\$ 872,421,795</u>

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

Governmental Activities:	
General Government	\$ 1,389,206
Public Safety	1,117,394
Community and Economic Development	149,393
Community and Cultural	2,178,356
Public Works	28,149,673
Internal Service Funds	751,711
Total	<u>\$ 33,735,733</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non-Depreciable Assets:				
Land	\$ 1,729,408	\$ -	\$ -	\$ 1,729,408
Construction in progress	4,563,078	11,303,134	(4,931,306)	10,934,906
Total Non-Depreciable Assets	<u>6,292,486</u>	<u>11,303,134</u>	<u>(4,931,306)</u>	<u>12,664,314</u>
Depreciable Assets:				
Furniture and Equipment	1,105,204	-	-	1,105,204
Infrastructure	59,925,092	7,411,527	(605,027)	66,731,592
Total Depreciable Assets	<u>61,030,296</u>	<u>7,411,527</u>	<u>(605,027)</u>	<u>67,836,796</u>
Less Accumulated Depreciation:				
Furniture and Equipment	(424,158)	(63,957)	-	(488,115)
Infrastructure	(9,753,232)	(1,781,785)	151,319	(11,383,698)
Total Accumulated Depreciation	<u>(10,177,390)</u>	<u>(1,845,742)</u>	<u>151,319</u>	<u>(11,871,813)</u>
Total Depreciable Assets, Net	<u>50,852,906</u>	<u>5,565,785</u>	<u>(453,708)</u>	<u>55,964,983</u>
Total Net Capital Assets	<u>\$ 57,145,392</u>	<u>\$ 16,868,919</u>	<u>\$ (5,385,014)</u>	<u>\$ 68,629,297</u>

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

Electric Utility	<u>\$ 1,845,742</u>
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City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Moreno Valley Public Facilities Financing Authority:					
Direct Placements					
2011 Private Placement Refunding of 1997 Lease Revenue Bonds	\$ 1,527,000	\$ -	\$ (282,000)	\$ 1,245,000	\$ 291,000
Other Debt					
2013 Refunding of 2005 Lease Revenue Bonds	6,581,000	-	(1,183,000)	5,398,000	1,256,000
Unamortized Premium	585,064	-	(117,013)	468,051	117,013
2014 Refunding of 2005 Lease Revenue Bonds	22,602,069	-	-	22,602,069	-
Unamortized Premium	1,234,791	-	(72,635)	1,162,156	72,635
City:					
2013 Total Road Improvement Program COP's	18,995,000	-	(540,000)	18,455,000	570,000
Unamortized Discount	(113,357)	-	5,398	(107,959)	(5,398)
Totals	<u>\$ 51,411,567</u>	<u>\$ -</u>	<u>\$ (2,189,250)</u>	<u>\$ 49,222,317</u>	<u>\$ 2,301,250</u>

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (Continued)

Note 6 Long-term Debt (Continued)

Direct Borrowing/Direct Placements

2011 Private Placement Refunding

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 City Hall Annex and Fire Station 65 (John F. Kennedy Park). These properties also act as the security for the agreement. There are no provisions or events of default or termination identified in the Lease Agreements which would result in finance-related consequences or the acceleration clauses. Events of default would result in the ability of the lessor to sublease the leased property for the remainder of the life of the agreement.

The annual debt service requirements for the 2011 Private Placement Refunding, 1997 Lease Revenue Bonds outstanding at June 30, 2019, are as follows:

Year Ending June 30,	2011 Private Placement Refunding	
	Principal	Interest
2020	\$ 291,000	\$ 43,760
2021	305,000	31,900
2022	318,000	19,502
2023	331,000	6,587
Totals	\$ 1,245,000	\$ 101,749

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

Other Debt

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, 2019, are as follows:

Year Ending June 30,	2013 Refunding Lease Revenue Bonds	
	Principal	Interest
2020	\$ 1,256,000	\$ 238,026
2021	1,312,000	173,920
2022	1,377,000	106,806
2023	1,453,000	36,233
Totals	<u>\$ 5,398,000</u>	<u>\$ 554,985</u>

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, are as follows:

Year Ending June 30,	2013 Total Road Improvement Program Certificates of Participation	
	Principal	Interest
2020	\$ 570,000	\$ 914,062
2021	600,000	885,562
2022	630,000	855,563
2023	660,000	824,063
2024	685,000	797,663
2025-2029	3,915,000	3,503,687
2030-2034	4,985,000	2,433,506
2035-2039	6,410,000	1,018,850
Totals	<u>\$ 18,455,000</u>	<u>\$ 11,232,956</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, are as follows:

Year Ending June 30,	2014 Refunding Lease Revenue Bonds	
	Principal	Interest
2020	\$ -	\$ 1,009,332
2021	-	1,009,332
2022	-	1,009,332
2023	-	1,009,332
2024	1,297,170	976,903
2025-2029	7,496,748	3,822,179
2030-2034	9,460,395	1,855,199
2035-2036	4,347,756	175,699
Totals	\$ 22,602,069	\$ 10,867,308

Compensated Absences

At June 30, 2019, the amount of compensated absences liability was \$6,460,218. This amount consists of \$6,206,647 for governmental funds, principally paid by the General Fund, and \$253,571 for internal service funds.

Pension and OPEB Liability

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

Lines of Credit

The City has no available, unused lines of credit.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Direct Placements					
Capital Leases - Streetlight Financing	\$ -	\$ 8,110,892	\$ -	\$ 8,110,892	\$ 21,135
Other Debt					
Refunding Lease Revenue Bonds, 2013	784,000	-	(142,000)	642,000	149,000
Plus Unamortized Premium	63,034	-	(12,606)	50,428	12,606
Refunding Lease Revenue Bonds, 2014	2,662,931	-	-	2,662,931	-
Plus Unamortized Premium	140,326	-	(7,796)	132,530	7,796
Lease Revenue Bonds, 2015	10,055,000	-	(205,000)	9,850,000	210,000
Less Unamortized Discount	(37,393)	-	1,438	(35,955)	(1,438)
Refunding Lease Revenue Bonds, 2016	22,975,000	-	(840,000)	22,135,000	850,000
Less Unamortized Discount	(457,069)	-	22,853	(434,216)	(22,853)
Lease Revenue Bonds, 2019	-	15,830,000	-	15,830,000	-
Less Unamortized Discount	-	(330,088)	-	(330,088)	(11,003)
Totals	\$ 36,185,829	\$ 23,610,804	\$ (1,183,111)	\$ 58,613,522	\$ 1,215,243

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

Direct Borrowing/Direct Placements

2018 Streetlight Financing

Lease/Purchase agreement in the amount of \$8,110,892 was executed to purchase approximately 9,411 streetlights from Southern California Edison and to retrofit approximately 11,100 City-owned streetlights with LED fixtures. Interest on the lease will be charged at 5.42%. Debt service payments start in FY 2019/20 and end in FY 2033/34 and will be paid through MVU streetlight rates. The security for the agreement is the poles themselves, and no General Fund assets will be used to secure this agreement. There are no provisions or events of default or termination identified in the Lease Agreement which would result in finance-related consequences or the acceleration clauses. Events of default would result in the ability of the lessor to take ownership of the leased light poles.

The annual debt service requirements for the 2018 Streetlight Financing outstanding at June 30, 2019, are as follows:

Year Ending June 30,	2018 Streetlight Financing	
	Principal	Interest
2020	\$ 21,135	\$ 810,837
2021	398,839	433,133
2022	420,749	411,223
2023	443,862	388,109
2024	468,245	363,726
2025-2029	2,756,520	1,403,337
2030-2034	3,601,542	558,315
Totals	\$ 8,110,892	\$ 4,368,680

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

Other Debt

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 to 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, 2019, are as follows

Year Ending June 30,	2013 Refunding Lease Revenue Bonds	
	Principal	Interest
2020	\$ 149,000	\$ 28,849
2021	158,000	21,080
2022	163,000	12,945
2023	172,000	4,392
Totals	\$ 642,000	\$ 67,266

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, are as follows:

Year Ending June 30,	2014 Refunding Lease Revenue Bonds	
	Principal	Interest
2020	\$ -	\$ 118,918
2021	-	118,918
2022	-	118,918
2023	-	118,918
2024	152,830	115,097
2025-2029	883,252	450,322
2030-2034	1,114,605	218,576
2035-2036	512,244	20,701
Totals	<u>\$ 2,662,931</u>	<u>\$ 1,280,368</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

2015 Lease Revenue Bonds

2015 Lease Revenue Bonds (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, 2019, are as follows:

Year Ending June 30,	2015 Lease Revenue Bonds	
	Principal	Interest
2020	\$ 210,000	\$ 448,325
2021	215,000	442,344
2022	220,000	435,681
2023	225,000	428,447
2024	235,000	420,391
2025-2029	1,305,000	1,956,394
2030-2034	1,605,000	1,644,103
2035-2039	2,030,000	1,212,594
2040-2044	2,585,000	640,625
2045-2046	1,220,000	61,750
Totals	<u>\$ 9,850,000</u>	<u>\$ 7,690,654</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

2016 Refunding Lease Revenue Bonds

2016 Refunding Lease Revenue Bonds, 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, 2019, are as follows:

Year Ending June 30,	2016 Refunding Lease Revenue Bonds	
	Principal	Interest
2020	\$ 850,000	\$ 844,475
2021	875,000	825,350
2022	895,000	803,475
2023	920,000	778,863
2024	945,000	751,263
2025-2029	5,215,000	3,268,700
2030-2034	6,325,000	2,161,375
2035-2038	6,110,000	682,281
Totals	<u>\$ 22,135,000</u>	<u>\$ 10,115,782</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

2019 Lease Revenue Bonds

2019 Lease Revenue Bonds (Taxable) in the original amount of \$15,830,000 were issued for the purpose of financing capital improvements of the City including installation of approximately 5.8 miles of 12Kv backbone infrastructure, retrofit and/or replacement of switches, and installation of smart meters and associated data collection system. The bonds will mature in serial and term fashion through 2049 and bear a true interest cost of 6.00% per annum. The Series 2019 Bonds will share the “Master Lease” bond structure to secure repayment of the bonds that is also being used to secure the 2015 and the 2016 Lease Revenue Bonds. This allows the City to pledge fewer assets over time for future lease financings. The bonds will be secured primarily by four assets in the master lease, Kitching Substation, Moreno Beach Substation, the Conference and Recreation Center and the Corporation Yard.

The annual debt service requirements for the 2019 Lease Revenue Bonds outstanding at June 30, 2019, are as follows:

Year Ending June 30,	2019 Lease Revenue Bonds	
	Principal	Interest
2020	\$ -	\$ 668,378
2021	-	633,200
2022	-	633,200
2023	-	633,200
2024	-	633,200
2025-2029	-	3,166,000
2030-2034	-	3,166,000
2035-2039	1,025,000	3,166,000
2040-2044	5,765,000	2,518,200
2045-2049	9,040,000	1,189,200
Totals	\$ 15,830,000	\$ 16,406,578

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 6 Long-term Debt (Continued)

Compensated Absences

At June 30, 2019, the amount of compensated absences liability totaled \$295,438. Based on the current trend of usage, \$177,263 is expected to be paid within one year.

c. Non-Commitment Debts

2007 Community Facilities District No. 5 Special Tax Bonds

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

The Special Taxes are to be levied according to the rates and method of apportionment approved by the City Council, the legislative body of the District, and the qualified electors within the District. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The City is in no way liable for repayment but is acting as an agent for the property owners in collecting the assessments and forwarding the collections to bondholders. Interest on the Bonds will be payable on September 1, 2007 and semiannually thereafter on each March 1 and September 1 thru 2037. Interest rates range from 4.00% to 5.00%. Principal on the Bonds is due each September 1 beginning 2009 and ending 2037. The outstanding balance at June 30, 2019 was \$5,350,000.

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, 2019 (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, 2019 was \$1,580,000.

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, 2019 was \$2,845,000.

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, 2019 was \$3,190,000.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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	\$ 77,618	\$ 1,789,944	\$ 1,867,562
CSD Zones	-	4,756	4,756
	<u>\$ 77,618</u>	<u>\$ 1,794,700</u>	<u>\$ 1,872,318</u>

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, 2019, the CSD Zones Fund included \$77,618 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:	
Emergency Solution Grant	\$ 18,566
Law Enforcement Grants	6,017
Capital Project Grants	883,521
Storm Water Maintenance	22,332
ASES Program Grant	504,572
Child Care Grant	28,461
SCAG Article 3 Transportation	48,991
TUMF Capital Projects	277,484
Total	<u>\$ 1,789,944</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>\$ 4,400,000</u>

The General Fund loaned \$4,400,000 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, 2020.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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	\$ -	\$ -	\$ 993,691	\$ 4,047,396	\$ 1,908,199	\$ 6,949,286
Development Impact Fees	19,968	-	-	7,967,866	-	7,987,834
CSD Zones	-	-	23,988	8,109	-	32,097
Nonmajor Governmental Funds	-	1,055,000	3,262	2,937,062	-	3,995,324
Internal Service Funds	2,083,273	-	193,939	-	80,000	2,357,212
Electric Utility	-	-	-	-	5,354	5,354
Totals	\$ 2,103,241	\$ 1,055,000	\$ 1,214,880	\$14,960,433	\$ 1,993,553	\$ 21,327,107

The General Fund transferred a total of \$6,949,286 to several funds to provide subsidies to cover the operating and capital deficits, and to cover the cost for general benefit services.

The Development Impact Fees Fund and Non-major Governmental Funds transferred a total of \$7,967,866 and \$2,937,062, respectively, 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 \$2,357,212 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.

d. Transfer In of Land

The Housing Authority received a transfer in of land from the City of \$1,474,226 during the fiscal year. The City of Moreno Valley City Council serves as the Housing Authority's Commissioners and have authorized the sale of land to generate future revenue opportunities to support programs dedicated to ensure decent, safe, sanitary and affordable housing accommodations to persons of low income.

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,

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 8 Employee Pension Plan (Continued)

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.

The Plans' provisions and benefits in effect at June 30, 2019, 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	32.685%	32.685%	32.685%

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Active Employees	307
Retired Employees	349
Inactive Employees	254

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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2019 (Continued)**

Note 8 Employee Pension Plan (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2017
Measurement date	June 30, 2018
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 and administrative expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a 2014 CalPERS 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, 2019 (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	51%	4.80%	5.98%
Global Fixed Income	20%	1.00%	2.62%
Inflation Sensitive	6%	0.77%	1.81%
Private Equity	10%	6.30%	7.23%
Real Assets	12%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2018	\$ 202,124,074	\$ 129,714,046	\$ 72,410,028	\$ 70,428,778	\$ 1,981,250
Changes in the year:					
Service Cost	4,096,701	-	4,096,701	3,961,326	135,375
Interest on the Total Pension Liability	14,018,703	-	14,018,703	13,555,457	463,246
Changes of Assumptions	(1,695,079)	-	(1,695,079)	(1,639,065)	(56,014)
Differences between Expected and Actual Experience	(2,163,560)	-	(2,163,560)	(2,092,066)	(71,494)
Net Plan to Plan Resource Movement	-	(323)	323	312	11
Contributions - Employer	-	6,385,610	(6,385,610)	(6,174,598)	(211,012)
Contributions - Employees	-	1,721,640	(1,721,640)	(1,664,749)	(56,891)
Net Investment Income	-	11,053,578	(11,053,578)	(10,688,314)	(365,264)
Benefit Payments, including Refunds of Employee Contributions	(8,495,988)	(8,495,988)	-	-	-
Administrative Expense	-	(202,130)	202,130	195,451	6,679
Other Miscellaneous Income/(Expense)	-	(383,849)	383,849	371,165	12,684
Net Changes	<u>5,760,777</u>	<u>10,078,538</u>	<u>(4,317,761)</u>	<u>(4,175,081)</u>	<u>(142,680)</u>
Balance at June 30, 2019	<u>\$ 207,884,851</u>	<u>\$ 139,792,584</u>	<u>\$ 68,092,267</u>	<u>\$ 66,253,697</u>	<u>\$ 1,838,570</u>

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

The following presents the net pension liability of the City calculated using the discount rate for the 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	\$ 96,431,254	\$ 68,092,267	\$ 44,688,271

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, the City recognized pension expense of \$9,525,258, principally paid by General Fund, Community Services District, and the Electric Utility. At June 30, 2019, 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	\$ 7,092,364	\$ -
Changes of assumptions	2,667,667	(1,067,271)
Differences between expected and actual experiences	-	(1,492,901)
Net difference between projected and actual earnings on pension plan investments	154,351	-
	<u>\$ 9,914,382</u>	<u>\$ (2,560,172)</u>

\$7,092,364 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, 2020. 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>Measurement Periods Ending June 30:</u>	
2019	\$ 2,636,213
2020	(678,229)
2021	(1,321,844)
2022	(374,294)
2023	-
Thereafter	-

As of June 30, 2019, the City did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (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 \$136 per month for 2019 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 June 30, 2018 (the census date), the following employees were covered by the benefit terms:

Category	Count
Active employees	296
Inactive employees or beneficiaries currently receiving benefit payments	270
Inactive employees entitled to but not yet receiving benefit payment	0

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, the City's ADC contribution rate was 4.61% 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 June 30, 2018.

Actuarial Assumptions

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

The total OPEB liability for the June 30, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.75% Additional merit-based increases based on CalPERS merit salary increase tables.
Investment rate of return	7.28%
Healthcare cost trend rates	6.50% in the first year, trending down to 3.84% over 58 years.

*Mortality Rates were based on CalPERS Tables

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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 7.28%. 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, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

Change in the Net OPEB Liability

The prior GASB 75 valuation had a valuation date of December 31, 2016 and was used for the City's financial reporting as of June 30, 2018. Because GASB 75 does not allow a report date more than 30 months into the future, the City is unable to use the prior valuation report for its June 30, 2019 financial reporting. GASB 75 requires a new full valuation. In this full valuation, a one-time change to the valuation approach was made to bring the census date in line with the measurement date, and to set the report date one year ahead of the measurement date to allow the City to complete reports ahead of the fiscal year-end. The prior report also used the same measurement date. This report updates the values as of the same measurement date, which is June 30, 2018, from the prior report. Some of the prior values were estimates, and some have been changed after the audited CERBT fund information became available. The values in the measurement period of July 1, 2017 to June 30, 2018, only measure the difference in values between the two reports for that measurement period.

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 17,484,881	\$ 10,385,546	\$ 7,099,335
Changes for the year:			-
Differences Between Expected and Actual Experience	135,598	-	135,598
Changes of Assumptions	(854,050)	-	(854,050)
Net Investment Income	-	(72,538)	72,538
Benefit Payments, Including Refunds of Employee Contributions	26,466	26,466	-
Administrative Expenses	-	(66)	66
Net Changes	<u>(691,986)</u>	<u>(46,138)</u>	<u>(645,848)</u>
Balance at June 30, 2019	<u>\$ 16,792,895</u>	<u>\$ 10,339,408</u>	<u>\$ 6,453,487</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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 (6.28%) or one percentage point higher (8.28%) follows:

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
Net OPEB liability	\$ 8,183,997	\$ 6,453,487	\$ 4,977,564

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 (2.84%) or one percentage point higher (4.84%) than current healthcare cost trend rates follows:

	1% Decrease 5.50% decreasing to 2.84%	Healthcare Cost Trend Rate 6.50% decreasing to 3.84%	1% Increase 7.50% decreasing to 4.84%
Net OPEB liability	\$ 6,218,627	\$ 6,453,487	\$ 6,723,153

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

For the year ended June 30, 2019, the City recognized a reduction in OPEB expense of \$208,809. At June 30, 2019, the City 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
Differences Between Expected and Actual Experience	\$ 115,657	\$ -
Changes of Assumptions	-	(728,454)
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(124,213)
City Contribution Subsequent to the Measurement Date	956,519	-
Total	\$ 1,072,176	\$ (852,667)

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

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

Year Ending June 30	
2020	\$ (208,875)
2021	(208,875)
2022	(37,934)
2023	(91,149)
2024	(105,655)
Thereafter	(84,522)

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, 2019:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of 6/30/2019</u>	<u>Remaining Commitments</u>
<u>Governmental Activities</u>			
Alessandro Blvd/Grant St Traffic Signal	\$ 579,251	\$ 211,180	\$ 368,071
Cycle 7 ADA Pedestrian Access Ramps & Liberty Lane	616,550	211,180	405,370
SR- 60/ Moreno Beach IC Phase 2	1,415,659	352,123	1,063,536
SR- 60/ World Logistics Center Parkway Interchange	3,315,222	2,074,178	1,241,044
Other projects	2,254,395	1,585,008	669,387
<u>Electric Utility</u>			
Alessandro Crosstown Tie	\$ 2,622,010	\$ 1,221,589	\$ 1,400,421
Heacock Crosstown Tie	1,579,824	1,531,975	47,849
Bay & Indian Line Extensions	192,318	150,995	41,323
ENCO Work Authorizations on MVU CIP Projects	279,692	175,562	104,130

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (Continued)

Note 10 Commitments and Contingencies (Continued)

c. Litigation

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

d. Grants Review

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

e. Tax Abatements

GASB 77

As of June 30, 2019, the City has entered into two agreements to provide tax abatements to local businesses. These abatements are designed to encourage businesses to hire city residents and have "local hire" clauses in them. The structure of the abatement, or rebate, and the local-hire requirement is specific to each agreement and may vary with each one.

Agreement # 1

The terms of Agreement # 1, 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 covered a ten-year period but on August 23, 2018, the participating business completed the additional conditions which were required to extend the agreement to the full twenty-year period. 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%

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (Continued)

Note 10 Commitments and Contingencies (Continued)

Agreement # 2

The terms of Agreement # 2, approved by City Council Resolution 2016-11, require that sales tax be refunded based on reaching established thresholds as shown in the following table. The term of this agreement is four years and is capped at \$60,000 per year and at \$240,000 over the life of the agreement.

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 withhold the abatement for that year.

<u>Threshold #</u>	<u>Annual Threshold Range</u>	<u>Distribution</u>
Threshold #1	\$0-\$60,000	Retained by City
Threshold #2	\$60,001-\$120,000	Due to Business
Threshold #3	Over \$120,000	Retained by City

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, 2019 (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 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 \$1,294,000 and \$713,000 for the workers' compensation claims and general liability claims, respectively, for a total of \$2,007,000. Of these amounts, the current year's adjustment is a decrease of \$120,000.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 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	667,000	1,460,000	2,127,000
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.	270,270	99,048	369,318
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(224,270)</u>	<u>(265,048)</u>	<u>(489,318)</u>
Amount of accrued claims at June 30, 2019	<u>\$ 713,000</u>	<u>\$ 1,294,000</u>	<u>\$ 2,007,000</u>

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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	\$	3,081,843
Cash and Investments with Fiscal Agent		<u>189,555</u>
	\$	<u><u>3,271,398</u></u>

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

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, follows:

	Balance July 1, 2018	Additions	Repayments	Balance June 30, 2019	Due Within One Year
Fiduciary Activities					
City loans - Principal	\$ 10,406,856	\$ -	\$ (595,141)	\$ 9,811,715	\$ 595,140
City loans - Interest	2,872,485	-	(167,859)	2,704,626	167,860
2017 Ref of the 2007 TABs, Series A	38,045,000	-	-	38,045,000	-
Unamortized premium	3,507,213	-	(167,010)	3,340,203	167,010
Totals	<u>\$ 54,831,554</u>	<u>\$ -</u>	<u>\$ (930,010)</u>	<u>\$ 53,901,544</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, 2019, the outstanding principal and accrued interest balances are \$9,811,715 and \$2,704,626, respectively.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2019, are as follows:

Year Ending June 30,	2017 Tax Allocation Bonds Series A	
	Principal	Interest
2020	\$ -	\$ 1,506,881
2021	-	1,506,881
2022	-	1,506,881
2023	-	1,506,881
2024	-	1,506,881
2025-2029	7,835,000	6,866,356
2030-2034	13,540,000	4,073,106
2035-2039	16,670,000	1,326,047
Totals	<u>\$ 38,045,000</u>	<u>\$ 19,799,914</u>

City of Moreno Valley, California

Notes to Financial Statements
Year Ended June 30, 2019 (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 \$57,844,914 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 \$5,157,856 and the debt service obligation on the bonds was \$2,240,009.

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, 2019, 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.

Note 13 **Subsequent Events**

The City has evaluated events subsequent to June 30, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 10, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that requires recognition or additional disclosure in the financial statements.

City of Moreno Valley

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

	Measurement Period ended June 30				
	2014	2015	2016	2017	2018
Total Pension Liability					
Service cost	\$ 4,630,703	\$ 4,122,713	\$ 3,836,160	\$ 4,154,188	\$ 4,096,701
Interest on total pension liability	11,785,648	12,457,642	12,991,903	13,608,182	14,018,703
Changes in assumptions	—	(3,142,601)	—	11,559,898	(1,695,079)
Differences between expected and actual experience	—	(1,159,680)	(2,531,675)	(566,196)	(2,163,560)
Benefit payments, including refunds of employee contributions	(5,670,706)	(6,643,394)	(7,199,811)	(7,770,872)	(8,495,988)
Net change in total pension liability	10,745,645	5,634,680	7,096,577	20,985,200	5,760,777
Total pension liability - beginning of year	157,661,972	168,407,617	174,042,297	181,138,874	202,124,074
Total pension liability - end of year (a)	\$ 168,407,617	\$ 174,042,297	\$ 181,138,874	\$ 202,124,074	\$ 207,884,851
Plan Fiduciary Net Position					
Contributions - employer	\$ 4,620,745	\$ 4,923,787	\$ 5,086,125	\$ 5,743,170	\$ 6,385,610
Contributions - employee	1,934,518	1,688,857	1,705,426	1,676,844	1,721,640
Net investment income	16,911,034	2,629,698	639,392	13,032,362	11,053,578
Benefit payments	(5,670,706)	(6,643,394)	(7,199,811)	(7,770,872)	(8,495,988)
Net Plan to Plan Resource Movement	—	—	—	(7,368)	(323)
Administrative expenses	—	(132,025)	(71,338)	(173,057)	(202,130)
	—	—	—	—	(383,849)
Net change in plan fiduciary net position	17,795,591	2,466,923	159,794	12,501,079	10,078,538
Plan fiduciary net position - beginning of year	96,790,659	114,586,250	117,053,173	117,212,967	129,714,046
Plan fiduciary net position - end of year (b)	\$ 114,586,250	\$ 117,053,173	\$ 117,212,967	\$ 129,714,046	\$ 139,792,584
Net pension liability - end of year (a)-(b)	\$ 53,821,367	\$ 56,989,124	\$ 63,925,907	\$ 72,410,028	\$ 68,092,267
Plan fiduciary net position as a percentage of the total pension liability	68.04%	67.26%	64.71%	64.18%	67.25%
Covered payroll	\$ 23,278,052	\$ 22,079,654	\$ 20,814,759	\$ 20,793,815	\$ 20,860,026
Net pension liability as percentage of covered payroll	231.21%	258.11%	307.12%	348.23%	326.42%

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, 2017 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 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was 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 base on the 7.5 percent discount rate.

* Historical information is required only for measurement periods where GASB 68 is applicable.

City of Moreno Valley

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

	For the Fiscal Years Ended June 30					
	2014	2015	2016	2017	2018	2019
Actually determined contributions	\$ 4,616,283	\$ 4,919,325	\$ 5,081,663	\$ 5,738,708	\$ 6,385,610	\$ 7,210,453
Contributions in relation to the actuarially determined contributions	(4,620,745)	(4,923,787)	(5,086,125)	(5,743,170)	(6,385,610)	(7,092,364)
Contribution deficiency / (excess)	\$ (4,462)	\$ (4,462)	\$ (4,462)	\$ (4,462)	\$ -	\$ 118,089
Covered payroll	\$23,278,052	\$22,079,654	\$20,814,759	\$20,793,815	\$20,860,026	\$21,699,131
Contributions as a percentage of covered payroll	19.85%	22.30%	24.44%	27.62%	30.61%	32.69%

Notes to Schedule:

Valuation date	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
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The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were from the June 30, 2016 public agency valuations.

Actuarial cost method	Entry Age Normal
Amortization method / Period	For details, see June 30, 2016 Funding Valuation
Asset valuation method	Market Value of Assets. For details, see June 30, 2016 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.

* Historical information is required only for measurement periods where GASB 68 is applicable.

City of Moreno Valley

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

	Measurement Period Ended		
	June 30, 2016	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	-	-	135,598
Changes of Assumptions	-	-	(854,050)
Benefit payments, including refunds of employee contributions	(977,892)	(700,673)	26,466
Implicit rate subsidy fulfilled	-	(285,661)	-
Net change in total OPEB liability	<u>523,013</u>	<u>572,540</u>	<u>(691,986)</u>
Total OPEB liability - beginning of year	<u>16,389,328</u>	<u>16,912,341</u>	<u>17,484,881</u>
Total OPEB liability - end of year (a)	<u>\$ 16,912,341</u>	<u>\$ 17,484,881</u>	<u>\$ 16,792,895</u>
Plan Fiduciary Net Position			
Net investment income	\$ 1,450,417	\$ 423,688	\$ (72,538)
Contributions - employer	1,116,747	642,216	-
Employer - implicit subsidy	-	285,661	-
Benefit payments, including refunds of employee contributions	(977,892)	(700,673)	26,466
Implicit rate subsidy fulfilled	-	(285,661)	-
Administrative expenses	(4,601)	(5,244)	(66)
Net change in plan fiduciary net position	<u>1,584,671</u>	<u>359,987</u>	<u>(46,138)</u>
Plan fiduciary net position - beginning of year	<u>8,440,888</u>	<u>10,025,559</u>	<u>10,385,546</u>
Plan fiduciary net position - end of year (b)	<u>\$ 10,025,559</u>	<u>\$ 10,385,546</u>	<u>\$ 10,339,408</u>
Net OPEB liability - end of year (a)-(b)	<u>\$ 6,886,782</u>	<u>\$ 7,099,335</u>	<u>\$ 6,453,487</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>59.28%</u>	<u>59.40%</u>	<u>61.57%</u>
Covered - employee payroll	<u>\$ 20,650,038</u>	<u>\$ 21,269,539</u>	<u>\$ 20,129,158</u>
Net OPEB liability as percentage of covered-employee payroll	<u>33.35%</u>	<u>33.38%</u>	<u>32.06%</u>

* Historical information is required only for measurement periods where GASB 75 is applicable.

City of Moreno Valley

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

	For the Fiscal Years Ended June 30		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actually determined contributions	\$ 642,132	\$ 659,902	\$ 659,902
Contributions in relation to the actuarially determined contributions	(838,855)	(642,216)	(927,877)
Contribution deficiency / (excess)	<u>\$ (196,723)</u>	<u>\$ 17,686</u>	<u>\$ (267,975)</u>
Covered-employee payroll	<u>\$ 20,650,038</u>	<u>\$ 21,269,539</u>	<u>\$ 20,129,158</u>
Contributions as a percentage of covered-employee payroll	<u>4.06%</u>	<u>3.02%</u>	<u>4.61%</u>

Notes to Schedule:

Valuation date	6/30/2017	6/30/2018	6/30/2018
Actuarial cost method	Entry age normal cost, level percent of pay		
Amortization method	Closed period, level percent of pay		
Amortization period	20 years		
Inflation	2.50%		
Assumed Payroll Growth	2.75%		
Healthcare trend rates	6.50%, trending down to 3.84%		
Rate of return on assets	7.28%		
Mortality rate	CalPERS rates		
Retirement rates	CalPERS rates		

* Historical information is required only for measurement periods where GASB 75 is applicable.

City of Moreno Valley

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

	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2018</u>	<u>Fiscal Year Ended June 30, 2019</u>
Annual money-weighted rate of return, net of investment expense	9.77%	10.24%	-0.70%

Notes: The annual money-weighted rate of return, net of investment expenses, is the net investment income for the year divided by the average net position for the year (less investment expenses).

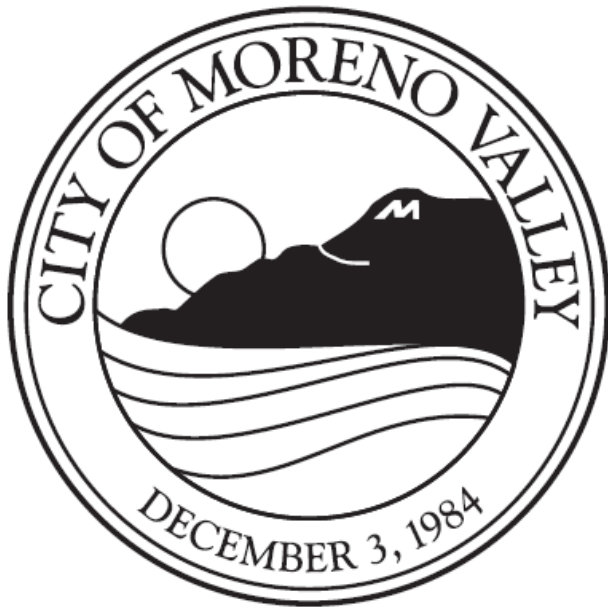
* Historical information is required only for measurement periods where GASB 75 is applicable.

Supplemental Schedules



COMPREHENSIVE **ANNUAL** FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019



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 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.

Quimby In-Lieu Park Fees Fund

This fund is used to account for residential development fees in lieu of land dedication. In accordance with the Quimby Act, a 1965 provision in the State Subdivision Map Act for the dedication of park land. This revenue may be used for the development of parks and recreation facilities, including land acquisition, park improvements and rehabilitation of existing parks and facilities.

CFD No. 2014-01 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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

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).

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS (CONTINUED):

Traffic Signal Mitigation Fund

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

Parks and Community Services Development and Capital Projects Fund

This fund is used to account for parks acquisition and development projects, including 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 fund is used to account for construction of capital improvements by the development impact fee (DIF) revenues.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

PERMANENT FUNDS (CONTINUED):

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 to provide recreational opportunities to the surrounding development areas.

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, 2019

Special Revenue Funds

	STATE GASOLINE TAX	MEASURE A	AIR QUALITY MANAGEMENT	SPECIAL DISTRICTS ADMINISTRATION
Assets				
Pooled cash and investments	\$ 4,799,200	\$ 3,255,498	\$ 263,924	\$ 1,846,755
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	322,577	328,001	69,818	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 5,121,777	\$ 3,583,499	\$ 333,742	\$ 1,846,755
Liabilities				
Accounts payable	\$ 12,956	\$ 14,279	\$ 10,050	\$ 1,647
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	12,956	14,279	10,050	1,647
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	5,108,821	3,569,220	323,692	1,845,108
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,108,821	3,569,220	323,692	1,845,108
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 5,121,777	\$ 3,583,499	\$ 333,742	\$ 1,846,755

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Special Revenue Funds

STORM WATER MAINTENANCE	STORM WATER MANAGEMENT	CFD No. 4-M	PUBLIC EDUCATION GOVERNMENT ACCESS	
\$ -	\$ 1,381,280	\$ 78,815	\$ 882,209	Assets
2,163	644	-	113,446	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
252,125	16,870	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 254,288</u>	<u>\$ 1,398,794</u>	<u>\$ 78,815</u>	<u>\$ 995,655</u>	Total Assets
\$ 8,328	\$ 48,373	\$ 7,523	\$ -	Liabilities
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
22,332	-	-	-	Due to other funds
<u>30,660</u>	<u>48,373</u>	<u>7,523</u>	<u>-</u>	Total Liabilities
-	-	-	-	Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
-	-	-	-	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances
-	-	-	-	Nonspendable:
-	-	-	-	Permanent fund principal
-	-	-	995,655	Restricted:
223,628	-	71,292	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	1,350,421	-	-	Water quality
-	-	-	-	Committed:
-	-	-	-	Library development
-	-	-	-	Unassigned
<u>223,628</u>	<u>1,350,421</u>	<u>71,292</u>	<u>995,655</u>	Total Fund Balances
<u>\$ 254,288</u>	<u>\$ 1,398,794</u>	<u>\$ 78,815</u>	<u>\$ 995,655</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Special Revenue Funds

	CIVIL PENALTIES	EMERGENCY SERVICES AGENCY FINES	ENERGY EFFICIENCY REVOLVING	GENERAL PLAN AMENDMENTS
Assets				
Pooled cash and investments	\$ 8,211	\$ 618,440	\$ 149,434	\$ 1,950,000
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 8,211	\$ 618,440	\$ 149,434	\$ 1,950,000
Liabilities				
Accounts payable	\$ 5,055	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	5,055	-	-	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	3,156	-	-	-
Public safety	-	618,440	-	-
Public works	-	-	149,434	1,950,000
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,156	618,440	149,434	1,950,000
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,211	\$ 618,440	\$ 149,434	\$ 1,950,000

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Special Revenue Funds

QUIMBY IN-LIEU PARK FEES	CFD No. 2014-01	CHILD CARE GRANT	ASES PROGRAM GRANT	
\$ 1,166,125	\$ 499,493	\$ 8,109	\$ -	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	993	94,705	565,110	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 1,166,125</u>	<u>\$ 500,486</u>	<u>\$ 102,814</u>	<u>\$ 565,110</u>	Total Assets
				Liabilities
\$ -	\$ 4,354	\$ 26,677	\$ 23,962	Accounts payable
-	-	34,811	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	33,217	504,572	Due to other funds
<u>-</u>	<u>4,354</u>	<u>94,705</u>	<u>528,534</u>	Total Liabilities
				Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
				Fund Balances
				Nonspendable:
-	-	-	-	Permanent fund principal
				Restricted:
1,166,125	-	8,109	36,576	Community development projects
-	-	-	-	Public safety
-	496,132	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
				Committed:
-	-	-	-	Library development
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Unassigned
<u>1,166,125</u>	<u>496,132</u>	<u>8,109</u>	<u>36,576</u>	Total Fund Balances
<u>\$ 1,166,125</u>	<u>\$ 500,486</u>	<u>\$ 102,814</u>	<u>\$ 565,110</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Special Revenue Funds

	USED OIL RECYCLING	OTHER GRANTS	CAPITAL PROJECTS GRANTS	LAW ENFORCEMENT GRANTS
Assets				
Pooled cash and investments	\$ 55,313	\$ 113,544	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	42,375	1,916,652	6,017
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 55,313	\$ 155,919	\$ 1,916,652	\$ 6,017
Liabilities				
Accounts payable	\$ 50	\$ 50,422	\$ 468,705	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	55,263	56,340	-	-
Due to other funds	-	-	883,521	6,017
Total Liabilities	55,313	106,762	1,352,226	6,017
Deferred Inflows of Resources				
Unavailable revenues	-	49,157	-	-
Total Deferred Inflows of Resources	-	49,157	-	-
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	564,426	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	564,426	-
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 55,313	\$ 155,919	\$ 1,916,652	\$ 6,017

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Special Revenue Funds

HOME	COMMUNITY DEVELOPMENT BLOCK GRANT	EMERGENCY SOLUTIONS GRANT	ARTICLE 3 TRANSPORTATION	
\$ 52,591	\$ 715,825	\$ -	\$ -	Assets
-	-	-	-	Pooled cash and investments
6,860,003	-	-	-	Receivables:
605,045	-	-	-	Accounts
228,936	722,408	132,347	48,991	Notes and loans
-	-	-	-	Interest
<u>\$ 7,746,575</u>	<u>\$ 1,438,233</u>	<u>\$ 132,347</u>	<u>\$ 48,991</u>	Due from other governments
				Restricted assets:
				Cash with fiscal agents
				Total Assets
				Liabilities
\$ 103,951	\$ 1,438,233	\$ 113,781	\$ -	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	18,566	48,991	Due to other funds
<u>103,951</u>	<u>1,438,233</u>	<u>132,347</u>	<u>48,991</u>	Total Liabilities
				Deferred Inflows of Resources
1,928,587	-	-	-	Unavailable revenues
<u>1,928,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
				Fund Balances
				Nonspendable:
-	-	-	-	Permanent fund principal
				Restricted:
5,714,037	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
				Committed:
-	-	-	-	Library development
<u>5,714,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	Unassigned
				Total Fund Balances
<u>\$ 7,746,575</u>	<u>\$ 1,438,233</u>	<u>\$ 132,347</u>	<u>\$ 48,991</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Capital Project Funds

	FACILITY CONSTRUCTION	PUBLIC WORKS CAPITAL PROJECTS	TUMF CAPITAL PROJECTS	TRAFFIC SIGNAL MITIGATION
Assets				
Pooled cash and investments	\$ 16,241,673	\$ 1,065,043	\$ -	\$ 283,163
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	4,493,500	15,323	379,729	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ 20,735,173	\$ 1,080,366	\$ 379,729	\$ 283,163
Liabilities				
Accounts payable	\$ 51,763	\$ 67,308	\$ 102,245	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	277,484	-
Total Liabilities	51,763	67,308	379,729	-
Deferred Inflows of Resources				
Unavailable revenues	4,493,500	-	198,206	-
Total Deferred Inflows of Resources	4,493,500	-	198,206	-
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	9,421,910	1,013,058	-	283,163
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Committed:				
Library development	6,768,000	-	-	-
Unassigned	-	-	(198,206)	-
Total Fund Balances	16,189,910	1,013,058	(198,206)	283,163
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 20,735,173	\$ 1,080,366	\$ 379,729	\$ 283,163

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

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	
\$ 2,402,546	\$ 3,746,769	\$ -	\$ -	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	6,762	-	-	Due from other governments
-	-	3,846	282	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 2,402,546</u>	<u>\$ 3,753,531</u>	<u>\$ 3,846</u>	<u>\$ 282</u>	Total Assets
\$ 144,162	\$ 27,395	\$ -	\$ -	Liabilities
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other funds
<u>144,162</u>	<u>27,395</u>	<u>-</u>	<u>-</u>	Total Liabilities
-	-	-	-	Deferred Inflows of Resources
-	-	-	-	Unavailable revenues
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
-	-	-	-	Fund Balances
-	-	-	-	Nonspendable:
-	-	-	-	Permanent fund principal
-	-	-	-	Restricted:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
2,258,384	3,726,136	-	-	Capital projects
-	-	3,846	282	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Committed:
-	-	-	-	Library development
-	-	-	-	Unassigned
<u>2,258,384</u>	<u>3,726,136</u>	<u>3,846</u>	<u>282</u>	Total Fund Balances
<u>\$ 2,402,546</u>	<u>\$ 3,753,531</u>	<u>\$ 3,846</u>	<u>\$ 282</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balance

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	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	\$ -	\$ 51,329	\$ 11,183
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	215	-	-	-
Total Assets	<u>\$ 6,019,273</u>	<u>\$ -</u>	<u>\$ 51,329</u>	<u>\$ 11,183</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	6,019,273	-	-	-
Endowment	-	-	2,279	1,183
Water quality	-	-	-	-
Committed:				
Library development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>6,019,273</u>	<u>-</u>	<u>51,329</u>	<u>11,183</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 6,019,273</u>	<u>\$ -</u>	<u>\$ 51,329</u>	<u>\$ 11,183</u>

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Permanent Funds

ROCKRIDGE PARK ENDOWMENT	NPDES ENDOWMENT	CULTURAL PRESERVATION	Total Nonmajor Governmental Funds	
\$ 114,567	\$ 33,610	\$ 126,154	\$ 47,939,861	Assets
-	-	-	116,253	Pooled cash and investments
-	-	-	6,860,003	Receivables:
-	-	-	605,045	Accounts
-	-	-	9,643,239	Notes and loans
-	-	-	-	Interest
-	-	-	4,343	Due from other governments
<u>\$ 114,567</u>	<u>\$ 33,610</u>	<u>\$ 126,154</u>	<u>\$ 65,168,744</u>	Restricted assets:
				Cash with fiscal agents
				Total Assets
-	-	-	\$ 2,731,219	Liabilities
-	-	-	34,811	Accounts payable
-	-	-	111,603	Accrued liabilities
-	-	-	1,794,700	Unearned revenues
-	-	-	<u>4,672,333</u>	Due to other funds
				Total Liabilities
-	-	-	6,669,450	Deferred Inflows of Resources
-	-	-	<u>6,669,450</u>	Unavailable revenues
				Total Deferred Inflows of Resources
100,000	14,506	114,542	288,098	Fund Balances
-	-	-	7,923,658	Nonspendable:
-	-	-	618,440	Permanent fund principal
-	-	-	13,737,327	Restricted:
-	-	-	17,267,077	Community development projects
-	-	-	6,023,401	Public safety
14,567	19,104	11,612	48,745	Public works
-	-	-	1,350,421	Capital projects
-	-	-	6,768,000	Debt service
-	-	-	(198,206)	Endowment
<u>114,567</u>	<u>33,610</u>	<u>126,154</u>	<u>53,826,961</u>	Water quality
				Committed:
				Library development
				Unassigned
				Total Fund Balances
<u>\$ 114,567</u>	<u>\$ 33,610</u>	<u>\$ 126,154</u>	<u>\$ 65,168,744</u>	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, 2019

Special Revenue Funds

	STATE GASOLINE TAX	MEASURE A	AIR QUALITY MANAGEMENT	SPECIAL DISTRICTS ADMINISTRATION
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,036,548	4,744,560	269,308	-
Fees and charges for services	625	-	-	732,189
Use of money and property	-	58,950	4,694	49,157
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	8,037,173	4,803,510	274,002	781,346
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community & economic development	-	-	-	-
Community & cultural	-	-	-	-
Public works	3,853,862	1,991,910	220,345	629,758
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,250,798	673,837	14,297	-
Total Expenditures	5,104,660	2,665,747	234,642	629,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,932,513	2,137,763	39,360	151,588
Other Financing Sources (Uses)				
Transfers in (note 7)	300,000	-	-	-
Transfers from Successor Agency	-	-	-	-
Transfers out (note 7)	(50,000)	(2,542,905)	-	-
Total Other Financing Sources (Uses)	250,000	(2,542,905)	-	-
Net change in Fund Balances	3,182,513	(405,142)	39,360	151,588
Fund Balances				
Fund Balances - Beginning of Year	1,926,308	3,974,362	284,332	1,693,520
Fund Balances - End of Year	\$ 5,108,821	\$ 3,569,220	\$ 323,692	\$ 1,845,108

City of Moreno Valley, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

Special Revenue Funds

STORM WATER MAINTENANCE	STORM WATER MANAGEMENT	CFD No. 4-M	PUBLIC EDUCATION GOVERNMENT ACCESS	
				Revenues
				Taxes:
\$ -	\$ -	\$ -	\$ -	Other taxes
-	-	-	-	Intergovernmental
483,363	753,405	25,696	-	Fees and charges for services
-	-	2,761	-	Use of money and property
-	-	-	-	Fines and forfeitures
-	-	-	678,378	Miscellaneous
483,363	753,405	28,457	678,378	Total Revenues
				Expenditures
				Current:
-	-	-	718,564	General government
-	-	-	-	Public safety
-	-	-	-	Community & economic development
-	-	-	-	Community & cultural
489,342	558,866	29,871	-	Public works
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	-	-	-	Capital outlay
489,342	558,866	29,871	718,564	Total Expenditures
				Excess (Deficiency) of Revenues
(5,979)	194,539	(1,414)	(40,186)	Over (Under) Expenditures
				Other Financing Sources (Uses)
50,000	223	-	-	Transfers in (note 7)
-	-	-	-	Transfers from Successor Agency
-	-	-	-	Transfers out (note 7)
50,000	223	-	-	Total Other Financing Sources (Uses)
44,021	194,762	(1,414)	(40,186)	Net change in Fund Balances
				Fund Balances
179,607	1,155,659	72,706	1,035,841	Fund Balances - Beginning of Year
\$ 223,628	\$ 1,350,421	\$ 71,292	\$ 995,655	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, 2019

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	-	95,104	-	-
Fees and charges for services	-	-	-	-
Use of money and property	-	19,624	-	-
Fines and forfeitures	286	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	286	114,728	-	-
Expenditures				
Current:				
General government	81,406	-	-	-
Public safety	-	721	-	-
Community & economic development	-	-	-	-
Community & cultural	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	90,924	-	-
Total Expenditures	81,406	91,645	-	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(81,120)	23,083	-	-
Other Financing Sources (Uses)				
Transfers in (note 7)	-	-	-	200,000
Transfers from Successor Agency	-	-	-	-
Transfers out (note 7)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	200,000
Net change in Fund Balances	(81,120)	23,083	-	200,000
Fund Balances				
Fund Balances - Beginning of Year	84,276	595,357	149,434	1,750,000
Fund Balances - End of Year	\$ 3,156	\$ 618,440	\$ 149,434	\$ 1,950,000

City of Moreno Valley, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

Special Revenue Funds

QUIMBY IN-LIEU PARK FEES	CFD No. 2014-01	CHILD CARE GRANT	ASES PROGRAM GRANT	
\$ -	\$ 209,744	\$ -	\$ -	Revenues
-	-	803,118	7,534,800	Taxes:
890,208	28,501	11,397	-	Other taxes
23,888	6,743	-	-	Intergovernmental
-	-	-	-	Fees and charges for services
-	-	-	-	Use of money and property
-	-	-	-	Fines and forfeitures
-	-	-	-	Miscellaneous
<u>914,096</u>	<u>244,988</u>	<u>814,515</u>	<u>7,534,800</u>	Total Revenues
-	-	-	-	Expenditures
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community & economic development
-	-	814,515	7,542,604	Community & cultural
-	59,883	-	-	Public works
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	-	-	-	Capital outlay
-	<u>59,883</u>	<u>814,515</u>	<u>7,542,604</u>	Total Expenditures
<u>914,096</u>	<u>185,105</u>	<u>-</u>	<u>(7,804)</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
387,650	-	8,109	-	Other Financing Sources (Uses)
-	-	-	-	Transfers in (note 7)
(135,621)	(3,262)	-	-	Transfers from Successor Agency
-	-	-	-	Transfers out (note 7)
<u>252,029</u>	<u>(3,262)</u>	<u>8,109</u>	<u>-</u>	Total Other Financing Sources (Uses)
1,166,125	181,843	8,109	(7,804)	Net change in Fund Balances
-	314,289	-	44,380	Fund Balances
<u>\$ 1,166,125</u>	<u>\$ 496,132</u>	<u>\$ 8,109</u>	<u>\$ 36,576</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, 2019

Special Revenue Funds

	USED OIL RECYCLING	OTHER GRANTS	CAPITAL PROJECTS GRANTS	LAW ENFORCEMENT GRANTS
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	47,663	246,224	2,845,505	498,192
Fees and charges for services	-	-	-	-
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	47,663	246,224	2,845,505	498,192
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	44,570	-	473,663
Community & economic development	-	69,112	-	24,529
Community & cultural	-	105,750	-	-
Public works	47,663	26,095	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	697	3,047,418	-
Total Expenditures	47,663	246,224	3,047,418	498,192
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(201,913)	-
Other Financing Sources (Uses)				
Transfers in (note 7)	-	-	-	-
Transfers from Successor Agency	-	-	-	-
Transfers out (note 7)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in Fund Balances	-	-	(201,913)	-
Fund Balances				
Fund Balances - Beginning of Year	-	-	766,339	-
Fund Balances - End of Year	\$ -	\$ -	\$ 564,426	\$ -

City of Moreno Valley, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

Special Revenue Funds

HOME	COMMUNITY DEVELOPMENT BLOCK GRANT	EMERGENCY SOLUTIONS GRANT	ARTICLE 3 TRANSPORTATION	
				Revenues
				Taxes:
\$ -	\$ -	\$ -	\$ -	Other taxes
355,933	1,027,248	171,036	22,682	Intergovernmental
-	-	-	-	Fees and charges for services
47,643	-	-	-	Use of money and property
-	-	-	-	Fines and forfeitures
-	-	-	-	Miscellaneous
<u>403,576</u>	<u>1,027,248</u>	<u>171,036</u>	<u>22,682</u>	Total Revenues
				Expenditures
				Current:
-	-	-	-	General government
-	81,919	-	-	Public safety
455,709	720,132	171,036	-	Community & economic development
-	-	-	-	Community & cultural
-	-	-	-	Public works
				Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	1,022,419	-	22,682	Capital outlay
<u>455,709</u>	<u>1,824,470</u>	<u>171,036</u>	<u>22,682</u>	Total Expenditures
				Excess (Deficiency) of Revenues Over (Under) Expenditures
<u>(52,133)</u>	<u>(797,222)</u>	<u>-</u>	<u>-</u>	
				Other Financing Sources (Uses)
-	797,222	-	-	Transfers in (note 7)
-	-	-	-	Transfers from Successor Agency
-	-	-	-	Transfers out (note 7)
<u>-</u>	<u>797,222</u>	<u>-</u>	<u>-</u>	Total Other Financing Sources (Uses)
(52,133)	-	-	-	Net change in Fund Balances
5,766,170	-	-	-	Fund Balances
<u>\$ 5,714,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

Capital Project Funds

	FACILITY CONSTRUCTION	PUBLIC WORKS CAPITAL PROJECTS	TUMF CAPITAL PROJECTS	TRAFFIC SIGNAL MITIGATION
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,000,000	19,444	210,526	-
Fees and charges for services	4,808	-	-	127,044
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,004,808	19,444	210,526	127,044
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community & economic development	-	-	-	-
Community & cultural	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	373,188	2,415,709	408,732	72
Total Expenditures	373,188	2,415,709	408,732	72
Excess (Deficiency) of Revenues Over (Under) Expenditures	631,620	(2,396,265)	(198,206)	126,972
Other Financing Sources (Uses)				
Transfers in (note 7)	4,931,629	1,800,000	204,086	-
Transfers from Successor Agency	-	-	-	-
Transfers out (note 7)	-	-	-	-
Total Other Financing Sources (Uses)	4,931,629	1,800,000	204,086	-
Net change in Fund Balances	5,563,249	(596,265)	5,880	126,972
Fund Balances				
Fund Balances - Beginning of Year	10,626,661	1,609,323	(204,086)	156,191
Fund Balances - End of Year	\$ 16,189,910	\$ 1,013,058	\$ (198,206)	\$ 283,163

City of Moreno Valley, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

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	
\$ -	\$ -	\$ -	\$ -	Revenues
-	6,761	-	-	Taxes:
-	-	-	-	Other taxes
-	-	-	-	Intergovernmental
-	-	-	-	Fees and charges for services
-	-	1,556	650	Use of money and property
-	-	-	-	Fines and forfeitures
-	-	-	-	Miscellaneous
-	6,761	1,556	650	Total Revenues
-	-	-	-	Expenditures
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community & economic development
-	-	-	-	Community & cultural
-	-	8,049	2,368	Public works
-	-	540,000	1,183,000	Debt service:
-	-	941,063	298,898	Principal retirement
-	-	-	-	Interest and fiscal charges
1,080,695	135,359	-	-	Capital outlay
1,080,695	135,359	1,489,112	1,484,266	Total Expenditures
(1,080,695)	(128,598)	(1,487,556)	(1,483,616)	Excess (Deficiency) of Revenues Over (Under) Expenditures
916,521	1,194,000	1,487,905	1,483,656	Other Financing Sources (Uses)
-	-	-	-	Transfers in (note 7)
(1,263,313)	-	-	-	Transfers from Successor Agency
-	-	-	-	Transfers out (note 7)
(346,792)	1,194,000	1,487,905	1,483,656	Total Other Financing Sources (Uses)
(1,427,487)	1,065,402	349	40	Net change in Fund Balances
3,685,871	2,660,734	3,497	242	Fund Balances
\$ 2,258,384	\$ 3,726,136	\$ 3,846	\$ 282	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, 2019

	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	436	-	2,067	474
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	436	-	2,067	474
Expenditures				
Current:				
General government	3,323	-	-	-
Public safety	-	-	-	-
Community & economic development	-	-	-	-
Community & cultural	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal retirement	-	282,000	-	-
Interest and fiscal charges	1,009,332	55,163	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,012,655	337,163	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,012,219)	(337,163)	2,067	474
Other Financing Sources (Uses)				
Transfers in (note 7)	1,012,269	187,163	-	-
Transfers from Successor Agency	-	150,000	-	-
Transfers out (note 7)	-	-	-	-
Total Other Financing Sources (Uses)	1,012,269	337,163	-	-
Net change in Fund Balances	50	-	2,067	474
Fund Balances				
Fund Balances - Beginning of Year	6,019,223	-	49,262	10,709
Fund Balances - End of Year	\$ 6,019,273	\$ -	\$ 51,329	\$ 11,183

City of Moreno Valley, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

Permanent Funds				
ROCKRIDGE PARK ENDOWMENT	NPDES ENDOWMENT	CULTURAL PRESERVATION	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 209,744	Revenues
-	-	-	27,934,652	Taxes:
-	-	-	3,057,236	Other taxes
4,245	1,314	4,726	228,928	Intergovernmental
-	-	-	286	Fees and charges for services
-	-	-	678,378	Use of money and property
<u>4,245</u>	<u>1,314</u>	<u>4,726</u>	<u>32,109,224</u>	Fines and forfeitures
				Miscellaneous
				Total Revenues
				Expenditures
				Current:
-	-	-	803,293	General government
-	-	-	600,873	Public safety
-	-	-	1,440,518	Community & economic development
-	-	-	8,462,869	Community & cultural
-	-	-	7,918,012	Public works
-	-	-	2,005,000	Debt service:
-	-	-	2,304,456	Principal retirement
-	-	-	10,536,827	Interest and fiscal charges
<u>-</u>	<u>-</u>	<u>-</u>	<u>34,071,848</u>	Capital outlay
				Total Expenditures
				Excess (Deficiency) of Revenues
<u>4,245</u>	<u>1,314</u>	<u>4,726</u>	<u>(1,962,624)</u>	Over (Under) Expenditures
				Other Financing Sources (Uses)
-	-	-	14,960,433	Transfers in (note 7)
-	-	-	150,000	Transfers from Successor Agency
-	(223)	-	(3,995,324)	Transfers out (note 7)
<u>-</u>	<u>(223)</u>	<u>-</u>	<u>11,115,109</u>	Total Other Financing Sources (Uses)
4,245	1,091	4,726	9,152,485	Net change in Fund Balances
110,322	32,519	121,428	44,674,476	Fund Balances
<u>\$ 114,567</u>	<u>\$ 33,610</u>	<u>\$ 126,154</u>	<u>\$ 53,826,961</u>	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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 8,139,284	\$ 7,665,959	\$ 8,036,548	\$ 370,589
Fees and charges for services	-	-	625	625
Use of money and property	1,000	1,000	-	(1,000)
Miscellaneous	1,000	1,000	-	(1,000)
Total Revenues	8,141,284	7,667,959	8,037,173	369,214
Expenditures				
Current:				
Public works	4,468,450	4,330,207	3,853,862	476,345
Capital outlay	3,788,095	5,015,641	1,250,798	3,764,843
Total Expenditures	8,256,545	9,345,848	5,104,660	4,241,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,261)	(1,677,889)	2,932,513	4,610,402
Other Financing Sources (Uses)				
Transfers in (note 7)	160,000	300,000	300,000	-
Transfers out (note 7)	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (uses)	110,000	250,000	250,000	-
Net change in fund balances	(5,261)	(1,427,889)	3,182,513	4,610,402
Fund balances - Beginning of year	1,926,308	1,926,308	1,926,308	-
Fund balances - End of year	\$ 1,921,047	\$ 498,419	\$ 5,108,821	\$ 4,610,402

City of Moreno Valley, California

Budgetary Comparison Schedule

MEASURE A

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 4,125,650	\$ 4,286,505	\$ 4,744,560	\$ 458,055
Use of money and property	80,000	80,000	58,950	(21,050)
Miscellaneous	30,000	30,000	-	(30,000)
Total Revenues	4,235,650	4,396,505	4,803,510	407,005
Expenditures				
Current:				
Public works	1,958,478	2,003,248	1,991,910	11,338
Capital outlay	-	2,413,817	673,837	1,739,980
Total Expenditures	1,958,478	4,417,065	2,665,747	1,751,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,277,172	(20,560)	2,137,763	2,158,323
Other Financing Sources (Uses)				
Transfers out (note 7)	(2,546,000)	(2,546,000)	(2,542,905)	3,095
Total Other Financing Sources (uses)	(2,546,000)	(2,546,000)	(2,542,905)	3,095
Net change in fund balances	(268,828)	(2,566,560)	(405,142)	2,161,418
Fund balances - Beginning of year	3,974,362	3,974,362	3,974,362	-
Fund balances - End of year	\$ 3,705,534	\$ 1,407,802	\$ 3,569,220	\$ 2,161,418

City of Moreno Valley, California

Budgetary Comparison Schedule
 AIR QUALITY MANAGEMENT
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 269,308	\$ 49,308
Use of money and property	7,000	7,000	4,694	(2,306)
Total Revenues	227,000	227,000	274,002	47,002
Expenditures				
Current:				
Public works	221,663	221,663	220,345	1,318
Capital outlay	30,000	107,649	14,297	93,352
Total Expenditures	251,663	329,312	234,642	94,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,663)	(102,312)	39,360	141,672
Net change in fund balances	(24,663)	(102,312)	39,360	141,672
Fund balances - Beginning of year	284,332	284,332	284,332	-
Fund balances - End of year	\$ 259,669	\$ 182,020	\$ 323,692	\$ 141,672

City of Moreno Valley, California

Budgetary Comparison Schedule
SPECIAL DISTRICTS ADMINISTRATION
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 722,500	\$ 745,600	\$ 732,189	\$ (13,411)
Use of money and property	8,500	27,900	49,157	21,257
Total Revenues	731,000	773,500	781,346	7,846
Expenditures				
Current:				
Public works	735,751	779,233	629,758	149,475
Total Expenditures	735,751	779,233	629,758	149,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,751)	(5,733)	151,588	157,321
Net change in fund balances	(4,751)	(5,733)	151,588	157,321
Fund balances - Beginning of year	1,693,520	1,693,520	1,693,520	-
Fund balances - End of year	\$ 1,688,769	\$ 1,687,787	\$ 1,845,108	\$ 157,321

City of Moreno Valley, California

Budgetary Comparison Schedule
STORM WATER MAINTENANCE
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 390,000	\$ 390,000	\$ 483,363	\$ 93,363
Total Revenues	390,000	390,000	483,363	93,363
Expenditures				
Current:				
Public works	455,459	482,259	489,342	(7,083)
Total Expenditures	455,459	482,259	489,342	(7,083)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,459)	(92,259)	(5,979)	86,280
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	(15,459)	(42,259)	44,021	86,280
Fund balances - Beginning of year	179,607	179,607	179,607	-
Fund balances - End of year	\$ 164,148	\$ 137,348	\$ 223,628	\$ 86,280

City of Moreno Valley, California

**Budgetary Comparison Schedule
STORM WATER MANAGEMENT
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 727,440	\$ 731,440	\$ 753,405	\$ 21,965
Total Revenues	727,440	731,440	753,405	21,965
Expenditures				
Current:				
Public works	659,763	659,763	558,866	100,897
Total Expenditures	659,763	659,763	558,866	100,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,677	71,677	194,539	122,862
Other Financing Sources (Uses)				
Transfers in (note 7)	223	223	223	-
Total Other Financing Sources (uses)	223	223	223	-
Net change in fund balances	67,900	71,900	194,762	122,862
Fund balances - Beginning of year	1,155,659	1,155,659	1,155,659	-
Fund balances - End of year	\$ 1,223,559	\$ 1,227,559	\$ 1,350,421	\$ 122,862

City of Moreno Valley, California

Budgetary Comparison Schedule

CFD No. 4-M

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 41,400	\$ 41,400	\$ 25,696	\$ (15,704)
Use of money and property	81	81	2,761	2,680
Total Revenues	41,481	41,481	28,457	(13,024)
Expenditures				
Current:				
Public works	33,815	33,815	29,871	3,944
Total Expenditures	33,815	33,815	29,871	3,944
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,666	7,666	(1,414)	(9,080)
Net change in fund balances	7,666	7,666	(1,414)	(9,080)
Fund balances - Beginning of year	72,706	72,706	72,706	-
Fund balances - End of year	\$ 80,372	\$ 80,372	\$ 71,292	\$ (9,080)

City of Moreno Valley, California

**Budgetary Comparison Schedule
PUBLIC EDUCATION GOVERNMENT ACCESS
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 565,000	\$ 565,000	\$ 678,378	\$ 113,378
Total Revenues	565,000	565,000	678,378	113,378
Expenditures				
Current:				
General government	738,670	738,670	718,564	20,106
Total Expenditures	738,670	738,670	718,564	20,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	(173,670)	(173,670)	(40,186)	133,484
Net change in fund balances	(173,670)	(173,670)	(40,186)	133,484
Fund balances - Beginning of year	1,035,841	1,035,841	1,035,841	-
Fund balances - End of year	\$ 862,171	\$ 862,171	\$ 995,655	\$ 133,484

City of Moreno Valley, California

Budgetary Comparison Schedule

CIVIL PENALTIES

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 286	\$ (29,714)
Total Revenues	30,000	30,000	286	(29,714)
Expenditures				
Current:				
General government	31,466	86,466	81,406	5,060
Total Expenditures	31,466	86,466	81,406	5,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,466)	(56,466)	(81,120)	(24,654)
Net change in fund balances	(1,466)	(56,466)	(81,120)	(24,654)
Fund balances - Beginning of year	84,276	84,276	84,276	-
Fund balances - End of year	\$ 82,810	\$ 27,810	\$ 3,156	\$ (24,654)

City of Moreno Valley, California

Budgetary Comparison Schedule
 EMERGENCY SERVICES AGENCY FINES
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 95,104	\$ 40,104
Use of money and property	4,000	4,000	19,624	15,624
Total Revenues	59,000	59,000	114,728	55,728
Expenditures				
Current:				
Public safety	59,000	59,000	721	58,279
Capital outlay	-	90,924	90,924	-
Total Expenditures	59,000	149,924	91,645	58,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(90,924)	23,083	114,007
Net change in fund balances	-	(90,924)	23,083	114,007
Fund balances - Beginning of year	595,357	595,357	595,357	-
Fund balances - End of year	\$ 595,357	\$ 504,433	\$ 618,440	\$ 114,007

City of Moreno Valley, California

**Budgetary Comparison Schedule
ENERGY EFFICIENCY REVOLVING
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ 10,000	\$ -	\$ (10,000)
Total Revenues	-	10,000	-	(10,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	10,000	-	(10,000)
Net change in fund balances	-	10,000	-	(10,000)
Fund balances - Beginning of year	149,434	149,434	149,434	-
Fund balances - End of year	\$ 149,434	\$ 159,434	\$ 149,434	\$ (10,000)

City of Moreno Valley, California

**Budgetary Comparison Schedule
GENERAL PLAN AMENDMENTS
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
Current:				
Community and economic development	750,000	1,950,000	-	1,950,000
Total Expenditures	750,000	1,950,000	-	1,950,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(750,000)	(1,950,000)	-	1,950,000
Other Financing Sources (Uses)				
Transfers in (note 7)	-	200,000	200,000	-
Total Other Financing Sources (uses)	-	200,000	200,000	-
Net change in fund balances	(750,000)	(1,750,000)	200,000	1,950,000
Fund balances - Beginning of year	1,750,000	1,750,000	1,750,000	-
Fund balances - End of year	\$ 1,000,000	\$ -	\$ 1,950,000	\$ 1,950,000

City of Moreno Valley, California

**Budgetary Comparison Schedule
 QUIMBY IN-LIEU PARK FEES
 For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ -	\$ 15,000	\$ 890,208	\$ 875,208
Use of money and property	-	12,000	23,888	11,888
Total Revenues	-	27,000	914,096	887,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	27,000	914,096	887,096
Other Financing Sources (Uses)				
Transfers in (note 7)	-	387,650	387,650	-
Transfers out (note 7)	-	(155,000)	(135,621)	19,379
Total Other Financing Sources (uses)	-	232,650	252,029	19,379
Net change in fund balances	-	259,650	1,166,125	906,475
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ 259,650	\$ 1,166,125	\$ 906,475

City of Moreno Valley, California

Budgetary Comparison Schedule

CFD No. 2014-01

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Other taxes	\$ 23,000	\$ 209,657	\$ 209,744	\$ 87
Fees and charges for services	10,000	50,000	28,501	(21,499)
Use of money and property	700	4,600	6,743	2,143
Total Revenues	33,700	264,257	244,988	(19,269)
Expenditures				
Current:				
Public works	33,059	89,216	59,883	29,333
Total Expenditures	33,059	89,216	59,883	29,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	641	175,041	185,105	10,064
Other Financing Sources (Uses)				
Transfers out (note 7)	-	(3,994)	(3,262)	732
Total Other Financing Sources (uses)	-	(3,994)	(3,262)	732
Net change in fund balances	641	171,047	181,843	10,796
Fund balances - Beginning of year	314,289	314,289	314,289	-
Fund balances - End of year	\$ 314,930	\$ 485,336	\$ 496,132	\$ 10,796

City of Moreno Valley, California

Budgetary Comparison Schedule

CHILD CARE GRANT

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 740,788	\$ 822,340	\$ 803,118	\$ (19,222)
Fees and charges for services	15,000	15,000	11,397	(3,603)
Miscellaneous	790	790	-	(790)
Total Revenues	756,578	838,130	814,515	(23,615)
Expenditures				
Current:				
Community & cultural	756,578	838,130	814,515	23,615
Total Expenditures	756,578	838,130	814,515	23,615
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in (note 7)	-	-	8,109	8,109
Total Other Financing Sources (uses)	-	-	8,109	8,109
Net change in fund balances	-	-	8,109	8,109
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ -	\$ 8,109	\$ 8,109

City of Moreno Valley, California

Budgetary Comparison Schedule
 ASES PROGRAM GRANT
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 6,773,200	\$ 7,534,800	\$ 7,534,800	\$ -
Total Revenues	6,773,200	7,534,800	7,534,800	-
Expenditures				
Current:				
Community & cultural	6,773,200	7,534,800	7,542,604	(7,804)
Total Expenditures	6,773,200	7,534,800	7,542,604	(7,804)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(7,804)	(7,804)
Net change in fund balances	-	-	(7,804)	(7,804)
Fund balances - Beginning of year	44,380	44,380	44,380	-
Fund balances - End of year	\$ 44,380	\$ 44,380	\$ 36,576	\$ (7,804)

City of Moreno Valley, California

**Budgetary Comparison Schedule
USED OIL RECYCLING
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 55,462	\$ 101,245	\$ 47,663	\$ (53,582)
Total Revenues	55,462	101,245	47,663	(53,582)
Expenditures				
Current:				
Public works	55,462	101,245	47,663	53,582
Total Expenditures	55,462	101,245	47,663	53,582
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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 130,700	\$ 432,543	\$ 246,224	\$ (186,319)
Total Revenues	130,700	432,543	246,224	(186,319)
Expenditures				
Current:				
Public safety	75,700	83,975	44,570	39,405
Public works	55,000	69,663	26,095	43,568
Community and economic development	-	169,839	69,112	100,727
Community & cultural	-	105,750	105,750	-
Capital outlay	-	-	697	(697)
Total Expenditures	130,700	429,227	246,224	183,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,316	-	(3,316)
Net change in fund balances	-	3,316	-	(3,316)
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ 3,316	\$ -	\$ (3,316)

City of Moreno Valley, California

Budgetary Comparison Schedule
 CAPITAL PROJECTS GRANTS
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 4,415,000	\$ 14,594,954	\$ 2,845,505	\$ (11,749,449)
Total Revenues	4,415,000	14,594,954	2,845,505	(11,749,449)
Expenditures				
Capital outlay	143,118	15,081,489	3,047,418	12,034,071
Total Expenditures	143,118	15,081,489	3,047,418	12,034,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,271,882	(486,535)	(201,913)	284,622
Net change in fund balances	4,271,882	(486,535)	(201,913)	284,622
Fund balances - Beginning of year	766,339	766,339	766,339	-
Fund balances - End of year	\$ 5,038,221	\$ 279,804	\$ 564,426	\$ 284,622

City of Moreno Valley, California

**Budgetary Comparison Schedule
LAW ENFORCEMENT GRANTS
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 393,730	\$ 516,564	\$ 498,192	\$ (18,372)
Total Revenues	393,730	516,564	498,192	(18,372)
Expenditures				
Current:				
Public safety	347,438	473,664	473,663	1
Community and economic development	46,292	42,900	24,529	18,371
Total Expenditures	393,730	516,564	498,192	18,372
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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 527,298	\$ 747,906	\$ 355,933	\$ (391,973)
Use of money and property	-	-	47,643	47,643
Total Revenues	527,298	747,906	403,576	(344,330)
Expenditures				
Current:				
Community and economic development	527,298	747,906	455,709	292,197
Total Expenditures	527,298	747,906	455,709	292,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(52,133)	(52,133)
Net change in fund balances	-	-	(52,133)	(52,133)
Fund balances - Beginning of year	5,766,170	5,766,170	5,766,170	-
Fund balances - End of year	\$ 5,766,170	\$ 5,766,170	\$ 5,714,037	\$ (52,133)

City of Moreno Valley, California

Budgetary Comparison Schedule
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,068,143	\$ 4,765,199	\$ 1,027,248	\$ (3,737,951)
Total Revenues	2,068,143	4,765,199	1,027,248	(3,737,951)
Expenditures				
Current:				
Public safety	-	81,919	81,919	-
Community end economic development	1,093,803	940,244	720,132	220,112
Capital outlay	974,340	3,743,036	1,022,419	2,720,617
Total Expenditures	2,068,143	4,765,199	1,824,470	2,940,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(797,222)	(797,222)
Other Financing Sources (Uses)				
Transfers in (note 7)	-	800,000	797,222	(2,778)
Total Other Financing Sources (uses)	-	800,000	797,222	(2,778)
Net change in fund balances	-	800,000	-	(800,000)
Fund balances - Beginning of year	-	-	-	-
Fund balances - End of year	\$ -	\$ 800,000	\$ -	\$ (800,000)

City of Moreno Valley, California

**Budgetary Comparison Schedule
EMERGENCY SOLUTIONS GRANT
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 181,852	\$ 186,824	\$ 171,036	\$ (15,788)
Total Revenues	181,852	186,824	171,036	(15,788)
Expenditures				
Current:				
Community and economic development	181,852	186,824	171,036	15,788
Total Expenditures	181,852	186,824	171,036	15,788
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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 22,690	\$ 22,682	\$ (8)
Total Revenues	-	22,690	22,682	(8)
Expenditures				
Capital outlay	-	22,690	22,682	8
Total Expenditures	-	22,690	22,682	8
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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Fees and charges for services	-	-	4,808	4,808
Total Revenues	1,000,000	1,000,000	1,004,808	4,808
Expenditures				
Capital outlay	-	5,523,613	373,188	5,150,425
Total Expenditures	-	5,523,613	373,188	5,150,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000,000	(4,523,613)	631,620	5,155,233
Other Financing Sources (Uses)				
Transfers in (note 7)	-	4,931,629	4,931,629	-
Total Other Financing Sources (uses)	-	4,931,629	4,931,629	-
Net change in fund balances	1,000,000	408,016	5,563,249	5,155,233
Fund balances - Beginning of year	10,626,661	10,626,661	10,626,661	-
Fund balances - End of year	\$ 11,626,661	\$ 11,034,677	\$ 16,189,910	\$ 5,155,233

City of Moreno Valley, California

**Budgetary Comparison Schedule
PUBLIC WORKS CAPITAL PROJECTS
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,010,382	\$ 506,483	\$ 19,444	\$ (487,039)
Total Revenues	2,010,382	506,483	19,444	(487,039)
Expenditures				
Capital outlay	1,646,882	3,686,354	2,415,709	1,270,645
Total Expenditures	1,646,882	3,686,354	2,415,709	1,270,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	363,500	(3,179,871)	(2,396,265)	783,606
Other Financing Sources (Uses)				
Transfers in (note 7)	-	1,800,000	1,800,000	-
Total Other Financing Sources (uses)	-	1,800,000	1,800,000	-
Net change in fund balances	363,500	(1,379,871)	(596,265)	783,606
Fund balances - Beginning of year	1,609,323	1,609,323	1,609,323	-
Fund balances - End of year	\$ 1,972,823	\$ 229,452	\$ 1,013,058	\$ 783,606

City of Moreno Valley, California

Budgetary Comparison Schedule
TUMF CAPITAL PROJECTS
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 2,067,611	\$ 210,526	\$ (1,857,085)
Total Revenues	-	2,067,611	210,526	(1,857,085)
Expenditures				
Capital outlay	-	2,067,611	408,732	1,658,879
Total Expenditures	-	2,067,611	408,732	1,658,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(198,206)	(198,206)
Other Financing Sources (Uses)				
Transfers in (note 7)	-	204,086	204,086	-
Total Other Financing Sources (uses)	-	204,086	204,086	-
Net change in fund balances	-	204,086	5,880	(198,206)
Fund balances - Beginning of year	(204,086)	(204,086)	(204,086)	-
Fund balances - End of year	\$ (204,086)	\$ -	\$ (198,206)	\$ (198,206)

City of Moreno Valley, California

Budgetary Comparison Schedule
 TRAFFIC SIGNAL MITIGATION
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ -	\$ -	\$ 127,044	\$ 127,044
Total Revenues	-	-	127,044	127,044
Expenditures				
Capital outlay	-	75,000	72	74,928
Total Expenditures	-	75,000	72	74,928
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(75,000)	126,972	201,972
Net change in fund balances	-	(75,000)	126,972	201,972
Fund balances - Beginning of year	156,191	156,191	156,191	-
Fund balances - End of year	\$ 156,191	\$ 81,191	\$ 283,163	\$ 201,972

City of Moreno Valley, California

Budgetary Comparison Schedule
 PARKS & COMMUNITY SERVICES DEVELOPMENT AND CAPITAL PROJECTS
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
Capital outlay	155,000	2,148,418	1,080,695	1,067,723
Total Expenditures	155,000	2,148,418	1,080,695	1,067,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,000)	(2,148,418)	(1,080,695)	1,067,723
Other Financing Sources (Uses)				
Transfers in (note 7)	155,000	955,000	916,521	(38,479)
Transfers out (note 7)	-	(1,263,313)	(1,263,313)	-
Total Other Financing Sources (uses)	155,000	(308,313)	(346,792)	(38,479)
Net change in fund balances	-	(2,456,731)	(1,427,487)	1,029,244
Fund balances - Beginning of year	3,685,871	3,685,871	3,685,871	-
Fund balances - End of year	\$ 3,685,871	\$ 1,229,140	\$ 2,258,384	\$ 1,029,244

City of Moreno Valley, California

**Budgetary Comparison Schedule
DIF CAPITAL PROJECTS
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 6,761	\$ 6,761
Total Revenues	<u>-</u>	<u>-</u>	<u>6,761</u>	<u>6,761</u>
Expenditures				
Capital outlay	350,000	3,850,339	135,359	3,714,980
Total Expenditures	<u>350,000</u>	<u>3,850,339</u>	<u>135,359</u>	<u>3,714,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(350,000)</u>	<u>(3,850,339)</u>	<u>(128,598)</u>	<u>3,721,741</u>
Other Financing Sources (Uses)				
Transfers in (note 7)	350,000	1,194,000	1,194,000	-
Total Other Financing Sources (uses)	<u>350,000</u>	<u>1,194,000</u>	<u>1,194,000</u>	<u>-</u>
Net change in fund balances	-	(2,656,339)	1,065,402	3,721,741
Fund balances - Beginning of year	2,660,734	2,660,734	2,660,734	-
Fund balances - End of year	<u>\$ 2,660,734</u>	<u>\$ 4,395</u>	<u>\$ 3,726,136</u>	<u>\$ 3,721,741</u>

City of Moreno Valley, California

Budgetary Comparison Schedule

TRIP COP 13A

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,556	\$ 1,556
Total Revenues	-	-	1,556	1,556
Expenditures				
Current:				
Public works	9,000	9,000	8,049	951
Debt service:				
Principal retirement	540,000	540,000	540,000	-
Interest	942,000	942,000	941,063	937
Total Expenditures	1,491,000	1,491,000	1,489,112	1,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,491,000)	(1,491,000)	(1,487,556)	3,444
Other Financing Sources (Uses)				
Transfers in (note 7)	1,491,000	1,491,000	1,487,905	(3,095)
Total Other Financing Sources (uses)	1,491,000	1,491,000	1,487,905	(3,095)
Net change in fund balances	-	-	349	349
Fund balances - Beginning of year	3,497	3,497	3,497	-
Fund balances - End of year	\$ 3,497	\$ 3,497	\$ 3,846	\$ 349

City of Moreno Valley, California

Budgetary Comparison Schedule
2013 REFUNDING OF 2005 LEASE REVENUE BONDS
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 650	\$ 650
Total Revenues	-	-	650	650
Expenditures				
Current:				
Public works	3,000	3,000	2,368	632
Debt service:				
Principal retirement	1,183,000	1,183,000	1,183,000	-
Interest	299,000	299,000	298,898	102
Total Expenditures	1,485,000	1,485,000	1,484,266	734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,485,000)	(1,485,000)	(1,483,616)	1,384
Other Financing Sources (Uses)				
Transfers in (note 7)	1,485,000	1,485,000	1,483,656	(1,344)
Total Other Financing Sources (uses)	1,485,000	1,485,000	1,483,656	(1,344)
Net change in fund balances	-	-	40	40
Fund balances - Beginning of year	242	242	242	-
Fund balances - End of year	\$ 242	\$ 242	\$ 282	\$ 40

City of Moreno Valley, California

Budgetary Comparison Schedule
 2014 REFUNDING OF 2005 LEASE REVENUE BONDS
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 436	\$ 436
Total Revenues	-	-	436	436
Expenditures				
Current:				
General government	3,000	3,000	3,323	(323)
Debt service:				
Interest	1,010,000	1,010,000	1,009,332	668
Total Expenditures	1,013,000	1,013,000	1,012,655	345
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,013,000)	(1,013,000)	(1,012,219)	781
Other Financing Sources (Uses)				
Transfers in (note 7)	1,013,000	1,013,000	1,012,269	(731)
Total Other Financing Sources (uses)	1,013,000	1,013,000	1,012,269	(731)
Net change in fund balances	-	-	50	50
Fund balances - Beginning of year	6,019,223	6,019,223	6,019,223	-
Fund balances - End of year	\$ 6,019,223	\$ 6,019,223	\$ 6,019,273	\$ 50

City of Moreno Valley, California

Budgetary Comparison Schedule
2011 PRIVATE PLACEMENT REFUNDING OF 97 LEASE REVENUE BONDS
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures				
Debt service:				
Principal retirement	\$ 282,000	\$ 282,000	\$ 282,000	\$ -
Interest	56,000	56,000	55,163	837
Total Expenditures	338,000	338,000	337,163	837
Excess (Deficiency) of Revenues Over (Under) Expenditures	(338,000)	(338,000)	(337,163)	837
Other Financing Sources (Uses)				
Transfers in (note 7)	188,000	188,000	187,163	(837)
Transfers from Successor Agency	150,000	150,000	150,000	-
Total Other Financing Sources (uses)	338,000	338,000	337,163	(837)
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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,000	\$ 1,000	\$ 2,067	\$ 1,067
Total Revenues	1,000	1,000	2,067	1,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	2,067	1,067
Net change in fund balances	1,000	1,000	2,067	1,067
Fund balances - Beginning of year	49,262	49,262	49,262	-
Fund balances - End of year	\$ 50,262	\$ 50,262	\$ 51,329	\$ 1,067

City of Moreno Valley, California

**Budgetary Comparison Schedule
EQUESTRIAN TRAIL ENDOWMENT
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 200	\$ 200	\$ 474	\$ 274
Total Revenues	200	200	474	274
Expenditures				
Current:				
Community & cultural	200	200	-	200
Total Expenditures	200	200	-	200
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	474	474
Net change in fund balances	-	-	474	474
Fund balances - Beginning of year	10,709	10,709	10,709	-
Fund balances - End of year	\$ 10,709	\$ 10,709	\$ 11,183	\$ 474

City of Moreno Valley, California

**Budgetary Comparison Schedule
ROCKRIDGE PARK ENDOWMENT
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,500	\$ 1,500	\$ 4,245	\$ 2,745
Total Revenues	1,500	1,500	4,245	2,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500	1,500	4,245	2,745
Net change in fund balances	1,500	1,500	4,245	2,745
Fund balances - Beginning of year	110,322	110,322	110,322	-
Fund balances - End of year	\$ 111,822	\$ 111,822	\$ 114,567	\$ 2,745

City of Moreno Valley, California

Budgetary Comparison Schedule
 NPDES ENDOWMENT
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 250	\$ 250	\$ 1,314	\$ 1,064
Total Revenues	250	250	1,314	1,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	250	250	1,314	1,064
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	1,091	1,064
Fund balances - Beginning of year	32,519	32,519	32,519	-
Fund balances - End of year	\$ 32,546	\$ 32,546	\$ 33,610	\$ 1,064

City of Moreno Valley, California

Budgetary Comparison Schedule
 CULTURAL PRESERVATION
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,600	\$ 1,600	\$ 4,726	\$ 3,126
Total Revenues	1,600	1,600	4,726	3,126
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,600	1,600	4,726	3,126
Net change in fund balances	1,600	1,600	4,726	3,126
Fund balances - Beginning of year	121,428	121,428	121,428	-
Fund balances - End of year	\$ 123,028	\$ 123,028	\$ 126,154	\$ 3,126

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 City-owned buildings.

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, 2019

	GENERAL LIABILITY INSURANCE	WORKERS' COMPENSATION INSURANCE	TECHNOLOGY SERVICES	FACILITIES MAINTENANCE
Assets				
Current:				
Pooled cash and investments	\$ 2,449,241	\$ 3,316,071	\$ 8,766,852	\$ 6,027,494
Receivables:				
Accounts	-	-	-	53
Prepaid costs	-	-	-	4,589
Inventories	-	-	-	17,959
Total Current Assets	2,449,241	3,316,071	8,766,852	6,050,095
Noncurrent:				
Capital assets - net of accumulated depreciation	-	-	2,101,225	10,403,529
Total Noncurrent Assets	-	-	2,101,225	10,403,529
Total Assets	2,449,241	3,316,071	10,868,077	16,453,624
Liabilities				
Current:				
Accounts payable	118,799	2,320	30,738	280,138
Compensated absences	42,316	-	-	80,578
Self-insurance payable	454,000	489,000	-	-
Total Current Liabilities	615,115	491,320	30,738	360,716
Noncurrent:				
Compensated absences	28,211	-	-	53,719
Self-insurance payable	259,000	805,000	-	-
Total Noncurrent Liabilities	287,211	805,000	-	53,719
Total Liabilities	902,326	1,296,320	30,738	414,435
Net Position				
Net investment in capital assets	-	-	2,101,224	10,403,529
Unrestricted	1,546,915	2,019,751	8,736,115	5,635,660
Total Net Position	\$ 1,546,915	\$ 2,019,751	\$ 10,837,339	\$ 16,039,189

City of Moreno Valley, California

Combining Statement of Net Position
Internal Service Funds
June 30, 2019

FLEET OPERATIONS	EQUIPMENT REPLACEMENT RESERVE	COMPENSATED ABSENCES	TOTAL	
\$ 4,722,361	\$ 14,176,573	\$ 2,813,042	\$ 42,271,634	Assets
-	-	-	53	Current:
-	-	-	4,589	Pooled cash and investments
9,702	-	-	27,661	Receivables:
4,732,063	14,176,573	2,813,042	42,303,937	Accounts
				Prepaid costs
				Inventories
				Total Current Assets
				Noncurrent:
99,480	-	-	12,604,234	Capital assets - net of accumulated depreciation
99,480	-	-	12,604,234	Total Noncurrent Assets
4,831,543	14,176,573	2,813,042	54,908,171	Total Assets
				Liabilities
				Current:
35,398	-	-	467,393	Accounts payable
29,249	-	-	152,143	Compensated absences
-	-	-	943,000	Self-insurance payable
64,647	-	-	1,562,536	Total Current Liabilities
				Noncurrent:
19,498	-	-	101,428	Compensated absences
-	-	-	1,064,000	Self-insurance payable
19,498	-	-	1,165,428	Total Noncurrent Liabilities
84,145	-	-	2,727,964	Total Liabilities
				Net Position
99,481	-	-	12,604,234	Net investment in capital assets
4,647,917	14,176,573	2,813,042	39,575,973	Unrestricted
\$ 4,747,398	\$ 14,176,573	\$ 2,813,042	\$ 52,180,207	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, 2019

	<u>GENERAL LIABILITY INSURANCE</u>	<u>WORKERS' COMPENSATION INSURANCE</u>	<u>TECHNOLOGY SERVICES</u>	<u>FACILITIES MAINTENANCE</u>
Operating Revenues				
Sales and service charges	\$ 1,087,130	\$ 485,953	\$ -	\$ 3,983,769
Miscellaneous	125,245	6,612	770	15,032
Total Operating Revenues	<u>1,212,375</u>	<u>492,565</u>	<u>770</u>	<u>3,998,801</u>
Operating Expenses				
Cost of services	564,159	113,981	56,406	3,478,348
Depreciation expense	-	-	362,518	382,018
Self-insurance claims and charges	860,040	329,958	-	-
Total Operating Expenses	<u>1,424,199</u>	<u>443,939</u>	<u>418,924</u>	<u>3,860,366</u>
Operating Income (Loss)	<u>(211,824)</u>	<u>48,626</u>	<u>(418,154)</u>	<u>138,435</u>
Nonoperating Revenues (Expenses)				
Gain (loss) on disposal of capital assets	-	-	(15,785)	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>(15,785)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	(211,824)	48,626	(433,939)	138,435
Transfers in	525,000	-	923,553	-
Transfers out	-	-	(750,000)	-
Change in Net Position	313,176	48,626	(260,386)	138,435
Total Net Position - Beginning of Year	1,233,739	1,971,125	11,097,725	15,900,754
Total Net Position - End of Year	<u>\$ 1,546,915</u>	<u>\$ 2,019,751</u>	<u>\$ 10,837,339</u>	<u>\$ 16,039,189</u>

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, 2019

FLEET OPERATIONS	EQUIPMENT REPLACEMENT RESERVE	COMPENSATED ABSENCES	TOTAL	
\$ 2,045,746	\$ 581,182	\$ -	\$ 8,183,780	Operating Revenues
-	-	-	147,659	Sales and service charges
2,045,746	581,182	-	8,331,439	Miscellaneous
				Total Operating Revenues
				Operating Expenses
1,132,569	-	-	5,345,463	Cost of services
7,175	-	-	751,711	Depreciation expense
-	-	-	1,189,998	Self-insurance claims and charges
1,139,744	-	-	7,287,172	Total Operating Expenses
				Operating Income (Loss)
906,002	581,182	-	1,044,267	
				Nonoperating Revenues (Expenses)
258,802	-	-	243,017	Gain (loss) on disposal of capital assets
258,802	-	-	243,017	Total Nonoperating Revenues (Expenses)
				Income (Loss) Before Contributions and Transfers
1,164,804	581,182	-	1,287,284	
45,000	-	500,000	1,993,553	Transfers in
(1,201,360)	(405,852)	-	(2,357,212)	Transfers out
8,444	175,330	500,000	923,625	Change in Net Position
4,738,954	14,001,243	2,313,042	51,256,582	Total Net Position - Beginning of Year
\$ 4,747,398	\$ 14,176,573	\$ 2,813,042	\$ 52,180,207	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, 2019

	GENERAL LIABILITY INSURANCE	WORKERS' COMPENSATION INSURANCE	TECHNOLOGY SERVICES	FACILITIES MAINTENANCE
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 1,212,375	\$ 492,565	\$ 770	\$ 3,998,817
Payments to suppliers	(132,067)	(64,442)	(29,106)	(2,507,895)
Payments to employees	(323,307)	(53,282)	(623)	(836,580)
Cash paid for claims	(814,040)	(495,958)	-	-
Net cash provided (used) by operating activities	(57,039)	(121,117)	(28,959)	654,342
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transfers in	525,000	-	923,553	-
Cash transfers out	-	-	(750,000)	-
Net cash provided (used) by noncapital financing activities	525,000	-	173,553	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(282,293)	(222,396)
Proceeds from the sale or disposition of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(282,293)	(222,396)
Net increase (decrease) in cash and cash equivalents	467,961	(121,117)	(137,699)	431,946
Balances - beginning of year	1,981,280	3,437,188	8,904,551	5,595,548
Balances - end of the year	\$ 2,449,241	\$ 3,316,071	\$ 8,766,852	\$ 6,027,494
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ (211,824)	\$ 48,626	\$ (418,154)	\$ 138,435
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	362,518	382,018
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	15
(Increase) decrease in prepaid costs	-	-	-	9,892
(Increase) decrease in inventories	-	-	-	2,584
Increase (decrease) in accounts payable	107,647	2,320	26,677	115,054
Increase (decrease) in self-insurance payable	46,000	(166,000)	-	-
Increase (decrease) in compensated absences	1,138	(6,063)	-	6,344
Net cash provided (used) by operating activities	\$ (57,039)	\$ (121,117)	\$ (28,959)	\$ 654,342

City of Moreno Valley, California

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	FLEET OPERATIONS	EQUIPMENT REPLACEMENT RESERVE	COMPENSATED ABSENCES	TOTAL
\$	2,045,747	\$ 581,182	\$ -	\$ 8,331,456
	(760,985)	-	-	(3,494,495)
	(409,547)	-	-	(1,623,339)
	-	-	-	(1,309,998)
	<u>875,215</u>	<u>581,182</u>	<u>-</u>	<u>1,903,624</u>

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	
Payments to suppliers	
Payments to employees	
Cash paid for claims	
Net cash provided (used) by operating activities	

	45,000	-	500,000	1,993,553
	(1,201,360)	(405,852)	-	(2,357,212)
	<u>(1,156,360)</u>	<u>(405,852)</u>	<u>500,000</u>	<u>(363,659)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash transfers in	
Cash transfers out	
Net cash provided (used) by noncapital financing activities	

	-	-	-	(504,689)
	258,802	-	-	258,802
	<u>258,802</u>	<u>-</u>	<u>-</u>	<u>(245,887)</u>
	<u>(22,343)</u>	<u>175,330</u>	<u>500,000</u>	<u>1,294,078</u>
	4,744,704	14,001,243	2,313,042	40,977,556
	<u>\$ 4,722,361</u>	<u>\$ 14,176,573</u>	<u>\$ 2,813,042</u>	<u>\$ 42,271,634</u>

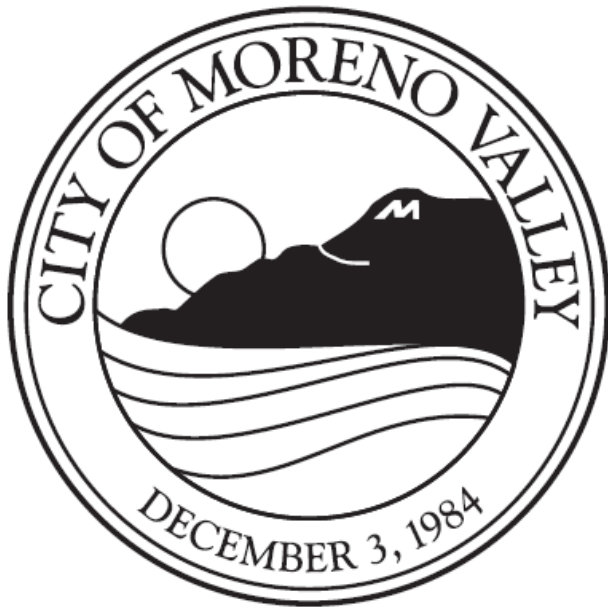
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	
Proceeds from the sale or disposition of capital assets	
Net cash provided (used) by capital and related financing activities	
Net increase (decrease) in cash and cash equivalents	
Balances - beginning of year	
Balances - end of the year	

\$	906,002	\$ 581,182	\$ -	\$ 1,044,267
	7,175	-	-	751,711
	-	-	-	15
	-	-	-	9,892
	2,211	-	-	4,795
	(50,218)	-	-	201,480
	-	-	-	(120,000)
	10,045	-	-	11,464
	<u>\$ 875,215</u>	<u>\$ 581,182</u>	<u>\$ -</u>	<u>\$ 1,903,624</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating Income	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	
(Increase) decrease in prepaid costs	
(Increase) decrease in inventories	
Increase (decrease) in accounts payable	
Increase (decrease) in self-insurance payable	
Increase (decrease) in compensated absences	
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 on a temporary basis to account for the receipts and disbursements of the Moreno Valley Community Foundation until such time that the Foundation is officially cleared by the Internal Revenue Service to become operational as a tax-exempt 501(c)3 organization.

Arts Commission Fund

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

CFD #5 Stoneridge Fund

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

2007 Towngate Improvement Refunding

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

2007 Towngate Refunding

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

IA1 CFD #7

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

City of Moreno Valley, California

Combining Balance Sheet
All Agency Funds
June 30, 2019

	<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	\$ 6,561,312	\$ 97,603	\$ 56,808	\$ 221,650	\$ 1,423
Accounts receivable	20,000	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted Assets:					
Cash with fiscal agents	-	-	-	-	-
Total Assets	<u>\$ 6,581,312</u>	<u>\$ 97,603</u>	<u>\$ 56,808</u>	<u>\$ 221,650</u>	<u>\$ 1,423</u>
Liabilities:					
Current:					
Accounts payable	\$ 40,940	\$ 97,603	\$ 56,808	\$ -	\$ -
Deposits payable	6,540,372	-	-	-	-
Payable to trustee	-	-	-	221,650	1,423
Total Liabilities	<u>\$ 6,581,312</u>	<u>\$ 97,603</u>	<u>\$ 56,808</u>	<u>\$ 221,650</u>	<u>\$ 1,423</u>

See Notes to Financial Statements

City of Moreno Valley, California

Combining Balance Sheet
All Agency Funds
June 30, 2019

<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	\$ 88,022	\$ 195,829	\$ 2,250	\$ 7,246,005	Assets:
-	-	-	-	20,000	Current:
27,185	4,185	-	-	31,370	Pooled cash and investments
					Accounts receivable
					Due from other governments
790,706	700,324	2,759,092	574,925	4,825,047	Restricted Assets:
					Cash with fiscal agents
<u>\$ 838,999</u>	<u>\$ 792,531</u>	<u>\$ 2,954,921</u>	<u>\$ 577,175</u>	<u>\$ 12,122,422</u>	Total Assets
					Liabilities:
\$ -	\$ -	\$ -	\$ -	\$ 195,351	Current:
-	-	-	-	6,540,372	Accounts payable
838,999	792,531	2,954,921	577,175	5,386,699	Deposits payable
					Payable to trustee
<u>\$ 838,999</u>	<u>\$ 792,531</u>	<u>\$ 2,954,921</u>	<u>\$ 577,175</u>	<u>\$ 12,122,422</u>	Total Liabilities

City of Moreno Valley, California

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Deposit Liability</u>				
Assets:				
Pooled cash and investments	\$ 6,521,969	2,009,004	1,969,661	\$ 6,561,312
Accounts receivable	300	524,886	505,186	20,000
Total Assets	\$ 6,522,269	2,533,890	2,474,847	\$ 6,581,312
Liabilities:				
Accounts payable	\$ 7,298	1,217,567	1,183,925	\$ 40,940
Deposits payable	6,514,971	3,717,815	3,692,414	6,540,372
Total Liabilities	\$ 6,522,269	4,935,382	4,876,339	\$ 6,581,312
<u>TUMF Trust</u>				
Assets:				
Pooled cash and investments	\$ 883,106	7,881,236	8,666,739	\$ 97,603
Total Assets	\$ 883,106	7,881,236	8,666,739	\$ 97,603
Liabilities:				
Accounts payable	\$ 883,106	7,881,236	8,666,739	\$ 97,603
Total Liabilities	\$ 883,106	7,881,236	8,666,739	\$ 97,603
<u>MSHCP Trust</u>				
Assets:				
Pooled cash and investments	\$ 157,714	1,321,919	1,422,825	\$ 56,808
Total Assets	\$ 157,714	1,321,919	1,422,825	\$ 56,808
Liabilities:				
Accounts payable	\$ 157,714	1,321,919	1,422,825	\$ 56,808
Total Liabilities	\$ 157,714	1,321,919	1,422,825	\$ 56,808
<u>Moreno Valley Foundation Donations</u>				
Assets:				
Pooled cash and investments	\$ 221,650	-	-	\$ 221,650
Total Assets	\$ 221,650	-	-	\$ 221,650
Liabilities:				
Payable to trustee	\$ 221,650	-	-	\$ 221,650
Total Liabilities	\$ 221,650	-	-	\$ 221,650

City of Moreno Valley, California

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Arts Commission</u>				
Assets:				
Pooled cash and investments	\$ 1,674	-	251	\$ 1,423
Total Assets	\$ 1,674	-	251	\$ 1,423
Liabilities:				
Payable to trustee	\$ 1,674	-	251	\$ 1,423
Total Liabilities	\$ 1,674	-	251	\$ 1,423
<u>CFD # 5 Stoneridge</u>				
Assets:				
Pooled cash and investments	\$ 21,108	456,710	456,710	\$ 21,108
Due from other governments	10,861	27,185	10,861	27,185
Restricted assets:				
Cash with fiscal agents	781,705	438,658	429,657	790,706
Total Assets	\$ 813,674	895,368	886,367	\$ 838,999
Liabilities:				
Payable to trustee	\$ 813,674	25,325	-	\$ 838,999
Total Liabilities	\$ 813,674	25,325	-	\$ 838,999
<u>2007 Towngate Improvement Refunding</u>				
Assets:				
Pooled cash and investments	\$ 87,622	426,260	425,860	\$ 88,022
Due from other governments	4,295	4,185	4,295	4,185
Restricted assets:				
Cash with fiscal agents	686,704	21,806	8,186	700,324
Total Assets	\$ 778,621	448,066	434,046	\$ 792,531
Liabilities:				
Payable to trustee	\$ 778,621	13,910	-	\$ 792,531
Total Liabilities	\$ 778,621	13,910	-	\$ 792,531

City of Moreno Valley, California

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>2007 Towngate Refunding</u>				
Assets:				
Pooled cash and investments	\$ 195,330	1,318,159	1,317,660	\$ 195,829
Restricted assets:				
Cash with fiscal agents	2,724,839	1,235,500	1,201,247	2,759,092
Total Assets	\$ 2,920,169	2,553,659	2,518,907	\$ 2,954,921
Liabilities:				
Payable to trustee	\$ 2,920,169	34,752	-	\$ 2,954,921
Total Liabilities	\$ 2,920,169	34,752	-	\$ 2,954,921
<u>IA1 CFD #7</u>				
Assets:				
Pooled cash and investments	\$ 2,450	32,250	32,450	\$ 2,250
Restricted assets:				
Cash with fiscal agents	762,026	22,956	210,057	574,925
Total Assets	\$ 764,476	55,206	242,507	\$ 577,175
Liabilities:				
Payable to trustee	\$ 764,476	-	187,301	\$ 577,175
Total Liabilities	\$ 764,476	-	187,301	\$ 577,175
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 8,092,623	13,445,538	14,292,156	\$ 7,246,005
Accounts receivable	300	524,886	505,186	20,000
Due from other governments	15,156	31,370	15,156	31,370
Restricted assets:				
Cash with fiscal agents	4,955,274	1,718,920	1,849,147	4,825,047
Total Assets	\$ 13,063,353	15,720,714	16,661,645	\$ 12,122,422
Liabilities:				
Accounts payable	\$ 1,048,118	10,420,722	11,273,489	\$ 195,351
Deposits payable	6,514,971	3,717,815	3,692,414	6,540,372
Payable to trustee	5,500,264	73,987	187,552	5,386,699
Total Liabilities	\$ 13,063,353	14,212,524	15,153,455	\$ 12,122,422

Statistical Section



COMPREHENSIVE **ANNUAL** FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

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.

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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.

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Revenue Capacity

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

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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.

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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.

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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.

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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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 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	\$ 823,199,477
Restricted for:										
Community development projects	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	72,126,493
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	20,259,407
Public safety	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282	509,262	595,357	618,440
Public works/capital projects	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	59,592,469
Debt service	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	6,023,401
Other programs	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617	949,249	1,155,659	1,350,421
Permanent funds-nonexpendable	169,287	170,162	188,335	191,646	328,823	332,597	337,682	338,156	324,240	336,843
Unrestricted:	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	30,516,185
Total Governmental activities net position	\$ 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	\$ 1,014,023,136
Business-type activities										
Net investment in capital assets	\$ 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	\$ 25,289,496
Restricted for:										
Regulatory contingencies	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	-	4,806,157	5,460,607	6,125,796
Unrestricted:	(4,520,034)	(5,623,674)	(413,445)	(652,825)	260,457	4,297,438	12,487,075	4,972,812	12,167,888	12,732,634
Total Business-type activities net position	\$ 883,920	\$ 10,021,344	\$ 10,504,312	\$ 11,845,022	\$ 13,733,416	\$ 19,004,092	\$ 26,464,745	\$ 30,291,480	\$ 38,588,058	\$ 44,147,926
Primary government										
Net investment in capital assets	\$ 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	\$ 848,488,973
Restricted for:										
Community development projects	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	72,126,493
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	20,259,407
Public safety	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282	509,262	595,357	618,440
Public works/capital projects	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	59,592,469
Debt service	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	6,023,401
Other programs	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617	949,249	1,155,659	1,350,421
Permanent funds-nonexpendable	169,287	170,162	188,335	191,646	328,823	332,597	337,682	338,156	324,240	336,843
Regulatory contingencies	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	-	4,806,157	5,460,607	6,125,796
Unrestricted:	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	43,248,819
Total primary government net position	\$ 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	\$ 1,058,171,062

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 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	\$ 17,692,328
Public safety	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	62,282,794
Community and economic development	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	17,643,399
Community and cultural	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	23,653,269
Public works	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	50,392,109
Interest and fiscal charges	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	2,106,238
Total governmental activities expenses	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	173,770,137
Business-type activities:										
Electric	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	28,740,920
Total business-type activities expenses	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	28,740,920
Total primary government expenses	\$ 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	\$ 202,511,057
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 7,531,941
Public safety	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	3,726,879
Community and economic development	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	14,891,509
Community and cultural	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	5,527,271
Public works	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	4,809,398
Operating contributions and grants:										
General government	66,861	940,799	1,094,413	2,974,751	121,564	154,230	121,850	146,906	325,286	235,088
Public safety	1,016,552	1,009,290	988,848	796,155	687,498	4,213,573	3,954,561	2,459,630	2,896,580	1,925,943
Community and economic development	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	253,588
Community and cultural	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	8,492,028
Public works	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	13,026,677
Capital grants and contributions										
General government	31,307	-	5,056,545	-	17,576	-	-	-	-	4,808
Public safety	146,606	534,771	893,608	357,393	-	-	-	-	-	-
Community and economic development	918,785	20,180	-	-	9,729,528	16,679,953	16,349,211	-	-	-
Community and cultural	-	-	-	-	-	-	-	-	431,335	-
Public works	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	15,433,181
Total governmental activities program revenues	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	75,858,311
Business-type activities:										
Charges for services										
Electric	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	31,074,323
Capital grants and contributions	-	-	-	-	-	-	-	-	-	2,496,022
Total business-type activities program revenues	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	33,570,345
Total primary government program revenues	\$ 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	\$ 109,428,656

(Continued)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	\$ (28,193,530)	\$ (72,676,927)	\$ (78,076,846)	\$ (34,906,609)	\$ (74,856,543)	\$ (72,073,271)	\$ (75,981,553)	\$ (104,344,453)	\$ (112,119,812)	\$ (97,911,826)
Business-type activities	(486,602)	864,151	229,542	958,642	417,590	5,401,164	5,133,504	3,771,183	5,156,466	4,829,425
Total primary government net (expense)/revenue	\$ (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)	\$ (93,082,401)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 20,939,920
Property taxes in lieu	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	19,577,636
Transient occupancy taxes	535,775	692,586	747,100	831,881	991,431	1,197,143	1,416,343	1,852,584	2,344,159	2,433,358
Sales taxes	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	21,208,442
Franchise taxes	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	5,968,690
Business license taxes	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	2,451,260
Utility users taxes	15,338,341	15,317,439	15,591,386	15,683,931	15,595,141	16,138,202	15,824,481	15,613,484	15,629,102	15,483,806
Other taxes	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	6,892,345
Franchise in lieu taxes	132,548	150,456	168,267	189,577	194,943	278,186	293,022	288,383	620,349	617,101
Documentary transfer tax	479,208	424,931	434,554	350,413	447,103	502,822	740,120	719,514	767,591	833,082
Intergovernmental-motor vehicle in lieu, unrestricted	547,188	-	-	-	-	-	-	-	-	-
Use of money and property	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	9,724,871
Gain on sale of capital assets	-	605	-	-	-	-	-	-	-	-
Miscellaneous	1,238,641	2,784,308	469,671	1,728,104	696,377	403,609	1,975,035	769,125	1,040,861	999,027
Contributed capital	-	-	-	-	-	-	-	-	-	-
Extraordinary items	-	-	(7,305,736)	31,492,582	26,364,076	-	-	-	14,513,139	-
Transfers	225,192	(107,841)	-	-	(904,032)	-	-	-	-	-
Total governmental activities	\$ 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	\$ 107,134,892
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	504,300
Miscellaneous	1,250,000	179,892	164,243	373,220	531,523	1,141,838	2,124,605	209,279	293,756	231,497
Contributed capital	-	-	-	-	-	-	-	-	3,098,784	-
Transfers	(225,192)	107,841	-	-	904,032	-	-	-	(300,000)	(5,354)
Total business-type activities	\$ 1,086,236	\$ 317,273	\$ 253,426	\$ 382,068	\$ 1,470,804	\$ 1,279,785	\$ 2,327,149	\$ 338,532	\$ 3,140,112	\$ 730,443
Total primary government	\$ 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	\$ 107,865,335
Change in Net Position										
Government activities	\$ 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	\$ 9,223,066
Business-type activities	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	5,559,868
Total primary government	\$ 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	\$ 14,782,934

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 33,788,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	17,500,579	-	-	-	-	-	-	-	-	-
Nonspendable	-	5,716,008	5,438,306	5,497,653	9,132,415	8,388,275	8,215,977	8,395,058	11,444,674	10,973,748
Restricted	-	-	1,000,000	-	-	-	-	-	-	-
Committed	-	2,600,000	2,600,000	2,701,000	2,729,722	2,266,281	2,755,281	13,359,691	13,844,094	16,187,828
Assigned	-	1,414,860	2,613,937	646,598	1,156,993	1,115,184	2,621,245	10,007,195	10,742,934	16,433,572
Unassigned	-	36,634,651	29,814,811	25,528,774	27,536,445	31,606,163	37,529,532	24,369,793	19,690,252	22,138,541
Total General Fund	\$ 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	\$ 65,733,689
All Other Funds										
Reserved	\$ 79,688,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	30,378,947	-	-	-	-	-	-	-	-	-
Capital projects funds	27,373,151	-	-	-	-	-	-	-	-	-
Permanent funds	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	296,615
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	123,852,864
Committed	-	13,321	17,332	17,332	-	-	1,000,000	5,768,000	5,768,000	6,768,000
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)	(198,206)
Total all other funds	\$ 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	\$ 130,719,273

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue										
Taxes:										
Property taxes	\$ 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	\$ 20,939,920
Property taxes in lieu	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	19,577,636
Utility users taxes	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	15,483,806
Sales taxes	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	21,208,442
Other taxes	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	19,195,836
Licenses and permits	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	3,468,511
Intergovernmental	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	28,676,795
Fees and charges for services	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	30,913,729
Use of money and property	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	9,724,871
Fines and forfeitures	1,176,403	833,799	653,285	650,259	619,942	630,175	569,383	626,710	654,993	756,901
Miscellaneous	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	999,027
Total revenues	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	170,945,474
Expenditures										
General government	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	15,912,863
Public safety	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	61,141,018
Community and economic development	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	13,531,870
Community and cultural	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	21,241,618
Public works	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	20,516,249
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	12,203,689
Debt service										
Principal retirement	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	2,005,000
Interest and fiscal charges	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	2,304,456
Bond issuance costs	-	-	-	-	895,960	360,956	-	-	-	-
Total expenditures	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	148,856,763
Excess (Deficiency) of revenues over (under) expenditures	(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	22,088,711
Other Financing Sources (Uses)										
Issuance of debt	-	7,447,764	-	-	-	-	-	-	-	-
Transfers in (note 7)	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	19,333,554
Transfers out (note 7)	(26,106,962)	(19,012,256)	(25,818,899)	(15,473,618)	(30,111,568)	(44,677,294)	(8,588,009)	(9,397,470)	(20,397,921)	(18,964,541)
Transfers from Successor Agency	-	-	900,124	2,811,741	9,729,528	1,489,134	1,620,000	150,000	150,000	150,000
Transfer in of land	-	-	-	-	-	-	-	-	-	1,474,226
Contributions to Successor Agency	-	-	-	-	-	-	(298,513)	-	-	-
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)	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	1,993,239
Special Items										
Extraordinary Items	-	-	(2,566,209)	23,492,746	-	-	-	-	-	-
Gains from Land held for Resale	-	-	-	-	-	-	-	-	-	-
Total Special Items										
Net change in fund balances	\$ (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	\$ 24,081,950
Debt service as a percentage of noncapital expenditures	9.58%	14.35%	8.59%	4.39%	13.06%	5.38%	5.21%	4.35%	3.14%	3.01%

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	License Gross Receipt	Documentary Transfer	Total						
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	18,937,738	1,416,343	5,786,958	2,249,400	740,120	74,124,471								
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								
2019	15,623,696	19,577,636	15,483,806	21,208,442	2,433,358	6,585,791	2,451,261	833,082	84,197,073								
Change																	
2010 to 2019	58.00%	43.00%	1.00%	128.00%	354.00%	38.00%	155.00%	74.00%	52.00%								

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	
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
2019		15,483,806		15,623,696		19,577,636		21,208,442		-		8,780,550

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
2010	\$ 10,625,910	\$ 236,904	\$ 10,862,814	\$ (154,289)	\$ 10,708,525	0.00160	\$ 2,391,494	\$ 154,639	\$ 2,546,133	\$ (81,595)	\$ 2,464,538	0.00675
2011	10,516,338	238,786	10,755,124	(227,178)	10,527,946	0.00164	2,375,549	157,430	2,532,979	(81,830)	2,451,149	0.00575
2012	10,561,585	271,336	10,832,921	(236,235)	10,596,686	0.00258	-	-	-	-	-	-
2013	10,646,415	342,094	10,988,509	(249,331)	10,739,178	0.00183	-	-	-	-	-	-
2014	11,042,637	352,337	11,394,974	(264,161)	11,130,813	0.00185	-	-	-	-	-	-
2015	12,102,252	366,400	12,468,652	(262,713)	12,205,939	0.00179	-	-	-	-	-	-
2016	12,991,881	486,350	13,478,231	(256,756)	13,221,475	0.00173	-	-	-	-	-	-
2017	13,703,128	609,642	14,312,770	(265,286)	14,047,484	0.00172	-	-	-	-	-	-
2018	14,517,849	584,791	15,102,640	(273,025)	14,829,615	0.00169	-	-	-	-	-	-
2019	15,490,166	637,631	16,127,798	(360,916)	15,766,881	0.00166	-	-	-	-	-	-

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Direct Rate:	\$0.00160	\$0.00164	\$0.00258	\$0.00183	\$0.00185	\$0.00179	\$0.00173	\$0.00172	\$0.00169	\$0.00166
Redevelopment Agency Direct Rate:	0.00675	0.00575	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Tax Rate:	0.00256	0.00242	0.00258	0.00183	0.00185	0.00179	0.00173	0.00172	0.00169	\$0.00166
Eastern Municipal Water Imp Dist	0.03000	0.03000	0.03000	0.03000	0.03000	0.01100	0.01100	0.01100	0.01000	0.01000
Metropolitan Water Dist Original Area	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Moreno Valley Unified School District	0.02660	0.03357	0.04096	0.04060	0.04354	0.04071	0.10223	0.10320	0.09333	0.09864
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320
Riverside City Community College District	0.01242	0.01499	0.01700	0.01702	0.01768	0.01791	0.01725	0.01649	0.01616	0.01478
San Jacinto Unified School District	0.09052	0.11744	0.12875	0.12800	0.12746	0.11866	0.11727	0.11656	0.15078	0.15291
Val Verde Unified District	0.04089	0.03347	0.03160	0.08383	0.07235	0.07882	0.07135	0.07210	0.06368	0.06966
Total Tax Rate	\$0.17231	\$0.24298	\$0.25717	\$0.30662	\$0.29823	\$0.27239	\$0.33827	\$0.33777	\$0.35234	\$0.36435

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	2019			2010		
	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)	\$ 226,094,211	1	1.43%	\$ -	-	-
Western A West California, LLC	162,850,384	2	1.03%	-	-	-
Duke Realty LP	154,358,513	3	0.98%	-	-	-
First Industrial LP	151,922,179	4	0.96%	-	-	-
Ross Dress For Less, Inc.	137,339,628	5	0.87%	97,084,134	4	0.88%
FR California Indian Avenue	116,938,404	6	0.74%	-	-	-
Walgreen Company	114,599,679	7	0.73%	137,062,594	1	1.24%
Golden State FC, LLC	103,338,843	8	0.66%	-	-	-
Towngate on Memorial Apartments	100,543,290	9	0.64%	-	-	-
AI California	98,897,920	10	0.63%	-	-	-
Stonegate 552, LLC	-	-	-	114,015,600	2	1.04%
Ridge Moreno Valley	-	-	-	101,827,166	3	0.92%
Moreno Valley Day St Apartment	-	-	-	72,131,078	5	0.66%
WNRA Moreno Valley	-	-	-	57,723,068	6	0.52%
Kaiser Foundation Hospitals	-	-	-	56,001,945	7	0.51%
Knickerbocker Properties, Inc.	-	-	-	49,418,999	8	0.45%
Realty Associates Fund IX LP	-	-	-	47,154,744	9	0.43%
Bre Properties, Inc.	-	-	-	43,499,470	10	0.40%
	<u>\$ 1,366,883,051</u>		<u>8.67%</u>	<u>\$ 775,918,798</u>		<u>7.05%</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
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%	169,250	29,595,157	100.00%
2019	30,459,787	30,334,346	99.59%	-	30,334,346	99.59%

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 2018/19 Assessed Valuation

\$ 15,777,801,124

	Total Debt		City's Share of Debt
	<u>6/30/2019</u>	<u>% Applicable(1)</u>	<u>6/30/2019</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Metropolitan Water District	\$ 48,050,000	0.541%	\$ 259,951
Riverside County Flood Control and Water Reclamation District, Zone No.4	14,690,000	30.601	4,495,287
Eastern Municipal Water District I.D. No U-22	2,297,000	100	2,297,000
Riverside Community College District	251,471,071	14.889	37,441,528
Mount San Jacinto Community College District	172,650,000	0.025	43,163
Moreno Valley Unified School District	162,268,521	84.208	136,643,076
San Jacinto Unified School District	64,212,349	0.736	472,603
Val Verde Unified School District	128,604,169	36.595	47,062,696
Moreno Valley Unified School District Community Facilities District No. 2002-1	6,255,000	100	6,255,000
Moreno Valley Unified School District Community Facilities District No. 2003-1&2	9,930,000	100	9,930,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	2,300,000	100	2,300,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	4,775,000	100	4,775,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,120,000	100	3,120,000
Moreno Valley Unified School District Community Facilities District No. 2004-4	3,750,000	100	3,750,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	3,800,000	100	3,800,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	24,105,000	100	24,105,000
Moreno Valley Unified School District Community Facilities District No. 2005-1	6,540,000	100	6,540,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,535,000	100	23,535,000
Moreno Valley Unified School District Community Facilities District No. 2007-1	5,015,000	100	5,015,000
Moreno Valley Unified School District Community Facilities District No. 2015-2	6,345,000	100	6,345,000
Moreno Valley Unified School District Community Facilities District No. 2015-3	4,080,000	100	4,080,000
Val Verde Unified School District Community Facilities District No. 98-1	15,190,000	100	15,190,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,560,000	100	2,560,000
Val Verde Unified School District Community Facilities District No. 2014-1	6,900,000	100	6,900,000
Eastern Municipal Water District Community Facilities Districts	13,524,000	100	13,524,000
City of Moreno Valley Community Facilities District No. 5	5,350,000	100	5,350,000
City of Moreno Valley Community Facilities District No. 7, 1.A. No. 1	3,190,000	100	3,190,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	1,580,000	100	1,580,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 380,559,304
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$ 760,133,611	5.628%	\$ 42,780,320
Riverside County Pension Obligations	243,850,000	5.628%	13,723,878
Moreno Valley Unified School District Certificates of Participation	13,980,000	84.208%	11,772,278
San Jacinto Unified School District Certificates of Participation	41,505,000	0.736%	305,477
Val Verde Unified School District Certificates of Participation	57,610,000	36.595%	21,082,380
Western Municipal Water District Certificates of Participation	9,020,960	0.143%	12,900
City of Moreno Valley General Fund Obligations	80,365,000	100%	80,365,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 170,042,233
Less: Riverside County self-supporting obligations			97,764
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 169,944,469
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$ 72,120,000	31.633-100.%	\$ 50,768,986
TOTAL DIRECT DEBT			80,365,000
TOTAL GROSS OVERLAPPING DEBT			521,005,523
TOTAL NET OVERLAPPING DEBT			520,907,759
GROSS COMBINED TOTAL DEBT			601,370,523 (2)
NET COMBINED TOTAL DEBT			601,272,759

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 2018-19 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt	2.41%
Total Direct Debt (\$80,365,000)	0.51%
Gross Combined Total Debt	3.81%
Net Combined Total Debt	3.81%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,253,817,899):

Total Overlapping Tax Increment Debt	1.56%
--------------------------------------	-------

AB: (\$500)

Source: MuniServices, LLC

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

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed Value \$ 15,633,325
 Debt Limit (15% of assessed value) 2,344,999

Debt applicable to limit: -

Total net debt applicable to limit \$ -

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Valuation (in thousands)	\$ 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	\$ 15,633,325
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation (in thousands)	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	3,908,331
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit (in thousands)	407,356	388,758	392,346	397,156	457,487	452,421	490,579	521,618	551,007	586,250
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin (in thousands)	407,356	388,758	392,346	397,156	457,487	452,421	490,579	521,618	551,007	586,250
Total net debt applicable to the limit as a percentage of the debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income ⁽¹⁾	Debt per Capita
	Certificates of Participation	Lease Revenue Bonds	RDA Tax Allocation		Total Governmental Activities	Lease Revenue Bonds	Notes and Other	Total Business-type Activities	Total Business-type Activities				
			Bonds	Notes and Other									
2010	\$ 4,875,000	\$ 44,205,000	\$ 42,605,000	\$ 6,667,850	\$ 98,352,850	\$ 30,285,000	\$ -	\$ 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	-	29,780,000	124,216,668	3.63%	636		
2012	-	38,775,000	- ⁽³⁾	12,405,733	51,180,733	29,245,000	-	29,245,000	80,425,733	2.35%	409		
2013	-	37,855,000	-	12,340,304	50,195,304	28,685,000	-	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	-	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	-	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	-	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	-	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	-	36,185,829	87,597,396	2.24%	422		
2019	18,347,041	29,630,276	-	1,245,000	49,222,317	50,502,630	8,110,892 ⁽⁴⁾	58,613,522	107,835,839	2.64%	518		

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.
- 4) In Fiscal Year 2019 the City and Moreno Valley Utility entered into an Equipment Lease/Purchase Agreement with Banc of America Leasing & Capital for the purchase and retrofit of streetlights.

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>Private Placement</u>	<u>Total Governmental Activities</u>	<u>Percent of Assessed Value</u>	<u>Per Capita</u>
2010	\$ 4,875,000	\$ 44,205,000	\$ -	\$ 49,080,000	0.45%	\$ 260
2011	- ⁽²⁾	39,660,000 ⁽²⁾	3,272,000 ⁽²⁾	42,932,000	0.40%	220
2012	-	38,775,000	3,011,000	41,786,000	0.39%	213
2013	-	37,855,000	2,789,000	40,644,000	0.38%	205
2014	20,000,000	36,394,230	2,555,000	58,949,230	0.53%	296
2015	20,000,000	32,486,745	2,314,000	54,800,745	0.45%	269
2016	20,000,000	33,788,512	2,062,000	55,850,512	0.42%	272
2017	19,391,245	32,324,572	1,800,000	53,515,817	0.38%	259
2018	18,881,643	31,002,924	1,527,000	51,411,567	0.35%	248
2019	18,347,041	29,630,276	1,245,000	49,222,317	0.31%	236

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, AutoMail 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	Principal	Debt Service	Interest	Coverage	Special Tax Levy	Property Tax Increment	Principal	Debt Service	Interest	Coverage	Special Tax Levy	Property Tax Increment	Principal	Debt Service	Interest	Coverage			
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					
2019	-	-	-	-		0.00	429,694	95,000	268,125		1.18	1,171,595	870,000	136,106		1.16					

Community Facilities District No. 7 Improvement Area 1
Special Tax Bonds Series 2016

Fiscal Year Ended June 30,	Towngate Community Facilities District No. 87-1, Improvement No. 1 Special Tax Refunding Bonds (Fund 4105)						
	Special Tax Levy	Property Tax Increment	Principal	Debt Service	Interest	Coverage	
2010	\$ 78,519	\$ 303,573	\$ 190,000	\$ 168,029		1.07	
2011	112,162	277,359	195,000	160,375		1.10	
2012	115,946	274,445	205,000	152,173		1.09	
2013	110,672	275,008	210,000	143,719		1.09	
2014	117,164	275,007	220,000	135,009		1.10	
2015	114,616	277,896	230,000	125,668		1.10	
2016	114,070	280,000	240,000	115,739		1.11	
2017	16,083	275,803	250,000	105,170		0.82	
2018	115,220	278,123	260,000	93,851		1.11	
2019	112,239	279,775	275,000	81,676		1.10	

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>
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%
2019	208,297	4,085,746	19,615	4.7%

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	2019		2010	
			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	10.20%	9,300	37.31%
Amazon	Fulfillment	Retail Distribution	7,500	7.97%		
Riverside University Health Systems Medical Center	Medical Facilities	County Hospital	3,400	3.61%	2,284	9.16%
Moreno Valley Unified School District	Public Sector	Public Schools	3,100	3.29%	3,465	13.90%
Ross Dress for Less / DD's Discounts	Distribution	Retail Distribution	2,400	2.55%	1,200	4.81%
Moreno Valley Mall (excludes major tenants)	Retail	Retail Mall	1,500	1.59%	1,850	7.42%
Kaiser Permanente Community Hospital	Medical Facilities	Hospital/Medical Services	1,457	1.55%	651	2.61%
Skechers USA	Distribution	Retail Distribution	1,200	1.28%		
Harbor Freight Tools	Distribution	Retail Distribution	788	0.84%		
Deckers Outdoor	Distribution	Retail Distribution	700	0.74%		
City of Moreno Valley	Public Sector	Municipal Government			1,128	4.52%
Val Verde Unified School District (MV Only)	Public Sector	Public Schools			959	3.85%
Walgreens	Distribution	Retail Distribution			650	2.61%

"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	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	150	147	125	96	93	94	91	101	104	112
Public Works	146	143	134	122	121	119	118	121	121	121
Community Development	68	59	66	59	49	51	60	51	60	52.5
Parks and Community Services	453	101 (2)	118	112	113	127	138	147	149	142
Animal Services	27	21	19	21	22	22	22	26	22	22
Redevelopment Agency	14	12	0	0	0	0	0	0	0	0
Public Safety (1)	415	407	407	318	286	287	284	291	289	289.5
	<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>	<u>739</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Lane miles of streets	1,076	1,076	1,076	1,095	1,080	1,080	1,080	1,080	1,090	1,122
Number of street lights	11,046	11,260	11,358	11,381	11,449	11,512	11,620	11,694	12,011	12,083
Number of traffic signals	170	173	175	180	182	186	188	191	190	190
Fire protection:										
Number of stations	6	6	6	7	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	6	6	6	2	3	2	2	4
Recreation and culture:										
Parks	37	37	37	37	37	38	38	38	38	38
Maintained acreage of parks	531	532	520	520	520	533	533	540	540	547
Parks under construction	6	1	1	1	1	-	-	-	-	-
Acreage of parks under construction	25.14	12.25	12.75	12.75	12.75	-	-	-	-	-
Multi-use athletic fields	21	21	21	21	21	24	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	42,800	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	11 Miles	11 Miles	11 Miles	12 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	2
Square footage of skate parks	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	23,500
Soccer Arena	0	0	1	1	1	1	1	1	1	1
Nine-hole golf courses	1	1	1	1	1	1	1	1	1	1
Play apparatus	26	26	26	26	26	27	27	28	28	28
Water play features	2	2	2	2	2	2	2	2	2	2
Utilities:										
Residential utility meters	4,904	5,003	5,028	5,091	5,202	5,260	5,365	5,494	5,725	5,953
Commercial utility meters	545	599	592	607	639	652	663	673	694	715

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	80	79	71	72	69	69	69	69	75	75
Volunteers	25	10	16	16	25	18	16	14	11	7
Non-sworn personnel	8	8	8	8	11	13	12	11	10	12
OEM non-sworn personnel	0	0	2	3	3	2	3	3	3	3
Responses to emergency calls	13,530	15,268	14,824	15,905	16,340	17,727	19,006	21,268	19,807	19,753
Inspections and Permits	2,369	3,383	2,304	2,400	3,251	3,445	6,382	4,741	3,737	3,279
Apartment Complex Inspections	0	0	849	872	1,476	1,777	1,943	771	1,160	757
Plan checks	424	358	786	1,218	1,646	1,788	1,317	861	1,202	1,747
Counter/Public inquiries	2,734	2,452	2,671	2,431	2,966	2,683	2,604	2,162	2,472	2,605
Police protection:										
Provided through contract with the County of Riverside Sheriff's Department:										
Sworn officers	184	186	181	181	153	151	150	150	150	150
Classified personnel	54	55	54	51	49	50	50	50	46	44.5
City support personnel	3	3	3	3	2	2	0	0	1	1
Volunteers	62	77	85	77	69	84	72	88	149	62
Responses to Calls:										
Priority 1	519	423	363	425	402	420	461	446	521	473
Priority 1A	1,181	1,274	1,289	1,584	1,500	1,463	1,480	1,398	1,553	1,477
Priority 2	24,938	27,797	26,021	27,733	28,048	28,696	30,294	31,097	31,450	30,544
Priority 3	24,800	27,487	29,393	29,860	28,521	30,499	35,317	33,816	31,841	28,206
Priority 4	16,630	18,625	18,087	17,280	16,662	16,749	17,944	17,841	16,708	15,787
Priority 5	1	1	1	1	63	62	54	18	11	9
Priority 6	0	0	0	0	0	0	0	0	0	0
Priority 7	0	0	0	0	0	1	0	0	0	0
Priority 8	0	1	1	0	0	0	0	0	0	0
Priority 9	279	312	223	347	436	312	295	331	292	296
Cancelled	5,222	5,543	5,991	23,338	26,172	29,095	26,061	22,903	19,210	18,710
Disp/Arr Time Missing	7,638	7,944	8,125	8,941	8,191	9,384	8,807	7,592	7,077	7,493
Same Disp/Arr Time	54,645	54,379	47,638	45,096	40,425	45,041	47,794	67,829	66,269	45,609
T. R. U. Calls	32	37	54	87	76	42	27	39	34	1
Building and Safety:										
Building permits issued	1,645	1,700	1,889	1,797	2,066	2,329	2,411	2,823	4,369	4,499
Counter requests for service	6,611	6,105	6,563	6,407	7,049	7,597	8,066	7,895	9,615	9,572
Planning:										
Planning applications processed	682	644	740	745	752	667	672	494	674	757
Counter requests for services	3,875	3,683	3,853	3,749	3,718	3,527	3,366	3,598	4,018	5,313
Recreation and culture:										
Rounds of golf played	6,638	9,719	n/a	8,209	9,002	7,948	8,237	6,500	7,652	2,635
Community center rentals	1,026	1,005	992	997	1,058	1,087	1,235	1,300	1,026	1,432
Participants in recreation programs	46,561	46,040	48,473	41,992	47,405	43,361	44,000	46,000	48,000	69,430
Utilities:										
Average residential daily consumption (kilowatt hours)	18.5	18.5	19.7	20.7	19.1	20.1	19.7	19.7	20.18	19.63
Average commercial daily consumption (kilowatt hours)	284.4	296.3	371.9	383.0	395.3	573	622.2	646.2	630.75	571.48
New residential connections	93	99	23	63	111	58	105	129	231	228
New commercial connections	5	54	23	15	32	13	11	10	21	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	9	8	7	7
Full-time career status (FTE)	312	283	281	277	299	261	264	262	263	272
Part-time career status (FTE)	29	21	66	22	11	14	15	12	13	14
Animal Shelter visitors (prior year information not available)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31,788

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

Community Services District



COMPREHENSIVE **ANNUAL** FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

CITY OF
MORENO VALLEY
CALIFORNIA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
COMMUNITY SERVICES DISTRICT



FISCAL YEAR ENDED JUNE 30, 2019

We Want To Hear From You!
JOIN the conversation
What Are YOUR Priorities For Moreno Valley?



your tax dollars
AT WORK

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

**Financial Statements
Year Ended June 30, 2019**

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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, 2019, 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, 2019, 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 10, 2019 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.

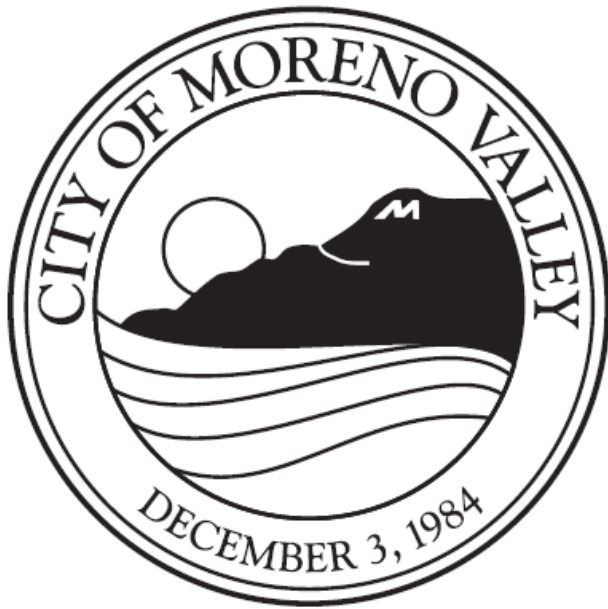
Glendale, California
December 10, 2019

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

**Statement of Net Position
June 30, 2019**

	Governmental Activities
Assets	
Cash and investments (note 2)	\$ 20,850,375
Prepaid costs	8,517
Receivables:	
Accounts	503,914
Due from other governments	310,894
Capital assets not being depreciated (note 3)	1,149,856
Capital assets, net of depreciation (note 3)	20,626,166
Total Assets	43,449,722
 Deferred Outflows of Resources	
Deferred outflows of resources related to pensions (note 4)	1,350,086
Deferred outflows of resources related to OPEB (note 5)	145,240
Total Deferred Outflows of Resources	1,495,326
 Liabilities	
Accounts payable	746,459
Accrued liabilities	104,512
Unearned revenue	477,187
Due to the City of Moreno Valley	77,618
Net pension liability (note 4)	10,766,051
Net OPEB liability (note 5)	823,383
Total Liabilities	12,995,210
 Deferred Inflows of Resources	
Deferred inflows of resources related to pensions (note 4)	687,833
Deferred inflows of resources related to OPEB (note 5)	105,860
Total Deferred Inflows of Resources	793,693
 Net Position	
Net investment in capital assets (note 3)	21,776,022
Restricted for:	
Special zones	9,380,123
Total Net Position	\$ 31,156,145

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, 2019**

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 & cultural	\$ 15,188,092	\$ 5,429,961	\$ -	\$ -	\$ (9,758,131)
Public works	5,932,234	-	-	-	(5,932,234)
Total governmental activities	\$ 21,120,326	\$ 5,429,961	\$ -	\$ -	(15,690,365)
General revenues:					
Taxes:					
Property taxes					5,316,224
Other taxes					6,682,600
Use of money and property					1,433,517
Other					122,682
Capital assets contribution from the City of Moreno Valley					1,349,845
Contributions from the City of Moreno Valley					1,190,892
Total general revenues, contributions, and transfers					16,095,760
Change in net position					405,395
Net position - Beginning of year					30,750,750
Net position - End of year					\$ 31,156,145

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, 2019

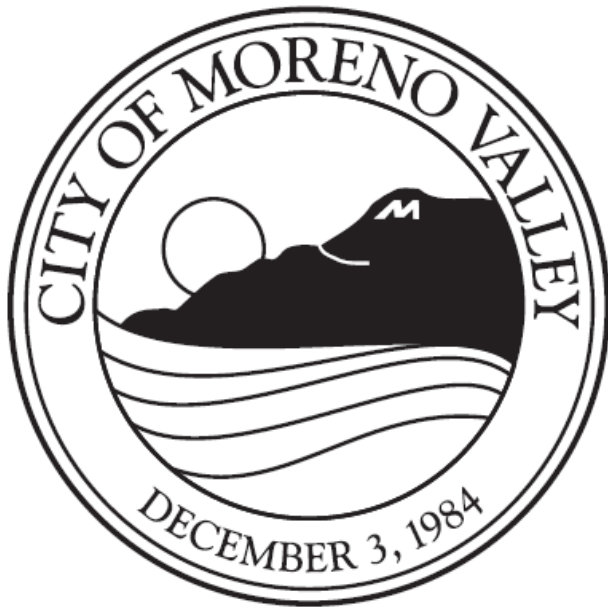
	Special Revenue Funds			
	Zone L Library Services	Zone A Parks & Community Services	Zone E Extensive Landscaping Administration	Landscape Maintenance District No. 2014-02
Assets:				
Pooled cash and investments (note 2)	\$ 1,365,438	\$ 7,327,810	\$ 2,658,489	\$ 5,217,764
Prepays	5,742	2,775	-	-
Receivables:				
Accounts	-	503,914	-	-
Due from other governments	74,356	162,277	76	23,327
Total Assets	<u>\$ 1,445,536</u>	<u>\$ 7,996,776</u>	<u>\$ 2,658,565</u>	<u>\$ 5,241,091</u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,674	\$ 296,403	\$ 45,673	\$ 186,615
Accrued liabilities	-	89,955	-	-
Unearned revenues	-	477,187	-	-
Due to the City of Moreno Valley	-	77,618	-	-
Total Liabilities	<u>1,674</u>	<u>941,163</u>	<u>45,673</u>	<u>186,615</u>
 Fund Balances				
Restricted for:				
Special zones	<u>1,443,862</u>	<u>7,055,613</u>	<u>2,612,892</u>	<u>5,054,476</u>
Total Fund Balances	<u>1,443,862</u>	<u>7,055,613</u>	<u>2,612,892</u>	<u>5,054,476</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,445,536</u>	 <u>\$ 7,996,776</u>	 <u>\$ 2,658,565</u>	 <u>\$ 5,241,091</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, 2019

Special Revenue Funds			
Zone D Standard Landscaping Administration	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 2,218,098	\$ 2,062,776	\$ 20,850,375	Assets:
-	-	8,517	Pooled cash and investments (note 2)
-	-	503,914	Prepays
11,786	39,072	310,894	Receivables:
<u>\$ 2,229,884</u>	<u>\$ 2,101,848</u>	<u>\$ 21,673,700</u>	Accounts
			Due from other governments
			Total Assets
			 Liabilities and Fund Balances
			Liabilities:
\$ 73,037	\$ 143,057	\$ 746,459	Accounts payable
-	14,557	104,512	Accrued liabilities
-	-	477,187	Unearned revenues
-	-	77,618	Due to the City of Moreno Valley
<u>73,037</u>	<u>157,614</u>	<u>1,405,776</u>	Total Liabilities
			 Fund Balances
			Restricted for:
2,156,847	1,944,234	20,267,924	Special zones
<u>2,156,847</u>	<u>1,944,234</u>	<u>20,267,924</u>	Total Fund Balances
<u>\$ 2,229,884</u>	<u>\$ 2,101,848</u>	<u>\$ 21,673,700</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, 2019**

Fund balances of governmental funds		\$ 20,267,924
<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	1,149,856	
Depreciable capital assets, net of accumulated depreciation	20,626,166	21,776,022
<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	(10,766,051)	
Net OPEB liability	(823,383)	(11,589,434)
<p>Deferred outflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds.</p>		
		1,495,326
<p>Deferred inflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the governmental funds.</p>		
		(793,693)
Net position of governmental activities		\$ 31,156,145

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, 2019

	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	\$ 2,226,779	\$ 2,713,160	\$ -	\$ -
Other taxes	-	4,975,351	-	-
Fees and charges for services	34,893	1,139,424	71,551	2,091,603
Use of money and property	-	1,023,849	100,471	173,460
Fines and forfeitures	26,676	-	-	-
Miscellaneous	2	90,624	-	5,230
Total Revenues	<u>2,288,350</u>	<u>9,942,408</u>	<u>172,022</u>	<u>2,270,293</u>
Expenditures				
Current:				
Community and cultural	2,237,824	9,290,693	-	-
Public works	-	-	328,142	2,340,172
Capital outlay	-	55,384	-	-
Total Expenditures	<u>2,237,824</u>	<u>9,346,077</u>	<u>328,142</u>	<u>2,340,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,526</u>	<u>596,331</u>	<u>(156,120)</u>	<u>(69,879)</u>
Other Financing Sources (Uses)				
Transfers in	-	722,176	-	188,771
Transfers out	(23,988)	(8,109)	-	-
Total Other Financing Sources (Uses)	<u>(23,988)</u>	<u>714,067</u>	<u>-</u>	<u>188,771</u>
Net Change in Fund Balances	26,538	1,310,398	(156,120)	118,892
Fund Balances - Beginning of Year	1,417,324	5,745,215	2,769,012	4,935,584
Fund Balances - End of Year	<u>\$ 1,443,862</u>	<u>\$ 7,055,613</u>	<u>\$ 2,612,892</u>	<u>\$ 5,054,476</u>

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, 2019**

Special Revenue Funds			
Zone D Standard Landscaping Administration	Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ 376,285	\$ 5,316,224	Revenues
-	1,707,249	6,682,600	Taxes:
926,198	1,166,292	5,429,961	Property taxes
63,947	71,790	1,433,517	Other taxes
-	-	26,676	Fees and charges for services
-	150	96,006	Use of money and property
990,145	3,321,766	18,984,984	Fines and forfeitures
			Miscellaneous
			Total Revenues
			Expenditures
			Current:
-	1,250,232	12,778,749	Community and cultural
929,716	2,334,204	5,932,234	Public works
-	-	55,384	Capital outlay
929,716	3,584,436	18,766,367	Total Expenditures
			Excess (deficiency) of revenues over (under) expenditures
<u>60,429</u>	<u>(262,670)</u>	<u>218,617</u>	
			Other Financing Sources (Uses)
-	303,933	1,214,880	Transfers in
-	-	(32,097)	Transfers out
60,429	303,933	1,182,783	Total Other Financing Sources (Uses)
			Net Change in Fund Balances
2,096,418	1,902,971	18,866,524	Fund Balances - Beginning of Year
<u>\$ 2,156,847</u>	<u>\$ 1,944,234</u>	<u>\$ 20,267,924</u>	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, 2019**

Net change in fund balances - total governmental funds	\$	1,401,400
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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.

Capital outlay	48,455	
Depreciation expense	(2,178,356)	
Capital assets contribution from the City of Moreno Valley	1,349,845	(780,056)

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.

(215,949)

Change in net position of governmental activities	\$	405,395
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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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 1,965,227	\$ 1,965,227	\$ 2,226,779	\$ 261,552
Fees and charges for services	18,000	18,000	34,893	16,893
Fines and forfeitures	50,000	50,000	26,676	(23,324)
Miscellaneous	2,000	2,000	2	(1,998)
Total Revenues	2,035,227	2,035,227	2,288,350	253,123
Expenditures				
Current:				
Community & cultural	2,433,229	2,470,602	2,237,824	232,778
Total Expenditures	2,433,229	2,470,602	2,237,824	232,778
Excess (deficiency) of revenues over expenditures	(398,002)	(435,375)	50,526	485,901
Other financing sources (uses)				
Transfers in	475,000	-	-	-
Transfers out	-	(23,988)	(23,988)	-
Total Other Financing Sources (Uses)	475,000	(23,988)	(23,988)	-
Net Change in Fund Balances	76,998	(459,363)	26,538	485,901
Fund Balance - Beginning of Year	1,417,324	1,417,324	1,417,324	-
Fund Balance - End of Year	\$ 1,494,322	\$ 957,961	\$ 1,443,862	\$ 485,901

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 2,403,800	\$ 2,403,800	\$ 2,713,160	\$ 309,360
Other taxes	4,930,000	4,930,000	4,975,351	45,351
Fees and charges for services	1,182,900	1,215,500	1,139,424	(76,076)
Use of money and property	771,601	842,269	1,023,849	181,580
Miscellaneous	11,500	30,700	90,624	59,924
Total Revenues	9,299,801	9,422,269	9,942,408	520,139
Expenditures				
Current:				
Community & cultural	9,563,447	9,837,637	9,290,693	546,944
Capital outlay	-	96,799	55,384	41,415
Total Expenditures	9,563,447	9,934,436	9,346,077	588,359
Excess (deficiency) of revenues over expenditures	(263,646)	(512,167)	596,331	1,108,498
Other financing sources (uses)				
Transfers in	524,084	722,177	722,176	(1)
Transfers out	-	-	(8,109)	(8,109)
Total Other Financing Sources (Uses)	524,084	722,177	714,067	(8,110)
Net Change in Fund Balances	260,438	210,010	1,310,398	1,100,388
Fund Balance - Beginning of Year	5,745,215	5,745,215	5,745,215	-
Fund Balance - End of Year	\$ 6,005,653	\$ 5,955,225	\$ 7,055,613	\$ 1,100,388

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 295,600	\$ 70,384	\$ 71,551	\$ 1,167
Use of money and property	23,400	42,200	100,471	58,271
Total Revenues	319,000	112,584	172,022	59,438
Expenditures				
Current:				
Public works	320,547	358,606	328,142	30,464
Total Expenditures	320,547	358,606	328,142	30,464
Excess (deficiency) of revenues over expenditures	(1,547)	(246,022)	(156,120)	89,902
Net Change in Fund Balances	(1,547)	(246,022)	(156,120)	89,902
Fund Balance - Beginning of Year	2,769,012	2,769,012	2,769,012	-
Fund Balance - End of Year	\$ 2,767,465	\$ 2,522,990	\$ 2,612,892	\$ 89,902

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 2,181,800	\$ 2,091,423	\$ 2,091,603	\$ 180
Use of money and property	11,700	42,420	173,460	131,040
Miscellaneous	-	-	5,230	5,230
Total Revenues	2,193,500	2,133,843	2,270,293	136,450
Expenditures				
Current:				
Public works	2,389,330	2,797,334	2,340,172	457,162
Total Expenditures	2,389,330	2,797,334	2,340,172	457,162
Excess (deficiency) of revenues over expenditures	(195,830)	(663,491)	(69,879)	593,612
Other financing sources (uses)				
Transfers in	220,529	188,771	188,771	-
Total Other Financing Sources (Uses)	220,529	188,771	188,771	-
Net Change in Fund Balances	24,699	(474,720)	118,892	593,612
Fund Balance - Beginning of Year	4,935,584	4,935,584	4,935,584	-
Fund Balance - End of Year	\$ 4,960,283	\$ 4,460,864	\$ 5,054,476	\$ 593,612

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 1,201,900	\$ 927,027	\$ 926,198	\$ (829)
Use of money and property	7,400	27,500	63,947	36,447
Total Revenues	1,209,300	954,527	990,145	35,618
Expenditures				
Current:				
Public works	937,750	1,037,175	929,716	107,459
Capital outlay	200,000	400,000	-	400,000
Total Expenditures	1,137,750	1,437,175	929,716	507,459
Excess (deficiency) of revenues over expenditures	71,550	(482,648)	60,429	543,077
Net Change in Fund Balances	71,550	(482,648)	60,429	543,077
Fund Balance - Beginning of Year	2,096,418	2,096,418	2,096,418	-
Fund Balance - End of Year	\$ 2,167,968	\$ 1,613,770	\$ 2,156,847	\$ 543,077

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, 2019**

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, as a blended component unit. 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, 2019 (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, 2019 (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 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 XIIIB 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 (legal level) for most funds is established by the amount of expenditures budgeted at the fund levels. Management control is exercised at 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 fund levels.

For the year ended June 30, 2019, 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, 2019 (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, 2019 (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 \$5,000 or more 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, 2019 (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, 2019 (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 \$20,850,375

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, 2019 (Continued)**

Note 3 Capital Assets

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

	Balances 7/1/2018	Additions	Deletions	Balances 6/30/2019
Non-Depreciable Assets:				
Land	\$ 779,584	\$ -	\$ -	\$ 779,584
Construction	2,093,332	1,404,614	(3,127,674)	370,272
Total Non-Depreciable Assets	<u>2,872,916</u>	<u>1,404,614</u>	<u>(3,127,674)</u>	<u>1,149,856</u>
Depreciable Assets				
Buildings and Improvements	59,928,476	2,279,720	-	62,208,196
Furniture and Equipment	3,366,819	848,569	(94,908)	4,120,480
Total Depreciable Assets	<u>63,295,295</u>	<u>3,128,289</u>	<u>(94,908)</u>	<u>66,328,676</u>
Less Accumulated Depreciation				
Buildings and Improvements	(41,848,682)	(1,824,596)	-	(43,673,278)
Furniture and Equipment	(1,763,451)	(353,760)	87,979	(2,029,232)
Total Accumulated Depreciation	<u>(43,612,133)</u>	<u>(2,178,356)</u>	<u>87,979</u>	<u>(45,702,510)</u>
Total Depreciable Assets, Net of Accumulated Depreciation	<u>19,683,162</u>	<u>949,933</u>	<u>(6,929)</u>	<u>20,626,166</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,556,078</u>	<u>\$ 2,354,547</u>	<u>\$ (3,134,603)</u>	<u>\$ 21,776,022</u>

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

Community and cultural \$ 2,178,356

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2019 (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. Classic CalPERS members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPR CalPERS members with five years of total service are eligible to retire at age 52 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, 2019, 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	32.685%	32.685%	32.685%

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous
Active Employees	307
Retired Employees	349
Inactive Employees	254

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2017
Measurement date	June 30, 2018
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, 2017 valuation were based on the results of a 2014 CalPERS 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, 2019 (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.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Public Equity	51%	4.80%	5.98%
Global Fixed Income	20%	1.00%	2.62%
Inflation Sensitive	6%	0.77%	1.81%
Private Equity	10%	6.30%	7.23%
Real Assets	12%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2019 (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, 2018	\$ 11,350,802
Changes in the year:	
Service Cost	554,813
Interest on the Total Pension Liability	1,898,543
Changes of Assumptions	(229,563)
Differences between Expected and Actual Experience	(293,009)
Net Plan to Plan Resource Movement	44
Contributions - Employer	(864,798)
Contributions - Employees	(233,160)
Net Investment Income	(1,496,979)
Administrative Expense	27,374
Other Miscellaneous Income/(Expense)	51,984
Net Changes	<u>(584,751)</u>
Balance at June 30, 2019	<u>\$ 10,766,051</u>

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

For the year ended June 30, 2019, the District recognized pension expense of \$329,485. At June 30, 2019, 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	\$ 960,515	\$ -
Changes of assumptions	389,571	(136,922)
Differences between expected and actual experiences	-	(178,135)
Net difference between projected and actual earnings on pension plan investments	-	(372,776)
	<u>\$ 1,350,086</u>	<u>\$ (687,833)</u>

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

Note 4 Pension Plans (Continued)

The amount of \$960,515 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, 2020. 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 Ending June 30,		
2019	\$	363,921
2020		(182,217)
2021		(379,406)
2022		(100,560)
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 \$136 per month for 2019. PEMHCA amounts are adjusted on an annual basis.

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2019 (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 June 30, 2018 (the census date), the following employees were covered by the benefit terms:

<u>Category</u>	<u>Count</u>
Active employees	296
Inactive employees or beneficiaries currently receiving benefit payments	270
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, 2019, the City's ADC contribution rate was 4.61% 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 June 30, 2018.

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, 2019 (Continued)**

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

The total OPEB liability for the June 30, 2018 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 2.75%. Individual salary increases based on CalPERS
Investment rate of return	7.28%
Healthcare cost trend rates	6.50% in the first year, trending down to 3.84% 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:

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

Discount rate

The discount rate used to measure the total OPEB liability was 7.28%. 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, 2019 (Continued)**

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

c. Change in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2018	\$ 910,871
Changes for the year:	
Service cost	-
Interest on the total OPEB liability	-
Changes Between Expected and Actual Experience	18,369
Changes of Assumptions	(115,692)
Contribution - employer	-
Net investment income	9,826
Administrative expense	9
Net Changes	(87,488)
Balance at June 30, 2019	\$ 823,383

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

For the year ended June 30, 2019, the District recognized OPEB expenses of (\$28,287). At June 30, 2019, 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
Differences between expected and actual experience	\$ 15,668	\$ -
Changes of assumptions	-	(98,678)
Net differences between projected and actual earnings on OPEB plan investments	-	(7,182)
CSD contribution subsequent to the measurement date	129,572	-
	\$ 145,240	\$ (105,860)

**City of Moreno Valley
Community Services District**

**Notes to Financial Statements
Year Ended June 30, 2019 (Continued)**

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

The amount of \$129,572 reported as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

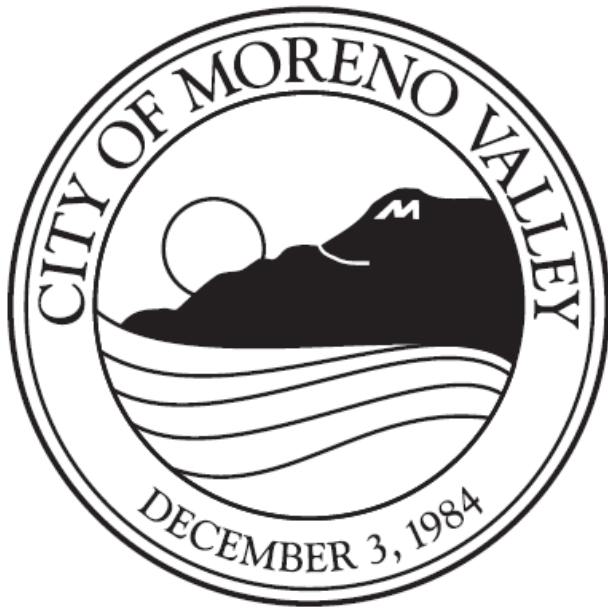
Year Ending June 30		
2020	\$	(25,566)
2021		(25,566)
2022		(4,626)
2023		(11,157)
2024		(12,932)
Remaining		(10,345)

Note 6 Commitments and Contingencies

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

Note 7 Subsequent Events

The District has evaluated events subsequent to June 30, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 10, 2019, 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, 2019**

	Special Revenue Funds		
	Lighting Maintenance District No.	Zone C Arterial Street Lights Administration	Zone M Median
	2014-01		
Assets			
Pooled cash and investments	\$ 102,670	\$ 268,048	\$ 787,330
Due from other governments	15,527	12,747	217
Total Assets	\$ 118,197	\$ 280,795	\$ 787,547
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 39,824	\$ 42,267	\$ 23,191
Accrued liabilities	-	-	-
Total Liabilities	39,824	42,267	23,191
 Fund Balances			
Restricted for:			
Special zones	78,373	238,528	764,356
Total Fund Balances	78,373	238,528	764,356
Total Liabilities and Fund Balances	\$ 118,197	\$ 280,795	\$ 787,547

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

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019**

Special Revenue Funds			
CFD No. 1	Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Governmental Funds	
\$ 772,719	\$ 132,009	\$ 2,062,776	Assets
9,583	998	39,072	Pooled cash and investments
\$ 782,302	\$ 133,007	\$ 2,101,848	Due from other governments
			Total Assets
			 Liabilities and Fund Balances
			Liabilities
\$ 35,974	\$ 1,801	\$ 143,057	Accounts payable
14,557	-	14,557	Accrued liabilities
50,531	1,801	157,614	Total Liabilities
			 Fund Balances
			Restricted for:
731,771	131,206	1,944,234	Special zones
731,771	131,206	1,944,234	Total Fund Balances
\$ 782,302	\$ 133,007	\$ 2,101,848	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
Year Ended June 30, 2019**

	Special Revenue Funds		
	Lighting Maintenance District No. 2014-01	Zone C Arterial Street Lights Administration	Zone M Median
	<u>2014-01</u>	<u>Administration</u>	<u>Zone M Median</u>
Revenues			
Taxes:			
Property taxes	\$ 134,057	\$ 242,228	\$ -
Other taxes	-	427,175	-
Fees and charges for services	954,916	1,640	118,523
Use of money and property	9,215	13,280	26,284
Miscellaneous	-	-	150
Total Revenues	<u>1,098,188</u>	<u>684,323</u>	<u>144,957</u>
Expenditures			
Current:			
Community & cultural	-	-	-
Public works	1,269,814	744,944	270,549
Total Expenditures	<u>1,269,814</u>	<u>744,944</u>	<u>270,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(171,626)</u>	<u>(60,621)</u>	<u>(125,592)</u>
Other Financing Sources (Uses)			
Transfers in	98,183	-	181,762
Total Other Financing Sources (Uses)	<u>98,183</u>	<u>-</u>	<u>181,762</u>
Net change in Fund Balances	(73,443)	(60,621)	56,170
Fund Balances - Beginning of Year	151,816	299,149	708,186
Fund Balances - End of Year	<u>\$ 78,373</u>	<u>\$ 238,528</u>	<u>\$ 764,356</u>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019**

<u>Special Revenue Funds</u>			
<u>CFD No. 1</u>	<u>Zone S Sunnymead Boulevard Maintenance</u>	<u>Total Nonmajor Governmental Funds</u>	
			Revenues
			Taxes:
\$ -	\$ -	\$ 376,285	Property taxes
1,280,074	-	1,707,249	Other taxes
29,443	61,770	1,166,292	Fees and charges for services
19,106	3,905	71,790	Use of money and property
-	-	150	Miscellaneous
<u>1,328,623</u>	<u>65,675</u>	<u>3,321,766</u>	Total Revenues
			Expenditures
			Current:
1,250,232	-	1,250,232	Community & cultural
-	48,897	2,334,204	Public works
<u>1,250,232</u>	<u>48,897</u>	<u>3,584,436</u>	Total Expenditures
78,391	16,778	(262,670)	Excess (deficiency) of revenues over (under) expenditures
			Other Financing Sources (Uses)
-	23,988	303,933	Transfers in
<u>-</u>	<u>23,988</u>	<u>303,933</u>	Total Other Financing Sources (Uses)
78,391	40,766	41,263	Net change in Fund Balances
653,380	90,440	1,902,971	Fund Balances - Beginning of Year
<u>\$ 731,771</u>	<u>\$ 131,206</u>	<u>\$ 1,944,234</u>	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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 91,200	\$ 126,960	\$ 134,057	\$ 7,097
Fees and charges for services	955,700	956,931	954,916	(2,015)
Use of money and property	2,500	2,500	9,215	6,715
Total Revenues	1,049,400	1,086,391	1,098,188	11,797
Expenditures				
Current:				
Public works	1,589,879	1,574,379	1,269,814	304,565
Total Expenditures	1,589,879	1,574,379	1,269,814	304,565
Excess (deficiency) of revenues over expenditures	(540,479)	(487,988)	(171,626)	316,362
Other financing sources (uses)				
Transfers In - Cont from City of Moreno Valley	500,000	348,184	98,183	(250,001)
Total Other Financing Sources (Uses)	500,000	348,184	98,183	(250,001)
Net Change in Fund Balances	(40,479)	(139,804)	(73,443)	66,361
Fund Balance - Beginning of Year	151,816	151,816	151,816	-
Fund Balance - End of Year	\$ 111,337	\$ 12,012	\$ 78,373	\$ 66,361

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

**Budgetary Comparison Statement
Zone C Arterial Street Lights Administration
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 150,200	\$ 201,760	\$ 242,228	\$ 40,468
Other taxes	423,200	427,833	427,175	(658)
Fees and charges for services	10,000	-	1,640	1,640
Use of money and property	2,900	2,900	13,280	10,380
Total Revenues	586,300	632,493	684,323	51,830
Expenditures				
Current:				
Public works	901,354	913,854	744,944	168,910
Total Expenditures	901,354	913,854	744,944	168,910
Excess (deficiency) of revenues over expenditures	(315,054)	(281,361)	(60,621)	220,740
Other financing sources (uses)				
Transfers in	325,000	25,850	-	(25,850)
Total Other Financing Sources (Uses)	325,000	25,850	-	(25,850)
Net Change in Fund Balances	9,946	(255,511)	(60,621)	194,890
Fund Balance - Beginning of Year	299,149	299,149	299,149	-
Fund Balance - End of Year	\$ 309,095	\$ 43,638	\$ 238,528	\$ 194,890

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

**Budgetary Comparison Statement
Zone M Median
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 114,900	\$ 118,299	\$ 118,523	\$ 224
Use of money and property	1,100	7,500	26,284	18,784
Miscellaneous	-	-	150	150
Total Revenues	116,000	125,799	144,957	19,158
Expenditures				
Current:				
Public works	242,528	314,148	270,549	43,599
Capital outlay	-	50,000	-	50,000
Total Expenditures	242,528	364,148	270,549	93,599
Excess (deficiency) of revenues over expenditures	(126,528)	(238,349)	(125,592)	112,757
Other financing sources (uses)				
Transfers in	108,500	182,494	181,762	(732)
Total Other Financing Sources (Uses)	108,500	182,494	181,762	(732)
Net Change in Fund Balances	(18,028)	(55,855)	56,170	112,025
Fund Balance - Beginning of Year	708,186	708,186	708,186	-
Fund Balance - End of Year	\$ 690,158	\$ 652,331	\$ 764,356	\$ 112,025

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

**Budgetary Comparison Statement
CFD No. 1
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Other taxes	\$ 1,296,206	\$ 1,296,206	\$ 1,280,074	\$ (16,132)
Fees and charges for services	26,000	26,000	29,443	3,443
Use of money and property	1,500	1,500	19,106	17,606
Total Revenues	1,323,706	1,323,706	1,328,623	4,917
Expenditures				
Current:				
Community & cultural	1,364,358	1,361,821	1,250,232	111,589
Total Expenditures	1,364,358	1,361,821	1,250,232	111,589
Excess (deficiency) of revenues over expenditures	(40,652)	(38,115)	78,391	116,506
Net Change in Fund Balances	(40,652)	(38,115)	78,391	116,506
Fund Balance - Beginning of Year	653,380	653,380	653,380	-
Fund Balance - End of Year	\$ 612,728	\$ 615,265	\$ 731,771	\$ 116,506

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

**Budgetary Comparison Statement
Zone S Sunnymead Boulevard Maintenance
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fees and charges for services	\$ 59,600	\$ 61,669	\$ 61,770	\$ 101
Use of money and property	600	1,190	3,905	2,715
Total Revenues	60,200	62,859	65,675	2,816
Expenditures				
Current:				
Public works	67,168	68,163	48,897	19,266
Total Expenditures	67,168	68,163	48,897	19,266
Excess (deficiency) of revenues over expenditures	(6,968)	(5,304)	16,778	22,082
Other financing sources (uses)				
Transfers in	-	23,988	23,988	-
Total Other Financing Sources (Uses)	-	23,988	23,988	-
Net Change in Fund Balances	(6,968)	18,684	40,766	22,082
Fund Balance - Beginning of Year	90,440	90,440	90,440	-
Fund Balance - End of Year	\$ 83,472	\$ 109,124	\$ 131,206	\$ 22,082



**City of Moreno Valley
Financial & Management Services**

14177 Frederick Street
Moreno Valley, CA 92552-0805
Tel. 951.413.3021

www.MoVal.org